

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. No. 1 on S.B. No. 103**

The purpose of this bill is to: (1) repeal the statutory section granting the district courts jurisdiction over leased or rented personal property; (2) repeal the statutory provision prohibiting district courts from having jurisdiction over actions for defamation, malicious prosecution, false imprisonment, breach of promise or marriage, or seduction and power to appoint referees in any cause; and (3) raise the statutory qualifications for appointment as a district court judge from a five year minimum to a ten year minimum of licensure.

Your Committee upon further consideration has amended this bill by deleting all of the above sections, and inserting a proposal for a constitutional amendment to raise the minimum qualifications to become a district court judge from five years of licensure to ten years of licensure preceding nomination.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 103, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 103, H.D. 1, C.D. 1.

Senators Menor, Blair, Levin and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hiraki, Bellinger, Takamine and Anderson.  
Managers on the part of the House.

Representatives Bellinger and Anderson did not sign the report.

**Conf. Com. Rep. No. 2 on H.B. No. 2053**

The purpose of this bill is to amend Sections 4, 5, and 6, Article IV, of the Constitution of the State of Hawaii, to conform the sections to federal constitutional laws on apportionment.

Your Committee upon further consideration has made the following amendments to H.B. No. 2053, H.D. 1, S.D. 1:

- (1) Deleted the second, third, and fourth sentences of Section 1;
- (2) Deleted the words "total population or" from the proposed amending phrase "persons of the total population or adjusted population" found in Section 4 and Section 6; and
- (3) Substituted the word "Whenever" for "Where" found on page 4, line 2 of the Senate Draft for the purpose of consistency and clarity.

Your Committee stresses its intention to make clear that the use of the term "adjusted population" means that population adjusted to exclude:

- (1) Nonresident active-duty military personnel and their dependants;
- (2) Resident aliens, should this data be provided by the U.S. Bureau of the Census in future censuses; and
- (3) Other transient populations in the State, should such data be provided by the U.S. Bureau of the Census in future censuses,

providing that the process meets with federal constitutional requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2053, 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. 2053, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hagino, Hiraki, Yoshimura and Anderson.  
Managers on the part of the House.

Representative Yoshimura did not sign the report.

**Conf. Com. Rep. No. 3 on S.B. No. 3341**

The purpose of this bill is to allow eligible foster children who are twenty-one years old or younger to receive foster board allowances if they are attending accredited institutions of higher learning on a full-time basis either in the state or out-of-state.

Your Committee has amended the bill by deleting language that would allow foster board payments to be paid to a designee, other than the foster parents, if approved by the Department of Human Services.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3341, 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. 3341, S.D. 1, H.D. 2, C.D. 1.

Senators McMurdo, Levin and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Fukunaga, Amaral, Ihara Jr., Metcalf, Leong, Duldulao and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. No. 4 on S.B. No. 973**

The purpose of this bill is to clarify and improve the effectiveness of the budgetary process of the Office of Hawaiian Affairs (OHA). Specifically, the bill would amend chapter 10, Hawaii Revised Statutes, to require OHA to prepare and submit budgets, a six-year program and financial plan, and a variance report to the Legislature utilizing the same submission schedules specified for the governor in chapter 37, Hawaii Revised Statutes, and containing the program information specified in that chapter to the extent applicable to OHA. The bill would also require OHA to submit to the Legislature each year an accounting of the expenditures made in the prior fiscal year and would clarify that the annual report to be submitted to the Legislature each year is the annual report covering the prior fiscal year. The bill would also require OHA to provide opportunities for beneficiaries in every county to participate in the preparation of each biennial and supplemental budget. Finally, the bill would require OHA to submit progress reports, by December 31, 1990 and December 31, 1991, on management improvements and the effectiveness of OHA's programs.

Your Committee finds it appropriate to request reports at the end of 1990 and the end of 1991 to ensure that progress is made in improving the management of the office. Each report must include the problems or shortcomings identified by internal and external reviewers; the causes of the problems or shortcomings; the plans and timetable to address the problems or shortcomings; the organizational units responsible for making improvements; the criteria and means by which program effectiveness has been or will be evaluated, including the impact on beneficiaries; and any assessments of effectiveness.

Your Committee also notes that it specifically intends that the office of Hawaiian affairs, in holding public hearings or meetings on proposed biennial or supplemental budgets, will prepare a proposed budgetary document with sufficient detail and make copies of the proposed budgetary document available in advance of the public hearing or meeting. In this way, beneficiaries will have an adequate opportunity to review and make comments on the specifics of OHA's budgetary proposals prior to their finalization by the board of trustees and submittal to the Legislature.

Your Committee upon further consideration has made the following amendments to S.B. No. 973, S.D. 2, H.D. 1:

- (1) Changed the effective date of the amendments to chapter 10, Hawaii Revised Statutes, from July 1, 1990 to July 1, 1992 in order to provide OHA with adequate time to incorporate the new budgetary procedures into its management and operational processes, with the exception that the requirement that beneficiaries in every county be provided opportunities to participate in the preparation of each biennial and supplemental budget will take effect on July 1, 1990; and
- (2) Clarified that the accounting of expenditures report be submitted to the Legislature "not less than" twenty days before each "regular session" of the Legislature, in accordance with standard reporting requirements.

Your Committee on Conference is in accord with the intent and propose of S.B. No. 973, 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. 973, S.D. 2, H.D. 1, C.D. 1.

Senators Crozier, Solomon and Reed.  
Managers on the part of the Senate.

Representatives D. Ige, Souki, Isbell, Kanoho, Tajiri and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 5 on S.B. No. 2699**

The purpose of this bill is to amend the Hawaiian Homes Commission Act, 1920, to authorize the Department of Hawaiian Home Lands (DHHL) to extend the term of leases on Hawaiian home lands. The maximum lease extension would be for a period of one hundred years, in addition to the original ninety-nine year term. The bill would also amend the Hawaiian Homes Commission Act, 1920, to clarify that any condition imposed by the Department requiring a lessee to occupy and commence use of leased land within one year after the "lease is made" means after the "commencement of the term of the lease," rather than after the lease is executed. Similarly, the bill would clarify that the seven-year tax exemption for original lessees "from date of lease" means "after the commencement of the term of the lease," rather than after the lease is executed. Finally, the bill would amend the Hawaiian Homes Commission Act, 1920, to exempt lessees from real property taxes assessed upon the tract of land leased, with lessees only being responsible for payment of taxes on improvements placed on the land.

Your Committee, upon further consideration, has amended S.B. No. 2699, S.D. 1, H.D. 1, to delete the provision which would have exempted lessees of Hawaiian home lands from the payment of taxes on the tract of land leased. While your Committee is sympathetic to the financial plight of many homesteaders, particularly those homesteaders who received unimproved lots during the 1984-1987 Accelerated Award Program which cannot be occupied or used, your Committee felt compelled to defer the proposed tax exemption, at least until the counties are fully consulted. Any change to the real property tax laws of this magnitude could have a substantial impact on revenues available to the counties. In this regard, your Committee supports adoption of S.C.R. No. 41, S.D. 1, requesting comments from the counties on this proposed real



property tax law change, including information on the true value of Hawaiian home lands leased to native Hawaiians given the many restrictions placed on these lands. Your Committee has also made minor grammatical and technical amendments to S.B. No. 2699, S.D. 1, H.D. 1, which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2699, 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. 2699, S.D. 1, H.D. 1, C.D. 1.

Senators Crozier, Cobb and Reed.  
Managers on the part of the Senate.

Representatives D. Ige, Isbell, Bellinger, Hiraki and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 6 on H.B. No. 2233**

The purpose of this bill is to define the boundaries of the state marine waters as extending twelve nautical miles seaward from the upper reaches of the wash of the waves on shore and the archipelagic waters. It also defines the territorial sea as the waters and seabed extending seaward to twelve nautical miles from the baseline of the United States as determined in accordance with international law and as established by Presidential Proclamation 5928, dated December 27, 1988. In addition, it redefines the Coastal Zone Management Area.

Your Committee finds that limiting state marine waters to twelve nautical miles would exclude Hawaii's marine waters' baselines and restrict the outer extension of the marine waters. It is conceivable that, in the future, the State would want to allow flexibility in interpreting Hawaii's present and future claims and eventually assert its police power and management authority to the extent of the 200 mile Exclusive Economic Zone.

Your Committee recognizes that specifically citing archipelagic claims is not necessary and would confuse proprietary and sovereignty issues with police power and management.

Therefore, your Committee has amended this bill by:

- (1) Defining state marine waters as extending from the upper reaches of the wash of the waves seaward to the limit of the State's police power and management authority, including the U.S. territorial sea;
- (2) Deleting Section 8 which references the definition of territorial sea, and renumbering the sections to be consecutive;
- (3) Amending the definition of "Coastal Zone Management Area" to make the seaward portion of the State's coastal zone management area consistent with the new definition of State marine waters; and
- (4) Making a technical, nonsubstantive change for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2233, 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. 2233, H.D. 1, S.D. 1, C.D. 1.

Senators Matsuura, Holt and George.  
Managers on the part of the Senate.

Representatives Bunda, Metcalf, Bellinger, Kanoho, Say and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 7 on H.B. No. 1023**

The purpose of this bill is to add a new part to Chapter 342, Hawaii Revised Statutes, to require that all plastic containers have labels indicating the plastic resin used to produce the plastic container product.

Your Committee finds that mandatory plastic coding would facilitate the ability to recycle plastic, which in turn could reduce the amount of plastic in the solid waste stream.

Act 212, Session Laws of Hawaii, repealed Chapter 342 and replaced it with seven new chapters dealing with environmental quality. Accordingly, your Committee has amended this measure by deleting reference to the repealed chapter, and adding a new part to Chapter 342H, which relates to Solid Waste Pollution.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1023, 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. 1023, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Hagino and Reed.  
Managers on the part of the Senate.

Representatives Andrews, Apo, Hiraki, Honda, Kanoho and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 8 on H.B. No. 2368**

The purpose of this bill is to exempt persons possessing disabled parking placards from paying metered parking fees in any metered parking space for a maximum of two-and-one-half hours or the maximum amount of time the meter allows, whichever is longer.

Your Committee on Conference finds that assessing meter fees for a patron of a disabled parking stall is not a feasible means of parking fee assessment. Your Committee on Conference further finds that in situations where all disabled parking stalls are occupied, a disabled driver may find it necessary to park in a regular metered parking stall. Your Committee on Conference also finds that there are situations where a disabled driver may have a disability which makes it difficult, or precludes that individual from feeding a parking meter.

Your Committee has amended this bill as follows:

- (1) By limiting the exemption from metered parking fees in regular parking stalls to disabled drivers only;
- (2) By deleting the requirement for a special placard; and
- (3) By requiring that placard holders be responsible for all parking fees except those specifically exempted.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2368, 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. 2368, H.D. 1, S.D. 1, C.D. 1.

Senators Fernandes Salling, McCartney and George.  
Managers on the part of the Senate.

Representatives Oshiro, Shon, Bybee, Tajiri and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 9 on H.B. No. 2014**

The purpose of this bill is to create a definition of a pickup truck in Section 291-14, Hawaii Revised Statutes. The new definition defines a pickup truck as a light truck with a cab on the front part of the vehicle covering the driver's seat, and an open bed behind the cab designed primarily to transport property or cargo, with sides and a tailgate to retain the contents within the confines of the bed, and has a maximum gross vehicle weight rating (GVWR) of 10,000 pounds or less. This bill also deletes the section exempting vehicles engaged in business related activities and businesses that serve the public, making the statute applicable to all pickup trucks.

Upon further consideration, your Committee on Conference has agreed to amend this bill by retaining the current statutory provisions regarding exemptions for persons or corporations operating a business or businesses that serve the public, who or which are subject to the jurisdiction, supervision, and regulations prescribed by state agencies or departments, and their agents or employees when engaged in the business of such persons or corporations.

Technical, non-substantive amendments were also made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2014, 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. 2014, H.D. 1, S.D. 1, C.D. 1.

Senators Fernandes Salling, Nakasato and George.  
Managers on the part of the Senate.

Representatives Oshiro, Metcalf, Bybee, Yoshimura and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 10 on H.B. No. 3125**

The purpose of this bill is to amend Section 473D, Hawaii Revised Statutes, by requiring that rental motor vehicles display a decal stating Hawaii's seat belt and child passenger restraint laws, and the prohibition against driving under the influence of intoxicating liquor. This bill further requires that the requirements and penalties of Hawaii's seat belt and child passenger restraint laws, and the prohibitions against and penalties for driving under the influence of intoxicating liquor be printed on a card which shall be placed in the glove compartment of every rental motor vehicle.

Your Committee on Conference finds that motor vehicle rental companies have been having a difficult time reducing the information presently required by statute to a reasonable size. Your Committee on Conference agrees that a decal displayed at all times would suffice as long as a card is placed in the glove compartment of the rental motor vehicle which states the penalties for violations of the seat belt and child restraint laws, and prohibitions against and penalties for driving under the influence of intoxicating liquor.

Your Committee on Conference has amended this bill by requiring that the decal contain information on the location of the card, which includes the requirements and penalties of Hawaii's seat belt and child passenger restraint laws, and the prohibitions against and penalties for driving under the influence of intoxicating liquor.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3125, 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. 3125, H.D. 1, S.D. 1, C.D. 1.

Senators Fernandes Salling, Nakasato and George.  
Managers on the part of the Senate.

Representatives Hirono, Oshiro, Hirayama Jr., Yoshimura and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 11 on H.B. No. 2131**

The purpose of this bill is to help alleviate the shortage of nurses in Hawaii by streamlining the examination requirements for foreign-trained nursing applicants. The bill also:

- (1) Provides for a temporary permit under which a registered nurse or licensed practical nurse may work for a Hawaii employer pending verification of the person's license from another state; and
- (2) Authorizes a nonrenewable permit for the practice of nursing by a graduate of a school whose accreditation is recognized by the Board, as long as the candidate enters the first licensing examination scheduled by any board of nursing recognized by the Hawaii Board and submits an application for a license to practice in this State. This permit would be valid for three months or until the results of the licensing examination are received by the Board, whichever comes first.

Your Committee on Conference has amended SECTION 4 of this bill by inserting the words under subsection (3) on page 7, line 10, "...which is in or under the jurisdiction of the United States, and...." Your Committee on Conference finds that this amendment is needed in order to clarify the intent of this section.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2131, 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. 2131, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Hagino, Tungpalan and Koki.  
Managers on the part of the Senate.

Representatives Shon, Arakaki, Kawakami, Leong and Liu.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 12 on H.B. No. 3256**

The purpose of this bill is to amend Chapter 453, Hawaii Revised Statutes, to amend the present requirements for licensure to practice medicine.

This bill, as it passed the House, opened a window of opportunity for a particular individual to obtain a medical license. The Senate had amended this bill because it was concerned that licensure requirements should apply to all licensure applicants and not geared to one individual.

However, in view of the circumstances in this particular case, your Committee also sees merit in correcting a situation in which a particular individual had been accepted into his residency program and successfully completed the requirements for licensure, but was denied taking the examination for licensure. Therefore, upon further discussion, this bill has been amended by deleting Section 1, and by inserting language in order to allow this individual an opportunity to take the examination for licensure.

Your Committee notes that it does not anticipate that other applicants would become licensed under this temporary modification of the licensure rules. The modification corrects a situation where an applicant for licensure was allowed to complete a University of Hawaii medical residency program without taking the Educational Commission for Foreign Medical Graduates examination. Further, your Committee does not believe that this modification will be a threat to the health and safety of the public.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3256, 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. 3256, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Chang and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Cachola, Hayes, Shon and Cavasso.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 13 on H.B. No. 2011**

The purpose of this bill is to add language to Section 291C-131, subsection (g), Hawaii Revised Statutes, to provide the courts with the discretion to assess penalties for the improper transportation of leads against a previously cited driver or a previously cited vehicle for subsequent violations.

Your Committee on Conference finds that under current statutes, the criteria for determining second and third violations are compiled against a vehicle and not the driver at the time of the violation. Your Committee on Conference further finds that increasing the fines for the improper transportation of loads is justified in light of the immense danger that such illegally loaded vehicles pose on our highways. Your Committee on Conference further finds that increasing fines would act to enhance voluntary compliance with the law regarding the improper transportation of loads.

Upon further consideration, your Committee on Conference has amended this bill by raising the monetary penalties for all violations under this section.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2011, 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. 2011, H.D. 1, S.D. 1, C.D. 1.

Senators Fernandes Salling, Nakasato and George.  
Managers on the part of the Senate.

Representatives Oshiro, Metcalf, Baker, Hirayama and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 14 on H.B. No. 2008**

The purpose of this bill is to grant exemptions to pupil transportation restrictions in order to allow the transportation of pupils by vehicles other than school vehicles. This bill allows exemptions to be granted for the transportation to and from school-related functions in accordance with criteria developed by the Departments of Education and Transportation. This bill also allows exemptions for the transport of private school pupils to and from school, on a case-by-case basis, by a ridesharing program recognized by the Department of Transportation.

Your Committee on Conference finds that occasions occur in which a school bus may not be the most appropriate means of transporting students to and from school functions or school-related activities. Your Committee on Conference also finds that while school buses are equipped with certain features which enhance their safety, an adequate supply of school buses may not be available at certain times of the day to meet the student transportation needs for school-related functions or activities.

Your Committee on Conference also finds that exemptions on a case-by-case basis for students requiring special education or special services is also needed since the transportation of these pupils requires specialized vehicles for which there may be an inadequate supply of appropriate school vehicles.

Your Committee on Conference has amended this bill by deleting provisions allowing for the granting of exemptions, on a case-by-case basis, for the transport of private school students to and from school. Your Committee on Conference has further amended this bill by authorizing exemptions, on a case-by-case basis, for the transportation of students requiring special education and services. Technical, non-substantive amendments were also added for the purpose of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2008, 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. 2008, H.D. 1, S.D. 1, C.D. 1.

Senators Fernandes Salling, B. Kobayashi and Koki.  
Managers on the part of the Senate.

Representatives Oshiro, Tam, Baker, Hirayama Jr., Ige, Yonamine and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 15 on H.B. No. 2994**

The purpose of this bill is to amend Section 267-3, Hawaii Revised Statutes by adding three new definitions of commercial high speed boating, open ocean racing boat, and water sledding. In addition, the purpose is to require the Department of Transportation to adopt rules to designate areas of the waters of the State and time periods during which ocean recreation thrill crafts, parasailing, commercial high speed boating, and water sledding may be operated; to comply with and implement the official recommendations of the National Marine Fisheries Service with regard to the protection of protected marine life and habitats; to begin restrictions from October 1, 1990; and to prohibit operation of a thrill craft, water sledding or commercial high speed boating, or operation of a motorized vessel towing a person engaged in water sledding in the designated areas during weekends and state holidays.

Your Committee finds that the operation of ocean recreation vehicles has caused serious adverse impacts on ocean congestion and public safety. In addition, your Committee is aware that increased water sports activities in our ocean are in dire need of regulation.

Your Committee is also mindful that the operation of thrill crafts and high-speed motorized vessels during certain times of the year poses an unacceptable risk of harm to endangered sea creatures such as migratory humpbacked whales and sea turtles due to the underwater noise of these vessels adversely disrupting the whale's acoustical environment, its mating system and threatening the survival of calves.

Therefore, your Committee has agreed to adopt the language of both the House and the Senate and amended this bill to include the following:

- (1) Stating how ocean recreation vessels create harm to endangered humpback whales and are a nuisance to the residential community;
- (2) Indicating that priority should be given to non-commercial recreational use;
- (3) Stating that commercial activities are banned on Oahu at Kaneohe Bay and Maunaloa Bay on weekends and state and federal holidays and that all commercial ocean recreation activities are prohibited on all Sundays at these two areas starting January 1, 1991;
- (4) Stating that between December 15 and May 15 of each year, no person shall operate a thrill craft, or engage in parasailing, water sledding, or commercial high speed boating, or operate a motor vessel towing a person engaged in water sledding or parasailing on the west and south coast of Maui;
- (5) Designating the exact areas and commercial zones of ban on Oahu and Maui; and
- (6) Adding a severability clause.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2994, 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. 2994, H.D. 1, S.D. 1, C.D. 1.

Senators Holt, Ikeda, McCartney and Koki.  
Managers on the part of the Senate.

Representatives Bunda, Metcalf, Say, Stegmaier and Yoshimura.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 16 on H.B. No. 2878**

The purpose of this bill is to establish a voluntary reimbursable inspection program of "exotic animal" or game meats. As defined in this bill, "exotic animal" means any cloven-hoofed ruminant (cud chewing) animal considered feral (wild) in nature, other than domestic cattle, sheep, goats, or equines. For the purposes of this bill, domestic rabbits also are considered "exotic animal."

Your Committee finds that this new inspection service program is needed, because raising exotic animals for human consumption may become a viable agricultural industry in Hawaii as it has in other areas such as Texas and New Zealand. To cultivate and sustain the market demand, it is essential that the producers and processors of exotic animals provide assurance that their products are wholesome, properly marked, labeled, and packaged.

Currently, the Department of Agriculture (DOA) is conducting a trial inspection program for axis deer slaughtered on Lanai. The DOA also anticipates similar requests for inspection services for elk on Maui, American Bison on Kauai, antelope and axis deer on Molokai, and rabbit on Hawaii and Maui.

Your Committee's deliberations focused on the question whether a revolving fund for the exotic animal meat inspection service program (where reimbursements for services would be deposited into the revolving fund instead the general fund) is needed as proposed in the House draft version of this bill. While in agreement that a revolving fund would provide DOA with a programming, budgeting, and bookkeeping remedy for this emerging service program, your Committee believes that it would be in the public interest, for the time being, to refrain from establishing the revolving fund and to retain legislative flexibility and control in directing overall spending priorities through general fund appropriations.

Your Committee has therefore agreed to adopt the Senate draft version of this bill with the intent to use the development of this new service program as a pilot for further study and redirection. Upon further consideration, your Committee has amended this bill as follows:

- (a) Deleted the annual report provision in Section 1 (lines 11-17 on page 2 of this bill, as received); and inserted a new Section 16 (lines 22-23 on page 34 and lines 1-5 on page 35 of this bill, as amended) to revise the report provisions to the Legislature from an annual report to a report prior to the convening of the regular session of 1991;
- (b) Included the drop dead provision in Section 18 (lines 8-9 on page 35 of this bill, as amended) to allow the Legislature to review the manner in which the legislation has worked;
- (c) Renumbered the appropriate sections for consistency; and
- (d) Made technical, nonsubstantive amendments to the bill for the purpose of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2878, 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. 2878, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Aki and Reed.  
Managers on the part of the Senate.

Representatives Honda, Metcalf, Fukunaga, Baker and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 17 on H.B. No. 1660**

The purpose of this bill is to amend the Statute of Frauds, Section 656-1, Hawaii Revised Statutes, to prohibit an action against a person upon an agreement by the person to lend money or extend credit in an amount greater than \$50,000 unless the promise or contract is in writing and signed by the person charged or a duly authorized representative.

Your Committee finds that several states have enacted similar measures to forestall suits claiming failure of a party to keep an oral promise to lend money or extend credit.

Your Committee believes that this bill will add certainty in deciding when the borrower can consider the lender committed. This bill makes it clear that the commitment is made when a letter of commitment is signed.

Your Committee wishes to emphasize that there is nothing in this bill which will prevent a successful action against a lender that commits fraud. Traditional common law remedies will continue to apply.

Your Committee has amended this bill by clarifying that "financial institutions" includes both state and federally chartered institutions to comport with the intent to include all financial institutions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1660, 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. 1660, H.D. 1, S.D. 2, C.D. 1.

Senators Menor, Aki, Blair and Reed.  
Managers on the part of the Senate.

Representatives Hirono, Hagino, Hiraki, Takamine and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 18 on H.B. No. 3380**

The purpose of this bill is to clarify that when the board of directors of an association of apartment owners borrows money on behalf of the association, the owners owning fifty percent of common interest and units give written consent; mandate a developer to include among the list of items required to be disclosed, a statement of the availability and number of wheelchair accessible residential units in the project; and mandate that the real estate commission provide an annual report to the legislature.

Your Committee believes that to increase the public's knowledge of the availability of accessible units would create more awareness on the part of developers and would also allow persons with disabilities to become homeowners. Therefore, your Committee has amended this bill to more accurately reflect the language which describes the design requirements mandated by the federal Fair Housing Act Amendments of 1988 for new construction of multi-family dwellings.

Before the board of directors of an association may borrow money, current statutory language requires the written consent of owners representing fifty percent of the common interest and fifty percent of the "owners." The use of the term "units" in this bill, rather than "owner," allows an authorized co-owner, including either spouse in a tenancy-by-the-entirety, to vote for that unit. It avoids the need for a vote by each "owner." Your Committee recognizes and intends that each condominium apartment should be given equal weight on the issue of borrowing of money, as all owners will bear the repayment responsibility. Thus, the owner of a small studio, who does not want the association to borrow, will be given equal weight with the owner of a larger three bedroom unit who supports the associations's borrowing. The "common interest" requirement is retained to give the owners of larger units an enhanced ability to prevent, but not endorse, borrowing. This safeguard was desired. Your committee has amended this bill by replacing the word "unit" with "apartment" since "apartment" is defined in this statute.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3380, 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. 3380, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Cobb and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Hayes, Hiraki, Shon and Anderson.  
Managers on the part of the House

**Conf. Com. Rep. No. 19 on H.B. No. 2295**

The purpose of this bill is to require charitable organizations, professional fund-raising counsel, and professional solicitors to file an annual report with the State and to require the Director of Commerce and Consumer Affairs to publish an annual listing of information relating to charitable organizations, professional fund-raising counsel, and professional solicitors.

Your Committee believes that the enforcement remedies regarding the fund-raising activities of professional fund-raising counsels and professional solicitors who assist charitable organizations with their fund-raising need to be strengthened. The bill is designed to provide greater information to the public as to the activities of professional fund-raising counsel and professional solicitors in order to allow consumers to make informed choices regarding their decision to donate money to worthy causes as well as to prevent fraud.

The House exempted flat fee agreements from the bill's provisions while the Senate deleted this exemption. The House and Senate positions reflect legitimate concerns regarding the problems and abuses to be addressed and the appropriate scope of regulation. Your Committee believes these issues require further consideration and review before statutory implementation. Therefore, your Committee has eliminated the bill's provisions relating to the filing of agreements pending further review.

This bill was also amended to require that the financial statement required to be filed, be certified. While this certification requirement may result in additional expenses for a small charitable organization, your Committee believes that a certified financial statement is necessary in order to investigate wrongdoing by a fund-raising organization. However, your Committee had amended this bill to also stipulate that the certified financial statement would only be requested when there were reasonable grounds to believe that a violation has taken place.

Your Committee has also restored the "demand" language in Section 6 of the bill in order to track the "demand" wording already used in the existing statute. Technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2295, 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. 2295, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Cobb, A. Kobayashi and George.  
Managers on the part of the Senate.

Representatives Hirono, Bellinger, Hiraki, Yoshimura and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 20 on H.B. No. 3149**

The purpose of this measure is to amend the definition of development as stated in Chapter 205A-22, Hawaii Revised Statutes (HRS), relating to Special Management Areas of the coastal zone.

The Legislature has found that added control of development within the area along the shoreline is necessary to avoid the permanent loss of valuable resources and the foreclosure of management options. This added control is also necessary to ensure that adequate access, by dedication or other means, to public owned or used beaches, recreation areas, and natural reserves is provided. Furthermore, the Legislature previously determined that it is the state policy to preserve, protect, and where possible, to restore the natural resources of the coastal zone of Hawaii.

Your Committee has therefore concurred that it is necessary to clarify that development includes nonstructural commercial uses, unless they are specifically exempted in ordinances adopted by the legislative body of the respective county. Your Committee has further determined that nonstructural public recreational uses which do not constitute commercial activity and nonstructural uses in public harbors designated in rules adopted under chapter 266, HRS, are not development.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3149, 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. 3149, H.D. 1, S.D. 1, C.D. 1.

Senators Matsuura, Holt and George.  
Managers on the part of the Senate.

Representatives Andrews, Bunda, Hagino, Kanoho, Stegmaier and O'Kieffe.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 21 on H.B. No. 3299**

The purpose of this measure is to promote energy conservation through the amendment of the energy objectives of the state plan to include reference to demand-side management programs, and to provide for increased income tax credits for solar energy systems and ice storage systems. In addition, the statutory provisions concerning energy credits have been amended to provide for monetary caps on the income tax credit allowed for the installation of solar energy systems and heat pumps on residential, single, and multiple family buildings.

Throughout the legislative session, this bill has been intertwined with a bill to provide for the institution of demand-side management programs through the public utilities commission. The bill to provide for these programs was held in committee and instead the provisions of this bill amend the energy objectives of the state plan to provide for demand-side management programs. The public utilities commission has initiated a docket to investigate integrated resources planning, a component of which is demand-side management. Integrated resources planning requires the assessment of all known resources for the production of energy against an array of broadly-defined cost benefit considerations. Demand-side activities, a component of integrated resource planning, involve actions on the customer side of the use of energy and are deliberate direct or indirect interventions by a utility with the consumer to change the configuration or magnitude of the utility systems load shape. Many of these activities consist of conservation programs such as subsidized loans and rebates, load management programs, and innovative utility rate design. Voluntary conservation measures, such as the purchase of energy-efficient appliances without direct influences by the utility, are not considered demand-side programs.

Utilities across the nation are now using demand-side management programs and some have been doing so for ten years. Thirty-eight states have mandated load management programs; thirty-two states have mandated conservation programs; and thirty-five states use rates to promote demand-side activities. It is the belief of your Committee that the

Public Utilities Commission, through the integrated resources planning docket, will provide the necessary thrust to bring Hawaii up-to-date in this area. To appropriately serve an island state, the Public Utilities Commission and the utility companies must create cost-effective demand-side management programs which will reduce the continued expansion of generators and the reliance on fossil fuels. We must have energy security for the State of Hawaii.

In order to assist the Public Utilities Commission in reaching an integrated resources plan with a strong demand-side component, the Department of Business and Economic Development is requested to assist the Public Utilities Commission in securing the use of oil surplus monies (oil over charge) to facilitate the development of an integrated resources plan for each utility and to ensure a strong demand-side management component in the plan.

As part of the thrust for energy conservation in this measure, there are provisions which increase the income tax credits for solar energy systems and ice storage systems. In addition, this measure places monetary caps on the amount of the credit which may be claimed for solar energy systems and heat pumps. Upon reviewing this bill, your Committee found that the income tax credits for the installation of solar energy systems for industrial and commercial buildings have been deleted from the statutory provision; accordingly, your Committee has restored those provisions. Because the credits and the definitions have been amended, your Committee has bifurcated the provisions of the statute in order to cleanly separate the old provisions from the new provisions. The amount of the monetary tax credit caps (caps) in the bill as received by your Committee were based on earlier drafts with higher income tax credit percentages. Your Committee has reduced these caps to properly reflect the income tax credit percentages in this current drafting. Your Committee has added a provision to clarify the method of determining the application of the caps to a multi-unit building by floor area. The provisions which did not allow developers to claim the credits have been deleted, as they related to prior versions of the bill which would have required the installation of certain energy devices.

Existing energy credit law provides for an increase in the credits to 20 percent after December 31, 1989. This bill however, will change the amount of the credits to 35 percent for solar energy systems and 50 percent for ice storage systems. Therefore, your Committee has changed the existing law to reflect the 15 percent credit which is available after December 31, 1985, through December 31, 1989. The new provisions in Section 235-12 (b), Hawaii Revised Statutes, as amended by your Committee reflect the proper credit percentages.

Your Committee also has made technical amendments for the purposes of clarity and form.

Your Committee is of the opinion that with the increase in energy credits for nonfossil fuel systems and the general revision of the statutory provisions for energy credits coupled with the cost-effective demand-side energy programs expected from the Public Utilities Commission and the utilities of this State, Hawaii is on course for, if not energy independence, at least energy security and control of its energy destiny.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3299, 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. 3299, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Matsuura and George.  
Managers on the part of the Senate.

Representatives Andrews, Souki, Fukunaga, Honda, Kanoho and O'Kieffe.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 22 on H.B. No. 2294**

The purpose of this bill is to ensure that surcharges and credits on no-fault insurance are reasonable and that consumers are properly informed about them.

This bill allows rates for surcharges and credits to be deemed approved if the Insurance Commissioner does not object within sixty days of filing and mandates that prospective insureds be furnished with a written explanation of the purpose and rates for the surcharge or credit.

Your Committee believes that based on the assurance by the Insurance Division that each of these rate filings would be reviewed and objections sent to the insurer within the sixty-day period, if appropriate, a file and use, rather than prior approval, procedure for these surcharges and credits is appropriate.

Your Committee agrees that a written explanation of surcharges and credits should be provided to the prospective insured and has amended this bill by clarifying that the written explanation should describe the reason for the surcharge or credit and how the amount of the surcharge or credit is determined. This information, while general in nature, will serve notice to the prospective insured that the insurer utilizes surcharges or credits. It is hoped that the information provided will prompt prospective insureds to inquire about the actual amounts of the surcharges or credits, which vary greatly from insurer to insurer.

Rate filings filed with the Insurance Commissioner as of the effective date of this Act will be grandfathered. However, in light of the fact that the filings should be reviewed by the Insurance Commissioner, your Committee has amended this bill to allow one year for insurance companies to file their rates for surcharges and credits with the Insurance Commissioner. Your Committee notes that in order to allow the Insurance Commissioner time to examine the rates, insurance companies should not wait until the last possible time to file these rates.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2294, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2294, S.D. 1, C.D. 1.

Senators Blair, Cobb, Ikeda and Koki.



Managers on the part of the Senate.

Representatives Hirono, Hiraki, Okamura, Takamine and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. No. 23 on H.B. No. 2301**

The purpose of this bill is to provide for the election of the Board of Education members through a system of primary and general elections while retaining the nonpartisan character of these elections.

This bill will enable the public to make a more meaningful choice when electing candidates for the Board of Education by narrowing the list of candidates running for office, and providing the electorate with more time to become familiar with the qualifications and viewpoints of the candidates.

Your Committee on Conference has amended this bill by:

- (1) Inserting a purpose section which discusses certain legislative findings, and which was included in this measure as originally introduced; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2301, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2301, S.D. 1, C.D. 1.

Senators Menor, Levin, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Tam, Metcalf, Apo, Lee, Stegmaier and Hemmings.  
Managers on the part of the House.

**Conf. Com. Rep. No. 24 on H.B. No. 2258**

The purpose of this bill is to create an office of the legislative analyst and a legislative commission on planning and fiscal policy within the Legislature.

Upon further consideration, your Committee has agreed to the intent of the House draft version of the bill, the purpose of which is to establish a joint legislative management committee.

As amended, this measure establishes a joint legislative management committee within the Legislature to establish general policy and to evaluate, supervise, and coordinate activities among the legislative support agencies.

The committee would consist of ten members: five representatives to be appointed by the Speaker of the House of Representatives, including the chairperson of the House Committee on Legislative Management and at least one minority member, and five senators to be appointed by the President of the Senate, including the chairperson of the Senate Committee on Legislative Management and at least one minority member.

The chairpersons of the House and Senate Committees on Legislative Management will serve as co-chairs of the joint legislative management committee.

Your Committee has also amended this measure to require the joint legislative management committee to report to the Legislature on its findings and recommendations on the feasibility of consolidating the SHADO and HO'IKE bill drafting and statutory retrieval systems.

In addition, the effective date of this measure has been changed to take effect upon approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2258, 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. 2258, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Aki, Hagino, A. Kobayashi and George.  
Managers on the part of the Senate.

Representatives Fukunaga, Souki, Baker, Isbell, Okamura and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. No. 25 H.B. No. 1693**

The purpose of this bill is to clarify the power of the attorney general and the county prosecuting attorneys to issue investigative subpoenas and to compel the attendance of witnesses and the production of documents pertinent to their investigations.

Your Committee upon further consideration has amended this bill by:

- (1) Clarifying in SECTION 1, page 1, lines 1-2, that the purpose of this bill is to amend rather than repeal Section 28-2.5, Hawaii Revised Statutes; and

- (2) Deleting the word "employee" and replacing it with "police officer" in SECTION 1, page 3, line 5, of the bill.

Your Committee emphasizes that the courts shall use decisions under the Hawaii Rules of Civil Procedure and the Federal Rules of Civil Procedure for guidance in determining whether to compel obedience to a subpoena, in particular, Rule 45 - Subpoena, as applied in both Rules. Your Committee would also like to make clear that government agencies may only issue subpoenas to witnesses subject to the privileges enjoyed by all witnesses in this State, including those privileges enjoyed by witnesses as provided by rules of court.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1693, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1693, S.D. 1, C.D. 1.

Senators Menor, Levin and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hagino, Hiraki, Hirono and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 26 on H.B. No. 2202**

The purpose of this bill is to provide for the appointment of sixteen and seventeen year old precinct workers.

The Senate had earlier amended this bill on page 2, subsection 1, with new language establishing a maximum age for prospective precinct workers who were not registered voters.

Your Committee upon further consideration has amended this bill by:

- (1) Deleting the language establishing a maximum age for prospective precinct workers;
- (2) Adding the words "or otherwise qualified" in lieu of the words "are otherwise qualified and" on page 2, line 5, of the conference draft; and
- (3) Making several technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2202, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2202, S.D. 1, C.D. 1.

Senators Menor, Aki, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Bellinger, Oshiro and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 27 on H.B. No. 2184**

The purpose of this bill is to prohibit gambling or the promotion of gambling aboard any ship which embarks and disembarks within the State.

Your Committee recognizes the House agreement to the Senate amending this bill by adding language excluding ships from this section which are traveling to and from foreign countries or to and from the mainland as well as technical, nonsubstantive changes. Your Committee upon further consideration has amended subsection (a) and made technical, nonsubstantive changes for the purposes of consistency and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2184, 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. 2184, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Levin and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hagino, Hiraki, Hirono and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. No. 28 on H.B. No. 2843**

The purpose of this bill is to allow a county clerk to remove a voter from the list of registered voters provided that the voter wishes to be removed from the list and the voter properly notifies the clerk pursuant to procedures established by the chief election officer.

The Senate had earlier amended this bill by making technical, nonsubstantive changes and adding new language in Section 2, page 2, subsection (c), stating that a person whose name is removed from the register will not be allowed to vote.

Your Committee upon further consideration has amended this bill by deleting the aforementioned new language, your Committee agreeing that the language is redundant to other language in the bill, and making technical nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2843, 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. 2843, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Levin, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hagino, Hiraki, Shon and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 29 on H.B. No. 2844**

The purpose of this bill is to expressly provide that one of the responsibilities of the chief election officer is to educate the public regarding voter registration and voter information.

The Senate earlier amended this bill making nonsubstantive stylistic changes.

Your Committee upon further consideration has amended this bill by making technical nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2844, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2844, S.D. 1, C.D. 1.

Senators Menor, Levin and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hiraki, Shon and Takamine.  
Managers on the part of the House.

**Conf. Com. Rep. No. 30 on H.B. No. 2112**

The purpose of this bill is to expand the nuisance law to permit the closure of premises where drug offenses repeatedly occur.

Your Committee after further consideration has amended this bill by:

- (1) Specifically stating that parts I, II, and IV, except offenses under part IV which do not involve the distribution of drugs, are subject to the application of section 712-1270, H.R.S.; and
- (2) Making technical, nonsubstantive changes for the purposes of consistency and clarity.

It is your Committee's intent to make it clear that innocent landlords whose property may be inadvertently involved in drug offenses are to be excluded from this section's application.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2112, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2112, S.D. 1, C.D. 1.

Senators Menor, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Hagino, Hiraki and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 31 on H.B. No. 3183**

The purpose of this bill is to amend statutes concerning the state flag of Hawaii and the state song, Hawai'i Pono'i.

The Senate had earlier amended this bill by mandating that the colors comprising the Hawaiian flag be set to specified numerical listings of colors of the Standard Color Card of America. Your Committee, however, is unaware at this time of how prevalent is the use of this Standard by flag manufacturing companies and whether or not Hawaiian flags currently in use fall within the proposed specified categories.

Your Committee, therefore, upon further consideration, has amended this bill by deleting references to such numerical listing of colors and making a few technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3183, 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. 3183, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Aki, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Hiraki, Takamine and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 32 on H.B. No. 3265**

The purpose of this bill is to require the Department of Corrections to notify a victim or the surviving immediate family of a victim who have requested notification in writing that the prisoner who had committed the offense against the victim has escaped.

Both House and Senate versions of this bill state that the Department of Corrections shall give notice of the escape by a prisoner:

- (1) immediately;
- (2) by the most expedient and reasonable means available; and
- (3) upon submission of a written request by each victim or the surviving immediate family.

The Senate also amended this bill by mandating that the Department of Corrections shall issue notification through the victim witness assistance program in the county where the crime was committed.

Your Committee upon further consideration has amended Section 1, page 1, line 16, to read "the department of public safety" instead of "the department of corrections" is the department responsible for issuing the notice of escape of a prisoner to each victim or a surviving immediate family member through the victim witness assistance program of each county.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3265, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3265, S.D. 1, C.D. 1.

Senators Menor, Blair, Mizuguchi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Andrews, Cachola, Takamine and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 33 on H.B. No. 3428**

The purpose of this bill is to provide safeguards against misidentification of judgment debtors by requiring additional identification information in the filing, registration, or recordation of judgments with the Bureau of Conveyances and the Land Court.

Your Committee has amended H.B. No. 3428, S.D. 1, by making technical amendments to Section 1, page 2, lines 1 to 10, and Section 4, page 6, lines 10 to 17, for purposes of style, clarity and consistency. Your Committee notes that the terms "registration", "recordation" and "filing" appear to be used interchangeably in the various statutes and the use of these terms in this bill is intended to be consistent with existing laws.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3428, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3428, S.D. 1, C.D. 1.

Senators Menor, Blair, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hagino, Hiraki, Peters and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 34 on H.B. No. 2984 (Majority)**

The purpose of this bill is to resolve a long-standing occupancy problem involving four families who reside on parcel 8 and claim to be direct descendants of persons who resided on this land prior to 1934 (before the lands were added to the inventory of Hawaiian home lands and then subsequently removed). The bill would authorize each of the four families to elect to have the lands under their homes transferred to the Department of Hawaiian Home Lands, in which case they would be entitled to receive homestead leases, or to elect to have the lands under their homes remain with the Department of Land and Natural Resources, in which case they would be entitled to receive long-term residential leases, not exceeding sixty-five years.

Your Committee upon further consideration amended H.B. No. 2984, H.D. 1, S.D. 1 by deleting the twelve thousand square foot limit on the leases to be granted the four families and inserted in lieu thereof, language requiring the Department of Land and Natural Resources to determine appropriate lot sizes considering applicable guidelines and rules for residential leases and the character of the surrounding neighborhood.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2984, 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. 2984, H.D. 1, S.D. 1, C.D. 1.

Senators Crozier, Blair and Reed.  
Managers on the part of the Senate.

Senator Blair did not concur.

Representatives Hagino, Fukunaga, Isbell, Stegmaier and O'Kieffe.

Managers on the part of the House.

**Conf. Com. Rep. No. 35 on H.B. No. 2546**

The purpose of this bill is to add a new part to Chapter 329, HRS, relating to precursors to the manufacture of methamphetamine.

The Senate had earlier amended this bill by:

- (1) Renaming the the new part of Chapter 329 in Section 1;
- (2) Adding a new section entitled "Protection of records; divulging confidential information prohibited; penalties" to provide for the confidentiality of all records and information and the criminal sanctions for a violation thereof;
- (3) Adding two new sections entitled "Subpoena powers" and "Forfeiture";
- (4) Adding a new section requiring manufacturers, wholesalers, retailers or other persons to obtain permits prior to dealing in any listed substance;
- (5) Adding a new section requiring theft, loss and discrepancy reports;
- (6) Adding penalty provisions for failure to submit required reports, for selling, transferring or otherwise furnishing any listed substance knowing that the substance will be used to manufacture methamphetamine, or for receiving any listed substance without the required permit; and
- (7) Amending the effective date to allow for a transition period.

Your Committee after further consideration has made the following amendments to H.B. No. 2546, H.D. 1, S.D. 1:

- (1) Deleting item (18) from §329- Substances subject to reporting, which stated "Any of the substances listed by the department of public safety in rules adopted pursuant to chapter 91"; and
- (2) Deleting a proposed section in Section 1, 329- Adoption of rules, which allowed the department of safety to adopt rules to allow the department to add or delete substances from section 329-

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2546, 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. 2546, H.D. 1, S.D. 1, C.D. 1.

Senators Levin, Menor and Reed.  
Managers on the part of the Senate.

Representatives Arakaki, Metcalf, Amaral, Peters, Shon and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. No. 36 on H.B. No. 403**

Your Committee on Conference has amended this bill by changing the amount by which the Comptroller may compromise or settle a tort claim not within the purview of Section 41D-8, Hawaii Revised Statutes, from \$25,000 to \$10,000 and by requiring the Comptroller to prepare a report of all claims arbitrated, compromised, or settled for \$10,000 or less, instead of \$25,000 or less. The purpose of this amendment is to correct a clerical error in the original conference draft.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 403, H.D. 1, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 403, H.D. 1, S.D. 1, C.D. 2.

Senators Menor, Blair, Holt and George.  
Managers on the part of the Senate.

Representatives Metcalf, M. Ige, Bellinger, Chang, Leong, Oshiro and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 37 on H.B. No. 2967**

The purpose of this bill is to clarify the scope of the functions and authority of the Department of Public Safety.

In recognition that the incorporation of correctional and state law enforcement functions into the new department is a complex management responsibility, your Committee finds that the new department would benefit from the expertise of experienced personnel from other departments to facilitate a smooth transition during the start-up period.

However, your Committee finds that this bill, as received, may interfere with the collective bargaining process. Accordingly, your Committee has amended this bill to protect the integrity of the collective bargaining process, at the same time providing safeguards to both the new department and the employees temporarily assigned to the department.

In addition, your Committee has amended this bill by adding a new section requiring the Department of Public Safety to submit findings and recommendations to the Legislature regarding narcotics enforcement.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2967, 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. 2967, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, Menor, Mizuguchi and Koki.  
Managers on the part of the Senate.

Representatives Takamine, Metcalf, Bybee, Horita, Yonamine and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 38 on H.B. No. 2204**

The purpose of this bill is to raise the penalty for voter fraud to a class C felony.

The Senate earlier amended this bill by making interpretive and technical changes.

Your Committee upon further consideration has made the following amendments to H.B. No. 2204, H.D. 1, S.D. 1:

- (1) Amended the title of §19- Registration fraud, to read as Voter fraud;
- (2) Added language to Section 2, §19- Voter fraud, establishing that a person who knowingly falsely swears or affirms to the truth of the allegations by self-subscribing oath in the affidavit on an application for voter registration, as prescribed in section 11-15, HRS, is guilty of a class C felony; and
- (3) Made a few, technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2204, 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. 2204, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, B. Kobayashi, Levin and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Bellinger, Oshiro and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 39 on H.B. No. 3176**

The purpose of this bill, as amended by your Committee, is to regulate activity desks, to require payment within forty-five days of invoice and to provide other remedies to activity providers.

Your Committee recognizes the concerns raised by activity providers regarding the practice of some activity desks to "sticker-over" an activity provider's telephone number and views this practice as deceptive and not in the best interest of consumers. This bill thus prohibits activity desks from "sticker over" an activity provider's name, address, or telephone number in any card or brochure. Your Committee understands that activity desks usually "close the sale" at the time the consumer inquires about the different activities available. Therefore, having the name of the activity provider on the brochure given to the consumer by the activity desk should not result in the activity desk "losing" many sales because the consumer later decides to book the activity directly with the provider.

Your Committee also recognizes the problems experienced by activity providers who do not get paid on time by activity desks. Segregation of funds by activity desks was an option to assure payments to activity providers since some activity desk operators are using the funds collected for the activity provider to pay for the activity desk operating costs rather than paying the activity provider in a timely manner. Although some activity desks and providers have contracts with payment due provisions, many do not. To the extent the relationship between the activity provider and desk is unequal, where activity desks can "blackball" providers who do not acquiesce to the desk's terms or otherwise deal unfairly with the providers, legislative action to achieve a more equal bargaining position between the parties is warranted. Therefore, your Committee has amended this bill to require payment of monies owed to activity providers within forty-five days of invoice.

In addition, your Committee has further amended this bill to provide remedies when violations occur.

Your Committee has also amended this bill by adding a provision that this chapter will be repealed on June 30, 1991 in order to afford the legislative auditor time to address the need to regulate activity desks as part of their Sunset review of the chapter on travel agencies.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3176, 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. 3176, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Cobb, Hagino and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Amaral, Hagino, Hiraki and Anderson.

Managers on the part of the House.

**Conf. Com. Rep. No. 40 on H.B. No. 240**

The purpose of this bill is to provide a certain and expeditious means for resolving a tie in the number of votes cast for two or more candidates in an election, without relying upon a run-off election with its inherent expense and delay.

The Senate had earlier amended this bill by deleting the election point ratio formula explained in the House version and adding language which stated rules to implement a run-off election procedure.

After further consideration your Committee has deleted the Senate's amendment and reinserted the House language concerning the election point ratio formula.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 240, 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. 240, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Holt, A. Kobayashi and George.  
Managers on the part of the Senate.

Representatives Metcalf, Andrews, Yoshimura, Hagino and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 41 on H.B. No. 2207**

The purpose of this bill is to expressly provide for the ability of the Chief Election Officer or Clerk to investigate and determine objections to a candidate's nomination papers beyond the current 48-hour time limit.

The Senate had earlier amended this bill by:

- (1) Deleting the provisions of H.B. No. 2207, H.D. 1, relating to the investigating and determining of objections to a candidate's nomination papers by the Chief Election Officer or County Clerk beyond the current 48-hour limit;
- (2) Incorporating the provisions of S.B. No. 2952, S.D. 1, relating to the extending of the amount of time in which objections to the validity of a candidate's nomination papers may be made by the Chief Election Officer or County Clerk and providing for the substitution of the Attorney General in place of the Lieutenant Governor to hear such objections if they involve a candidate to the Lieutenant Governor's Office; and
- (3) Making technical, nonsubstantive changes.

Your Committee upon further consideration has made the following amendments to H.B. No. 2207 H.D. 1, S.D. 1:

- (1) Adding new language to SECTION 1 that amends Section 12-8, Hawaii Revised Statutes, nomination papers, stating that the Chief Election Officer, Clerk, or a registered voter has until 4:30 p.m. of the thirtieth day or the next earliest working day prior to a special or primary election to file an objection to a nomination paper;
- (2) Adding new language stating that the Chief Election Officer or Clerk shall render a preliminary decision not later than five working days after the objection is filed;
- (3) Adding new language stating that the Attorney General, when sitting in place of the Lieutenant Governor, shall render a decision not later than five working days after the objection to nomination papers filed by a candidate for the Office of the Lieutenant Governor is filed; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2207, 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. 2207, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Levin, B. Kobayashi and George.  
Managers on the part of the Senate.

Senator George did not sign the report.

Representatives Metcalf, Amaral, Bellinger and Oshiro.  
Managers on the part of the House.

**Conf. Com. Rep. No. 42 on H.B. No. 2052**

The purpose of this bill is to conform reapportionment law by (1) adding the phrase "whenever possible" to the division of basic island units into districts; and (2) substituting "total population" for "registered voters" in determining congressional districts.

Your Committee has amended this bill by expanding the proposed language "whenever possible" to "whenever possible, to the maximum extent possible" in regards to reapportioning the members of each house among basic island units. This language will conform Section 25-2, HRS, with proposed language in Article IV of the Constitution. Your Committee

believes that this language conveys the Legislature's intent and interest on conveying to the reapportionment commission the importance the Legislature places on reapportionment and the representation made by elected officials of their respective communities.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2052, 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. 2052, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hagino, Hiraki, Yoshimura and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 43 on H.B. No. 2183**

The purpose of this bill is to extend the sunset provision of Chapter 712A, the Hawaii Criminal Omnibus Forfeiture Act, to 1993.

The Senate had earlier amended this bill by:

- (1) Deleting the sunset provision and permanently enacting Chapter 712A;
- (2) Adding a new subsection (3) to Section 712A-16, Hawaii Revised Statutes (HRS), establishing criteria the Attorney General must use when distributing forfeiture proceeds;
- (3) Deleting language mandating that specific percentages of the forfeiture proceeds be given to involved organizations and the forfeiture fund;
- (4) Stating that the enactment date of this bill would take effect upon its approval rather than June 30, 1990;
- (5) Deleting current language stating that the Attorney General shall report annually to the legislature an accounting of the forfeiture fund, all forfeited properties, and the sales proceeds thereof;
- (6) Adding language stating that the Attorney General shall provide to the legislature twenty days prior to the convening of each regular session a report on the use of the Hawaii Omnibus Criminal Forfeiture Act;
- (7) Adding language stating the purpose of and criteria to be included in the Attorney General's report; and
- (8) Making technical, nonsubstantive changes for clarity and consistency purposes.

Your Committee upon further consideration has made the following amendments to H.B. No. 2183, H.D. 1, S.D. 1:

- (1) Deleting the section permanently enacting Chapter 712A, HRS;
- (2) Extending the sunset provision until July 1, 1993;
- (3) Deleting the language adding a new subsection (3) to Section 712A-16, HRS, regarding the criteria the Attorney General is to use when distributing proceeds;
- (4) Deleting the proposed Senate amendments regarding the disposition of property forfeited found in Section 712A-16, HRS, subsections (1) through (5);
- (5) Amending the enactment date of this bill stating that this bill would take effect on June 30, 1990, rather than on approval;
- (6) Reinserting language that mandates specific percentages of forfeiture proceeds be given to involved organizations and the forfeiture fund; and
- (7) Making technical, nonsubstantive changes for consistency purposes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2183, 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. 2183, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Blair, Levin and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Bellinger, Yoshimura and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 44 on H.B. No. 3410**

The purpose of this bill is to: (1) limit access to voter registration information for election or governmental purposes only; and (2) provide special protection to law enforcement personnel who show good cause that a life threatening circumstance exists to the person or a member of the person's household.



Your Committee finds that voter registration affidavits are maintained by the County Clerks and contain information on voters, including residence address, date of birth and social security number. Voter lists compiled from information disclosed in these affidavits are maintained by the County Clerks and the Lieutenant Governor's Office. Requests are frequently made for access to those lists by businesses with no election or government purpose.

Your Committee believes that although an individual may be required to disclose certain information in order to safeguard the integrity of the vote, the individual's privacy interest in such information should be protected against use of the information for other than election or government purposes. Your Committee feels that the best way to balance the interests of the individual, the public, and the government, is to limit the public's access to information disclosed for voter registration purposes for government and election purposes only.

Your Committee further finds that law enforcement officials are justifiably concerned that the general availability of their residence addresses to the public jeopardizes the health and safety of their families and themselves. Your Committee believes there is a present and growing need to provide some measure of protection to law enforcement persons whose safety may be threatened by persons obtaining home addresses from voter registration records.

Your Committee has amended this bill as follows:

1. Removed "educational" and "scientific" purposes from the list of allowable uses of voter registration information. Your Committee is concerned that these purposes may be construed too broadly, thereby causing the exceptions to swallow the rule.
2. Provided in Section 2 of the bill that the clerks shall establish procedures to protect the voter registration information of law enforcement persons.
3. Clarified in Section 3 that the applicant shall agree in writing that the information will be used for election or government purposes only.
4. Deleted the definitions of "candidate" and "committee" in Section 4 of the bill because these definitions are provided in H.R.S. Section 11-191.
5. Made technical changes that do not affect the substance of the bill.

Your Committee intends that this bill, as amended, includes the following parties and uses under election and government purposes:

1. Political parties and Political Action Committees who are properly registered with the Campaign Spending Commission;
2. Special interest campaigns conducted on issues relating to initiative, referendum, and recall;
3. Incumbents communicating with constituents;
4. Electioneering by special interest groups to urge people to register to vote or to encourage people to vote in particular election contests or on particular issues; and
5. Federal, state, and county agencies conducting legitimate government activities.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3410, 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. 3410, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hagino, Hiraki, Shon and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 45 on H.B. No. 2817**

The purpose of this bill is to provide unambiguous authority for the court to order reimbursement for support, maintenance, education and funeral expenses expended for the child prior to the entry of a paternity judgment.

The Senate had earlier amended the enactment section of this bill stating that this bill would take effect on July 1, 1990, and that the substantive sections of this bill would only apply to actions which have commenced on or after that date.

Your Committee has amended this bill by deleting the Senate amendment and adding language stating that this bill would take effect upon its approval. Your Committee is concerned that if the Senate version is followed there will exist a question as to whether a new right was created and whether no such right existed for cases which arose before July 1, 1990.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2817, 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. 2817, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Aki, Levin and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Oshiro, Shon and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 46 on H.B. No. 2876**

The purposes of this bill are to make additions and corrections to the controlled substance schedules which reflect additions made to federal law and place already scheduled drugs in the sections which are most appropriate to their chemical properties.

The Senate had earlier amended this bill by:

- (1) Adding language making theft of a controlled substance by a practitioner, registrant, or an employee of a practitioner or registrant a class-C felony;
- (2) Adding language which makes obtaining a legal prescription for a controlled substance from one or more practitioners for other than legitimate medical purposes by intentionally or knowingly misrepresenting or withholding information regarding recent use or acquisition of controlled substances a class-C felony; and
- (3) Adding language to provide uniform state legislation in the regulation of precursor chemicals used in illicit production of controlled substances.

Your Committee after further consideration has amended H.B. No. 2876, H.D. 1, S.D. 1, by:

- (a) Deleting the following substances from Section 2, §329- Substances subject to reporting:

- (1) Phenyl-2-propanone;
- (2) Methylamine;
- (10) Ephedrine;
- (11) Pseudoephedrine;
- (12) Norpseudoephedrine;
- (13) Phenylpropanolamine;
- (19) Hydriodic acid;
- (20) Benzyl cyanide;
- (22) N-methylephedrine;
- (23) N-ethylpseudoephedrine;
- (24) N-methylephedrine;
- (25) Chloroephedrine; and
- (26) Chloropseudoephedrine.

Your Committee deleted these substances as they are listed as being subject to reporting in H.B. No. 2546, H.D. 1, S.D. 1, C.D. 1, Relating to Methamphetamine. Your Committee also renumbered the remaining substances in this section consecutively;

- (b) Deleting a proposed new section in Section 2, §329- Adoption of rules, which stated that "The department of public safety may adopt rules in accordance with chapter 91 that add substances to section 329- if the substance is a precursor to a controlled substance and delete substances from section 329- ;
- (c) Deleting language in Section 5 stating that the acquiring or obtaining possession of a controlled substance by theft as a practitioner, registrant, or employee of a practitioner or registrant is a class-C felony;
- (d) Deleting language stating that the obtaining of a legal prescription for a controlled substance from one or more practitioners for other than legitimate medical purposes by intentionally or knowingly misrepresenting or withholding information regarding recent use or acquisition of controlled substances is a class-C felony; and
- (c) Renumbering consecutively the remaining sections.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2876, 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. 2876, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Levin, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Cachola, Okamura, Takamine and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 47 on H.B. No. 256**

The purpose of this bill is to amend Section 633-27, Hawaii Revised Statutes, by providing that no case shall be removed from the small claims division of the District Court unless the removal is agreed to by the plaintiff.

Your Committee received this bill after it was amended by both the House and the Senate.

Presently, under Section 633-27(a), Hawaii Revised Statutes, the parties to a small claims case have the right to remove certain cases from the small claims division of the district court, as provided by rule of the court. Your Committee understands this bill to amend Section 633-27(a), HRS, to require the plaintiff's consent to remove any case from the small claims division to the regular division of the district court.

Your Committee does not find any authority which expressly requires that all litigants have a right to present their claims or defenses in a court which is bound by all the rules of evidence. Your Committee does find, however, that this bill is silent when concerning its effect on a small claims defendant's right to a jury trial. Therefore, it is your Committee's finding that this bill shall not be construed to restrict that right. Your Committee finds that a defendant still has the option of filing a demand for jury trial pursuant to Section 633-31, HRS, and states categorically that it is not the Legislature's intent to impliedly repeal or in any other way affect the provisions of that section.

Your Committee recognizes that this bill is also silent concerning the effect this bill will have on another statutory provision which governs the small claims division's jurisdiction over counterclaims which exceed the jurisdictional limit of the small claims division. Section 633-30, HRS, provides that when the limit of the district court as provided in Section 633-27 is exceeded in a counterclaim, but within the jurisdictional limit of the court as provided for in Section 604-5, the action shall remain in the small claims division and tried therein. Your Committee expressly states that it is not the Legislature's intent to impliedly repeal or in any other way to affect the provisions of Section 633-30, HRS.

Your Committee has amended this bill with appropriate language to state the position of the Legislature on this bill's effect upon Sections 633-31 and 633-30. Your Committee has also made technical nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 256, 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. 256, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Levin, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Hayes, Hiraki, Oshiro and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 49 on H.B. No. 2103**

The purpose of this bill is to appropriate funds to implement the United States Postal Service's zip plus four program in certain state departments.

A study conducted by the Department of Accounting and General Services indicated that the State will realize a substantial amount of savings if the State used zip plus four in their mailings.

Your Committee has agreed to appropriate the sum of \$60,000 to implement the zip plus four program in sorting and handling business mail from the Fiscal Benefit Office of the Department of Human Services, the Preaudit Office of the Department of Accounting and General Services, the Tax Service and Processing Division of the Department of Taxation, and the Administrative Services Office of the Department of Education.

In addition, your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2103, 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. 2103, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, McCartney and George.  
Managers on the part of the Senate.

Representatives Fukunaga, M. Ige and Liu.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 50 on H.B. No. 2299**

The purpose of this bill is to establish a statewide pilot after-school program in the public schools to provide affordable and quality after-school supervision for students enrolled in kindergarten through grade six.

Your Committee on Conference has amended this bill by:

- (1) Amending Section 1 by inserting a list of objectives for the after-school program;
- (2) Adding the word "appropriate" on page 3, line 8 and deleting the phrase "for child care" on page 3, line 9;
- (3) Inserting the sum and percentage that the appropriation for this bill will exceed the State general fund expenditure ceiling;
- (4) Amending Section 10 to encourage the pilot A+ program to make optimum use of the educational facilities and resources that are available at the sites and are not in conflict with the goals and objectives of the Department of

Education's regular education and after-school instructional programs as well as inserting language prohibiting the transfer of funds from other educational programs to the pilot A+ program;

- (5) Inserting a new section that requires the Board of Education to conduct public informational meetings before implementing any budget restrictions; and
- (6) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2299, 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. 2299, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, McCartney and Koki.  
Managers on the part of the Senate.

Representatives Tam, Arakaki, Souki, Hirayama Jr., Honda, Horita, Kawakami and O'Kieffe.  
Managers on the part of the House.

Representative Honda did not sign the report.

**Conf. Com. Rep. 51 on H.B. No. 3296**

The purpose of this bill is to enhance procedures relating to the proper care and protection of burial sites and the enforcement thereof.

Specifically, this bill accomplishes the following:

- (1) Creates five island burial councils within the Department of Land and Natural Resources to determine, among other things, whether preservation in place or relocation of previously identified Hawaiian burial sites is warranted;
- (2) Revises the process for handling the inadvertent discovery of burial sites to include island burial council input;
- (3) Increases the penalty for violation of Chapter 6E, Hawaii Revised Statutes;
- (4) Prohibits the sale of human skeletal remains or burial goods;
- (5) Requires a permit from the Department for the out-of-state transport of human skeletal remains or burial goods;
- (6) Provides a process by which island burial council determinations may be appealed to a panel consisting of three members of the Board of Land and Natural Resources and three island burial council chairpersons; and
- (7) Provides protection to all unmarked burial sites by requiring, in the event that a burial site is found to be other than Hawaiian, that the Department decide the proper treatment thereof in consultation with appropriate ethnic organizations and the affected property owner.

Your Committee has amended this bill as follows:

- (1) Inserted the word "remains" between the words "those" and "fabricated" on line 20, page 16 of the bill, as received, to clarify that it shall be unlawful for any person to remove goods or remains, except those remains fabricated into artifacts prehistorically without obtaining a permit from the Department of Land and Natural Resources;
- (2) Inserted a new SECTION 2 on line 12, page 2 of the bill, as received, declaring that the appropriation contained in the bill will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$100,000, or 0.0039 per cent and that such expenditure is necessary to serve the public interest;
- (3) Re-numbered the remaining Sections accordingly; and
- (4) Replaced reference to Section 14 on line 11, page 25 of the bill, as received, with Section 15.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3296, 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. 3296, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Hagino, Solomon, Tungpalan and George.  
Managers on the part of the Senate.

Representatives Hagino, Metcalf, Fukunaga, Apo, D. Ige, Isbell, Kanoho and Hemmings.  
Managers on the part of the House.

**Conf. Com. Rep. 52 on H.B. No. 2208**

The purpose of this measure is to provide matching funds to be deposited into the discoveries and inventions revolving fund in order to allow the electric vehicle project to continue.

Your Committee has determined that electric vehicles represent a viable alternative to conventional automobiles, and as the technology advances may assist in reducing society's exclusive dependence on fossil fuel for ground transportation. The development of technology that lessens this dependency and fosters an alternative needs to be supported. The United States Department of Energy is interested in providing half of the expense of the first test G-Van, matching funds from the State will secure the federal funding.

Your Committee has amended this measure by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this measure exceeds the state's spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2208, 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. 2208, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Hagino, Solomon, Tungpalan and Koki.  
Managers on the part of the Senate.

Representatives Andrews, Taniguchi, Fukunaga, Bellinger, Hashimoto, Ihara Jr., Kanoho and O'Kieffe.  
Managers on the part of the House.

#### **Conf. Com. Rep. 53 on H.B. No. 3403**

The purpose of this measure is to institute a tree replanting on all suitable state controlled lands.

Your Committee has determined that while reducing the quantity of carbon dioxide emissions is the primary method of mitigating the threat of global warming, an aggressive tree replanting program represents a beneficial activity for the State. In addition to the increased production of oxygen and aesthetic enjoyment, an effective tree replanting program assists in the abatement of erosion and the subsequent acceleration of water runoff, and may even constitute a future source of biomass for supplemental, alternate, energy production.

Your Committee has amended this measure by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this measure exceeds the State's spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3403, 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. 3403, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Crozier, A. Kobayashi, Matsuura and George.  
Managers on the part of the Senate.

Representatives Andrews, Souki, Hagino, Isbell, Kanoho and Hemmings.  
Managers on the part of the House.

#### **Conf. Com. Rep. 54 on H.B. No. 2458**

The purpose of this bill is to have the Housing Finance and Development Corporation conduct a study of existing housing trust fund programs in other jurisdictions, and develop guidelines and propose legislation for the establishment and operation of a rental housing trust fund in the State of Hawaii to assist low and very low income families.

Your Committee has amended the bill as follows:

- (1) Appropriated \$100,000 instead of \$1 for the proposed study;
- (2) Added a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (3) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2458, 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. 2458, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Crozier, Fernandes Salling, Solomon and Koki.  
Managers on the part of the Senate.

Senator Fernandes Salling did not sign the report.

Representatives Hayes, Souki, Amaral, Kawakami, Leong and Liu.  
Managers on the part of the House.

#### **Conf. Com. Rep. 55 on H.B. No. 3299**

The purpose of this measure is to promote energy conservation through the amendment of the energy objectives of the state plan to include reference to demand-side management programs, and to provide for increased income tax credits for solar energy systems and ice storage systems. In addition, the statutory provisions concerning energy credits have been

amended to provide for monetary caps on the income tax credit allowed for the installation of solar energy systems and heat pumps on residential, single, and multiple family buildings.

Throughout the legislative session, this bill has been intertwined with a bill to provide for the institution of demand-side management programs through the public utilities commission. The bill to provide for these programs was held in committee and instead the provisions of this bill amend the energy objectives of the state plan to provide for demand-side management programs. The public utilities commission has initiated a docket to investigate integrated resources planning, a component of which is demand-side management. Integrated resources planning requires the assessment of all known resources for the production of energy against an array of broadly-defined cost benefit considerations. Demand-side activities, a component of integrated resource planning, involve actions on the customer side of the use of energy and are deliberate direct or indirect interventions by a utility with the consumer to change the configuration or magnitude of the utility systems load shape. Many of these activities consist of conservation programs such as subsidized loans and rebates, load management programs, and innovative utility rate design. Voluntary conservation measures, such as the purchase of energy-efficient appliances without direct influences by the utility, are not considered demand-side programs.

Utilities across the nation are now using demand-side management programs and some have been doing so for ten years. Thirty-eight states have mandated load management programs; thirty-two states have mandated conservation programs; and thirty-five states use rates to promote demand-side activities. It is the belief of your Committee that the Public Utilities Commission, through the integrated resources planning docket, will provide the necessary thrust to bring Hawaii up-to-date in this area. To appropriately serve an island state, the Public Utilities Commission and the utility companies must create cost-effective demand-side management programs which will reduce the continued expansion of generators and the reliance on fossil fuels. We must have energy security for the State of Hawaii.

In order to assist the Public Utilities Commission in reaching an integrated resources plan with a strong demand-side component, the Department of Business and Economic Development is requested to assist the Public Utilities Commission in securing the use of oil surplus monies (oil over charge) to facilitate the development of an integrated resources plan for each utility and to ensure a strong demand-side management component in the plan.

As part of the thrust for energy conservation in this measure, there are provisions which increase the income tax credits for solar energy systems and ice storage systems. In addition, this measure places monetary caps on the amount of the credit which may be claimed for solar energy systems and heat pumps.

Your Committee is of the opinion that with the increase in energy credits for nonfossil fuel systems and the general revision of the statutory provisions for energy credits coupled with the cost-effective demand-side energy programs expected from the Public Utilities Commission and the utilities of this State, Hawaii is on course for, if not energy independence, at least energy security and control of its energy destiny.

Your Committee has made a technical change on H.B. 3299, C.D. 1, on page 8, line 9 through 10, by deleting "hotel, commercial, and industrial facilities" and substituting the language "single-family residential buildings".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3299, H.D. 2, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3299, H.D. 2, S.D. 2, C.D. 2.

Senators Yamasaki, Matsuura and George.  
Managers on the part of the Senate.

Representatives Andrews, Souki, Fukunaga, Honda, Kanoho and O'Kieffe.  
Managers on the part of the House.

#### **Conf. Com. Rep. 56 on H.B. No. 3111**

The purpose of this bill is to establish a two-year pilot project to develop new cooperative housing units for low-income families or to convert at least one rental project to the limited equity housing cooperative form for low-income families.

Your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee has also amended this bill by changing the appropriation to \$115,000 from \$150,000.

Technical, nonsubstantive amendments have also been made for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3111, 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. 3111, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Crozier, Fernandes Salling, A. Kobayashi and George.  
Managers on the part of the Senate.

Senator Fernandes Salling did not sign the report.

Representatives Hayes, Fukunaga, Amaral, Arakaki, Ihara Jr., Metcalf and Cavasso.  
Managers on the part of the House.

#### **Conf. Com. Rep. 57 on H.B. No. 2985**

The purpose of this bill is to appropriate funds for the lease or acquisition or plans, design, and construction of a multi-purpose center, including equipment and furnishings for the Leeward Oahu Community Mental Health Center and a similar facility for the Lanakila Mental Health Center.

Your Committee on Conference finds that the funds appropriated would be used to continue the programs called "the clubhouse" in Leeward Oahu and the Kalihi-Palama area in refurbished, improved facilities. Both centers act as multi-use, drop-in centers for seriously disabled, mentally ill clients serviced by the community mental health centers.

These programs are unique as a psychosocial and vocational rehabilitation programs because of the community-based setting they offer which many of the chronically mentally ill find more comfortable than established community mental health centers.

Your Committee on Conference has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements, and renumbering the existing sections of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2985, 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. 2985, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, Levin and Koki.  
Managers on the part of the Senate.

Representatives Shon, Arakaki, Souki, Duldulao, Ihara Jr. and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. 58 on H.B. No. 2293**

The purpose of this bill is to appropriate a reasonable sum for fiscal year 1990-1991 to be expended by the Department of Commerce and Consumer Affairs to conduct a comprehensive review of the State's financial institutions laws to strengthen the regulatory framework for, and to preserve public confidence in, these institutions.

Under this measure, the Commissioner of Financial Institutions would submit a progress report of findings and recommendations to the 1991 legislature and a final report would be submitted in 1992.

Your Committee finds that there is good cause for a comprehensive study of the State's laws relating to financial institutions. In light of the Financial Institutions Recovery, Reform and Enforcement Act of 1989 (FIRREA), many of the State's financial laws have been directly impacted and in some cases rendered obsolete. Your Committee notes that amendments to the statutory scheme have been done in a piecemeal fashion throughout the years.

Complex issues regarding competitive equality and consumer benefits make this study especially timely and relevant. The environment in the financial institutions area is in transition following deregulation efforts at both the federal and state levels. Traditionally, financial institutions, such as banks and savings and loans, occupied distinct arenas in terms of services and products. However, the walls of distinction are weakening among the various financial institutions with deregulation and technological changes and financial institutions argue that they must expand their areas of competition.

For the past few years, the legislature has been asked to consider a variety of bills relating to the expansion of powers and the competition or overlapping of functions by the financial institutions. However, before the legislature can make a decision in this area, it needs to establish and formulate guidelines in order to bring Hawaii into the era of deregulation and innovative technology in a deliberate fashion.

Therefore, a review of the issues surrounding deregulation and the competitive aftermath of deregulation and other changes in the marketplace would assist the legislature in making informed decisions on these types of bills. The legislature needs to look at the changing environment of the financial institutions both here and nationwide. For example, a survey and review of different studies prepared at the national and local level on the issues of "expanded powers" and the changing environment for financial institutions and an analysis of how Hawaii may be affected is needed. The legislature must be forward looking, but it must also proceed with caution in order to balance the competitive flexibility financial institutions require in this era of deregulation with the need to protect the public and preserve public confidence in the health of these institutions.

Your Committee amended the bill in the following manner:

- (1) Deleting the categories which have been outlined for the expenditures of funds and resources. Your Committee believes that it is too restrictive to specify the amounts which need to be spent for researchers, typists, data gathering, etc;
- (2) Changing the sum to be appropriated out of the general revenues from \$1 to \$150,000 for fiscal year 1990-1991 in order to allow the Department to expend the sums necessary to conduct this study;
- (3) Adding a new section to the bill stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (4) Specifying that this study should encompass "related laws and issues" regarding the operations of financial institutions. The intent is that this study should encompass issues affecting the operations and competitiveness of financial institutions.

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

Senators Yamasaki, Blair, Hagino, Ikeda and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Fukunaga, Chang, Hiraki and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. 59 on H.B. No. 2950**

The purpose of this bill is to amend the commercial motor vehicle driver licensing law enacted in 1989 to facilitate its implementation in accord with federal standards. This bill permits third-party driver examiners to administer the commercial motor vehicle skills test. Furthermore, this bill exempts certain classes of drivers from the commercial motor vehicle skills test. This bill also provides that the counties shall be reimbursed for the administrative costs of the commercial driver licensing program and that the director of transportation shall determine the amount reimbursed to the counties for administering the commercial driver licensing program.

Your Committee on Conference finds that this bill is necessary to bring state law into conformance with federal standards.

Your Committee on Conference has amended this bill as follows:

- (1) Setting the appropriation amount at \$800,000;
- (2) Designating the State with the responsibility to certify "third party examiners";
- (3) Requiring that the written notice to the examiner of drivers and the current employer by each commercial driver whose driver's license or permit is suspended, revoked or canceled, include the following additional information:
  - (a) Indication whether the violation was in a commercial motor vehicle;
  - (b) Location of the offense; and
  - (c) The driver's signature.
- (4) Deleting certain information from being required of persons applying for employment as a commercial motor vehicle driver;
- (5) Including a section explaining that the appropriation contained in this bill will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded and providing reasons for such action; and
- (6) Technical, non-substantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2950, 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. 2950, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Fernandes Salling, Ikeda, McCartney and George.  
Managers on the part of the Senate.

Representatives Oshiro, Metcalf, Fukunaga, Tom, M. Ige, Yonamine and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 60 on H.B. No. 2381**

The purpose of this bill is to appropriate funds to plan and develop a coordinated statewide program for the provision of services to control violent behavior, consistent with Act 361, Session Laws of Hawaii 1989.

Your Committee has amended this bill by:

- (1) Deleting the amendments made by the Senate and restoring the original language and contents of the bill as heard and passed out in the form of H.B. No. 2381, H.D. 1;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (3) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2381, 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. 2381, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Fernandes Salling, Ikeda, A. Kobayashi, McMurdo, Solomon, Tungpalan and George.



Managers on the part of the Senate.

Representatives Tom, Arakaki, Fukunaga, Amaral, Baker, Duldulao, Ihara Jr. and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 61 on H.B. No. 2268**

The purpose of this bill is to establish a state office pilot project to improve access to state government services and to reduce traffic congestion and driving distances for the public. The pilot project will be established within the Office of Information and will consist of five satellite state offices, one each in Windward Oahu, Leeward Oahu, Maui, Kauai, and the Big Island.

Your Committee finds that expanding access to government services is currently a critical issue. With development moving toward the suburban and rural areas of the State, and with state agencies usually located in urban centers, accessibility to government services has become increasingly difficult and limited for suburban and rural residents. Therefore, offering government services in outlying areas would be consistent with present efforts for increased accessibility and decentralization.

This measure provides the Office of Information flexibility to determine which sites, within the above mentioned areas, would best serve the intent and spirit of this measure and the surrounding communities.

While this measure proposes that the office of information consider and study the feasibility of establishing pilot offices at a shared location with satellite city halls, it is the intent of your Committee that these offices be clearly identified as state offices, with a distinct and separate identity.

Your Committee finds that satellite city halls are unique to the City and County of Honolulu, and has therefore amended the bill to reflect that satellite state offices may be established at a shared location with satellite city halls or, in the case of the neighbor islands, other county facilities.

Your Committee has also amended the bill to delete language specifically stating that the Office of Information shall determine the appropriate site for each satellite state office. Your Committee finds that this language is redundant, since this authority is already clear in other provisions of this bill.

Your Committee has also amended the bill to increase the appropriation to \$300,000 in order to accommodate Kauai, which was not included in the original proposal.

Finally, your Committee has added a new section explaining the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2268, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2268, S.D. 1, C.D. 1.

Senators Yamasaki, Blair, McCartney, Tungpalan and George.  
Managers on the part of the Senate.

Representatives Tom, Fukunaga, Baker, Okamura, Oshiro, Tajiri and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. 62 on H.B. No. 3114**

The purpose of the bill is to beautify Waikiki and maintain its appeal to visitors by appropriating \$1 to the City and County of Honolulu for improvements to Kapiolani park, Kuhio beach park, the Waikiki mini-parks, Ala Wai boulevard, Ala Wai canal, Ala Wai promenade and Ala Moana park.

Your Committees find that the bill would provide for much-needed improvements that would greatly benefit the entire state by maintaining Hawaii's international competitiveness in an essential sector of the state economy.

Your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee has further amended the bill by changing the funding level to \$1,000,000, and by requiring the City and County of Honolulu to act in agreement with the Waikiki Improvement Association on the allocation of funds among the projects. Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3114, 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. 3114, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Holt, Ikeda, McCartney and George.  
Managers on the part of the Senate.

Representatives Cachola, Souki, Tom, Baker, Bybee, Horita, Isbell and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. 63 on H.B. No. 2895**

The purpose of this bill is to establish a compound interest bond reserve fund to pay debt service on general obligation bonds issued as "compound interest bonds." The fund moneys shall be used for the payment of principal and interest on compound interest bonds.

Your Committee finds that the existence of such a reserve fund will aid in fostering level budget requirements even though actual debt service requirements may vary greatly from year to year due to the nature of compound interest bonds.

Upon further consideration, your Committee has amended this measure by:

- (1) Providing that the Director of Finance may transfer a portion of general excise tax revenues collected pursuant to Section 237-31, Hawaii Revised Statutes, to the credit of the compound interest bond reserve fund;
- (2) Amending Section 237-31, Hawaii Revised Statutes, to provide that not more than \$5,000,000 from the general excise tax revenues realized by the State shall be deposited in the state treasury in each fiscal year to the credit of the compound interest bond reserve fund; and
- (3) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2895, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2895, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, A. Kobayashi and Koki.  
Managers on the part of the Senate.

Representatives Souki, Fukunaga, Leong and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 64 on H.B. No. 2990**

The purpose of this bill is to authorize the issuance of general obligation bonds and to declare findings that the total amount of principal and interest, estimated for such bonds and all bonds authorized but unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii, requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has amended this bill by inserting the appropriate amounts provided by the Department of Budget and Finance. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2990, 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. 2990, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 65 on H.B. No. 2265**

The purpose of this bill as received is to provide for a more efficient and effective shoreline and ocean waters enforcement program by requiring a comprehensive study of existing ocean-related programs and functions. This bill appropriates \$200,000 for the Office of State Planning to determine the most effective organizational option for a well coordinated, integrated ocean management system. The results from this study will form the basis for legislation to transfer functions in an orderly and efficient manner.

As part of its deliberations, your Committee finds that:

- (1) It is premature to transfer ocean enforcement functions from the Department of Transportation to the Department of Land and Natural Resources this session;
- (2) The Legislative Auditor is the appropriate agency to undertake such a study;
- (3) The State should move expeditiously in determining the most effective ocean management system. Accordingly, while the study is being undertaken, steps should be taken simultaneously to prepare for the anticipated transfer of personnel; specifically, a transfer of the Department of Transportation's boating branch, including the marine patrol program, to the Department of Land and Natural Resources; and

- (4) Conflicts between the planned transfer of various enforcement functions to the Department of Public Safety as mandated through Act 211, Session Laws of Hawaii 1989, and the objectives of this bill should be avoided.

Upon further consideration, your Committee has amended this bill as follows:

- (1) Deleting the purpose section;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (3) Amending Section 26-14.6, Hawaii Revised Statutes, to exempt the Department of Transportation's marine patrol from being transferred to the Department of Public Safety;
- (4) Amending Act 211, Session Laws of Hawaii 1989, to direct the director of Public Safety, in developing recommendations on the transfer of other public safety functions, to exclude consideration of functions within the Department of Land and Natural Resources;
- (5) Clarifying that the Legislative Auditor shall conduct the study, specifying the scope of the study according to appropriate chapters of the Hawaii Revised Statutes; and requiring certain analyses to be included as part of the study;
- (6) Appropriating funds to the Legislative Auditor instead of the Office of State Planning; and
- (7) Inserting the appropriate Ramseyering language.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2265, 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. 2265, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Holt, Ikeda, McCartney and George.  
Managers on the part of the Senate.

Representatives Bunda, Bybee, Souki, Apo, Baker, Isbell, Kanoho and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. 66 on H.B. No. 2308**

The purpose of this bill is to provide for the development of a youth gangs response system coordinated by the Department of the Attorney General that incorporates the critical elements of law enforcement and intelligence, training and community awareness, community intervention, community prevention, information, and evaluation.

The Senate had earlier amended House Draft 2 of this bill by:

- (1) Requiring in Section 5 the development of statewide gang training and a statewide law enforcement task force;
- (2) Substituting county police forces for county governments as recipients of appropriations for the monitoring of youth gang activities as listed in Section 6;
- (3) Deleting appropriations funding the office of youth research conducting a study of activities offered to youths by the Department of Parks and Recreations, City & County of Honolulu;
- (4) Adding language to specify that appropriations made for the expansion of a campus disturbance plan is expended by the Department of Education;
- (5) Adding new language specifying that appropriations be made for the continuance of the school based gang and drug prevention project at Kalakaua and Dole Intermediates and to expand the project statewide;
- (6) Deleting expenditures for the expansion of the school personnel training program of the Department of Education at Wahiawa Intermediate, Dole Intermediate, Kailua Intermediate, Waipahu Intermediate, and Jarrett Intermediate;
- (7) Deleting specifically targeted communities for the development of prevention and intervention programs for youth at risk; and
- (8) Adding new language specifying appropriations made to the center for youth research to conduct an evaluation of the youth gangs response system be expended by the University of Hawaii.

Your Committee upon further consideration has made the following amendments to H.B. No. 2308, H.D. 2, S.D. 2,:

- (1) Clarified in Section 1 and Section 13 that the Department of the Attorney General shall coordinate the youth gangs response system;
- (2) Added a new SECTION 2, in accordance with Section 9, Article VII of the Constitution of the State of Hawaii and statutory requirements, setting forth reasons why and the dollar amount and the rate by which the general fund expenditure ceiling is exceeded by the appropriation contained in the bill;

- (3) Renumbered consecutively the remaining sections and changed references in the bill to section numbers to conform to the renumbering;
- (4) Changed "the development of statewide gang training" to "a statewide training program for public citizens and government personnel who are involved or are in contact with youth gangs" in Section 6;
- (5) Changed "a statewide law enforcement task force" to "a statewide law enforcement task force focused on resolving youth gang criminal activities" in Section 6;
- (6) Inserted language with an appropriation directing the center for youth research at the University of Hawaii to conduct a study of the activities offered to youths by the Department of Parks and Recreation (Department), City & County of Honolulu, and to also assist the Department to plan and develop programs for targeted youth groups;
- (7) Amended Section 10 to include Wahiawa Intermediate, Kailua Intermediate, Kailua Intermediate, Waipahu Intermediate, and Jarrett Intermediate Schools; and
- (8) Amended Section 15 to authorize the Department of the Attorney General to expend the sums appropriated in Sections 6, 7, 8, 10, and 13.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2308, 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. 2308, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, Menor and Koki.  
Managers on the part of the Senate.

Representatives Metcalf, Arakaki, Tom, Souki, Amaral, Duldulao, Kawakami, Stegmaier, Yoshimura and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. 67 on H.B. No. 2500**

The purpose of this bill is to amend Act 316, Session Laws of Hawaii 1989, and other appropriations and authorizations effective during fiscal biennium 1989-1991.

#### **FINANCIAL AND BUDGETARY OVERVIEW**

Your Committee began pre-session fiscal deliberations projecting a modest \$248.5 million surplus at the close of fiscal year 1989-1990. This surplus is primarily due to the continued strength of the State's economy, led by the tourism and construction industries. A review of the general fund tax revenues for the first five months of the current fiscal year revealed a 1.7 percent increase over the previous year. Projected tax revenue growth for fiscal years 1990-91 and 1991-92 show increases of 13.8 percent and 7.6 percent respectively.

In developing this supplemental budget, your Committee has focused on meeting the needs of today while continuing its efforts to develop opportunities for tomorrow. As in past supplemental years, your Committee has focused first and foremost on meeting health and safety needs in all program areas. Your Committee has built upon its biennial commitment to further improve the State's educational system. Funds have also been provided to meet unanticipated expenses, and a number of one-time funding projects, such as improvements to the State's infrastructure, have been funded. Highlighted below are some of the major program and budgetary changes made for the current fiscal biennium.

#### **BUSINESS AND ECONOMIC DEVELOPMENT**

Your Committee continues to support efforts to develop a strong and balanced economy. To reduce the State's reliance on traditional industries, your Committee has provided support for various economic development programs to diversify and expand Hawaii's economic base.

**Business Development.** Your Committee has provided funding for a number of initiatives designed to help diversify the State's economy, including:

- ° **International Business Center.** The Information Center component of the International Business Center will provide one-stop services for international traders and will be a major step in positioning Hawaii as a broker of business service expertise throughout the Pacific Region.
- ° **High Technology.** Your Committee has continued its support for the State's efforts to promote economic diversification through the development of high technology by providing funding for existing and new high technology parks.
- ° **Office of Space Industry.** Your Committee has recognized the State's potential in supporting both launch and non-launch space-related activities. Funding has been provided to continue the groundwork necessary for the development of Hawaii's space industry.
- ° **Hawaii Capital Loan Program.** The program provides loans to small businesses that are ineligible for financial assistance from private or conventional sources.

#### **Tourism.**

- Destination Marketing. Increased competition in the visitor industry has led to more aggressive and expanded marketing of Hawaii by both the State and the private sector. Your Committee has augmented the department's destination marketing budget in order to increase the state's competitiveness in the industry.

#### Agriculture.

- Pilot Detection Program. Your Committee realizes the importance of protecting Hawaii's agricultural resources and has provided funding for the expansion of the Pilot Detection program. The programs help prevent the introduction of destructive insects, plant diseases, and illegal non-domestic animals by using highly trained beagle dogs to detect potential violators.
- Animal Quarantine. Your Committee appropriated funds for permanent positions to increase the efficiency of the Animal Quarantine Station, a statewide rabies awareness program to increase the public's understanding of the disease, and a statewide rabies research and planning study to collect baseline animal serological data.
- Promotion. Continued support was provided for Hawaii's agricultural products through the funding of marketing related activities for pineapple, coffee, papaya, and locally produced milk.

#### EMPLOYMENT

Aware of the potential adverse repercussions of a labor shortage, your Committee has emphasized the need for work force expansion by increasing the "employability" of non-traditional and marginally employable sources of labor. Strengthening the labor exchange process will assist job seekers in obtaining valuable skills and provide the community with additional employees in meeting the current labor shortage.

Placement Services. Your Committee has appropriated funds to improve and expand employment services relating to job placement, employability development, and employer relations. Through the \$1.5 million expansion of the Job Help Store program, immigrant and potential job seekers will be provided with comprehensive employment and training services.

Employment and Training Programs. To bolster diversification and economic development, your Committee has funded programs to ensure and maintain a qualified and competitive workforce. Funds have been provided to continue the Aloha State Specialized Employment Training (ASSET) program. This program provides customized training and recruiting assistance specifically for high tech and growth industries.

Wage Standards & Fair Employment Practices. Recognizing the importance and need for advocacy in the area of civil rights, your Committee has provided funds and additional legal and investigatory staff to ensure adequate resources for the Civil Rights Commission.

#### TRANSPORTATION

Transportation plays a vital role in the development of the State. Continued development cannot come about without the support of modern and economical transportation facilities.

Airports. Your Committee has provided funds for various airport improvements, including funds for continued renovations, neighbor island land acquisition, increased emergency services, and additional police coverage. In addition, funds have been provided for terminal improvements at Honolulu, Keahole, Kahului, Molokai, Lanai, and Lihue Airports.

Harbors. Increasing cargo volume has placed a high demand on the State's harbors. To help accommodate this demand, your Committee has provided capital improvement funds for expansion of storage facilities, container yard improvements for Sand Island, improvements to Kahului, Hilo, and Nawiliwili Harbors, and an inter-island ferry system.

Highways. Traffic congestion continues to be a statewide concern. Your Committee has provided funds for the decentralization of offices, teleworking, and the use of alternative modes of transportation such as buses and ferries. Additionally, funds have been authorized for widening Kalanianaʻole, Nimitz, and Queen Kaahumanu Highways, and upgrading Kamehameha Highway and Hana Highway to Kula.

#### ENVIRONMENTAL PROTECTION

The protection of our environment is one of the overriding concerns of your Committee. Wastewater, solid waste, and hazardous waste not only pose major health concerns, they threaten the foundations of island life. Accordingly, your Committee has provided for the protection of our coastal waters and the expansion of hazard evaluation and emergency response activities. Funding has also been provided to conduct water management studies for the protection of existing surface and groundwater resources, as well as for the wastewater systems and underground injection control program.

#### HEALTH

Acquired Immune Deficiency Syndrome. Your Committee is concerned about the rapid increase in the number of HIV+ and AIDS cases in Hawaii, especially on the neighbor islands. To help combat the spread of AIDS, your Committee has provided funds on a number of fronts, ranging from preventive efforts to case management services to direct services for victims.

Emergency Medical Services. Your Committee realizes the importance of addressing the immediate health and safety needs of the State. Funding has been provided to ensure continued quality ambulance services on Oahu and Hawaii. New initiatives include a work study program for Mobile Intensive Care Technicians to address the statewide shortage of

emergency medical personnel and a new ambulance unit for Kapaa to meet the growing needs on Kauai. Additional funds have been provided to ensure continued emergency room service at the Waianae Coast Comprehensive Health Center.

Substance Abuse. Your Committee has provided funds to provide education, prevention, and rehabilitation services for substance abusers, with an emphasis on youth. Funding has been provided for the expansion of Teen C.A.R.E. (Counseling, Awareness, Rehabilitation, Education), and for treatment facilities for adolescents on Hawaii, Maui, and Kauai. Your Committee is also concerned about substance abuse among pregnant women, and has provided funds for the Baby S.A.F.E. (Substance Abuse Free Environment) Initiative.

ASK 2000. Your Committee has provided funds for ASK 2000, to help bridge the gap between public and private service providers and potential service recipients. This innovative, single-access, statewide information and referral service represents the collaborative efforts of four State departments and the private sector.

### HUMAN SERVICES

Human service programs embrace a range of activities, serve a diversity of people, deliver an array of services, and accommodate a multiplicity of varying needs. Your Committee has always demonstrated a strong commitment to maintaining a viable and responsive human service system. Today, that commitment continues.

Foster Care. Foster care requirements in Hawaii continue to grow. A recent study found that the State lacks a unified system of foster care and is over-using foster care while under-emphasizing alternatives like adoption. Your Committee has responded by broadening and improving foster care services over the entire continuum, including prevention, placement, training, support teamwork, independent living, services to children with special medical and social problems, and adoption.

Care for Drug-Addicted and Medically Fragile Babies. The problems of drug-addicted or medically fragile babies have come to your Committee's attention. Your Committee has provided funding for a training and technical assistance program for caregivers of these babies. Funding has also been provided for a community-based early intervention team to provide support for caregivers and for the establishment of a cluster model of foster homes for drug-exposed or medically fragile infants.

Assistance for the homeless. The State's homeless population is a growing concern. In response, your Committee has provided funding for a loan deposit program, consultant services to develop plans and programs, and the establishment of a homeless emergency loan program.

Elder Care. By the year 2005, individuals 60 years of age and older will comprise nearly 18 percent of the State's total population. Accordingly, your Committee has provided funds for the establishment of a multilingual access informational program, an older employment program, a statewide conference on elder care, and the expansion of the senior resource demonstration project.

JOBS. The Federal Family Support Act of 1988 requires recipients of Aid to Families with Dependent Children (AFDC) to participate in a Job Opportunities and Basic Skills (JOBS) program. The program seeks to encourage welfare recipients to work towards financial self-sufficiency by acquiring job skills which are in demand in the labor market. Your Committee provides for a JOBS pilot program on the Island of Oahu. Deliberate phased implementation will allow for field testing of concepts and ideas on a more manageable level before expanding statewide. Your Committee has also provided for the necessary administrative and operational support to plan for and to facilitate the statewide expansion of JOBS, as required by Federal law, by October 1992.

### LOWER EDUCATION

Last session, major funding support was provided for educational reform; both for quickstart implementation as well as to bring about enduring changes. School-Community Based Management was the primary focus of your Committee's effort to improve the school system. Although the implementation of the program has not been as extensive as anticipated, your Committee is optimistic that continued progress will be made during the coming years. Additional resources provided will not only strengthen the department's instructional delivery capability, but will also improve administrative and operational responsiveness to students and personnel.

Reduced Class Size Ratio. The 1987 Legislature made a commitment to reduce the class size ratio for kindergarten and grade one students from 26.15 students per teacher to 20 students per teacher. Your Committee continues this commitment, and provides positions and funds to reduce the ratio for grade two students to 20 students per teacher. These positions will provide each child with further opportunities for individual attention and promote a positive attitude toward learning at an early age.

Consortium for teaching Asia and Pacific in the Schools. Your Committee has provided funds to continue this worthwhile program. With the increased involvement and activity of these countries in Hawaii's culture and economy, students as well as educators will benefit tremendously from this program. It is hoped that support and involvement from the private sector will continue to enhance this program.

Additionally, positions and funds have been provided to enable the department to update and upgrade the social studies curriculum.

In-school Suspension Pilot Program. A continuum of alternatives to suspension for students encountering problems such as truancy, minor misconducts, and adjustment difficulties must be established. Your Committee has provided funds to enable ten schools to participate in a demonstration project. Once the program is evaluated, your Committee is hopeful that suspensions from school will be managed through a range of alternative forms of discipline.

School counselors. Your Committee reaffirms the concept of "school-community based management" and provides funding for thirty counselor positions to be used at the discretion of the elementary and high schools. These positions will provide schools with additional counselor support and enhance services for students requiring this attention.

School food services. Providing nutritional and adequate meals for our students at affordable prices is a critical need. The current prices of 35 cents for breakfast and 45 cents for lunch are one of the lowest in the nation, and far below cost. However, your Committee notes that current operations have resulted in major deficits in the department's budget. To maintain the current student prices, your Committee has provided \$3.1 million to assist in this shortfall. Your Committee, concerned that this trend not continue, recommends that the department review current practices and examine and implement alternatives in order to rectify this deficiency.

Educational Innovation Projects. Innovation will be promoted through projects which will restructure the teaching and learning environments at all school levels. Funds have been provided to continue team teaching at Castle and Campbell high schools. The Honolulu District and Konawaena Intermediate school will continue to plan and implement the middle school concept. The concept of schools within school will be the focus at Kapaa and Honaunau elementary schools.

Vice Principals and General Aides. Vice principals and general aides play an integral role in the move toward shared decision-making. Your Committee recognizes the importance of these positions within the school community and has provided positions and funds for a total of 39 vice principals and 25 general aides to meet the numerous demands of the schools.

Division of Technology and Information Services. Your Committee has provided six positions and funds to establish a new division to unite the eight units that currently fulfill the technological needs of the Department of Education. This division will provide more efficient planning and maintenance, enabling the department to keep pace with technological change. Funds to continue the implementation of the Financial Management System have also been provided.

Repair and Maintenance. Concerns regarding the physical condition of the public schools continue to be addressed. Most cyclical repair goals have been met, however, additional funds are still required. Your Committee has continued its support for school maintenance by providing an additional \$3.5 million. Additionally, funds to implement the Statewide Inspection Program have been provided.

## HIGHER EDUCATION

Your Committee continues to strengthen the educational foundations of the University of Hawaii system, reinforcing areas where substantial progress has been made in Hawaiian, Asian, and Pacific studies; in ocean and earth sciences and technology; and the revision of undergraduate curricula to incorporate greater emphasis on writing, computer science, and foreign languages. A concerted effort has been made to provide the necessary infrastructure to support and facilitate further development in these and other areas responsive to the needs of the community.

Health and Safety. To ameliorate conditions which jeopardize the health and safety of students, university personnel, and the general public, your Committee has provided funding for security, hazardous waste disposal, and emergent remedial changes to program facilities.

School Teacher Shortage. Your Committee continues to be concerned about the shortage of school teachers, and has provided funding for the first of a three part plan to enlarge the College of Education's teaching programs.

Child Care. Services have been expanded through additional funding for the preschool child care center and the Honolulu Community College center to assist parents who are members of the university community.

Minority Programs. Funds have been provided to expand minority programs at UH Manoa, UH Hilo, and the Community Colleges, including program expansions for Imi Ho'ola and Operation Kua'ana.

Wage and Salary Adjustments. Hourly wage increases have been provided for student assistantships, and repricing of administrative, professional, and technical (APT) unit employees has been provided to maintain comparability and equity relative to the state civil service classification schedules. Your Committee has addressed the rise in nursing salaries by providing additional funding to assist in the recruitment and retention of nursing faculty.

Master Plans. Your Committee has provided funds for the academic and long-range growth of the university by augmenting the West Oahu and system-wide master plans, and by providing new funds for the faculty housing master plan.

In the area of special repairs and maintenance your Committee has provided for the replacement of the artificial turf and warning track at the Rainbow Baseball Stadium.

Your Committee has also provided for a number of capital improvement projects for the university. These include funds for a new 10,000-seat Special Events Arena on the Manoa campus, the Agricultural Sciences Facility, the College of Education Complex, the Center for Hawaiian Studies, Wist Hall, Kapiolani Community College at Diamond Head, and Maui Community College.

## CULTURE AND RECREATION

The Culture and Recreation Program continues to support efforts to provide the general public with accessibility to the arts and with the opportunities to take advantage of varied recreational activities.

In keeping with the program's commitment to accessibility, your Committee has allotted funding to the Works of Art special fund to benefit the Arts In Public Places Program. Funds have been provided for the development of educational programs at the Waikiki Aquarium and for the local restaging of the Hawaii exhibits showcased at the Smithsonian Folklife Festival. Your Committee has also provided support to the Hawaii Public Broadcasting Authority for new and continuing productions.

In the area of recreation, the Na Ala Hele Program was endorsed to implement the Hawaii Statewide Trail and Access System. To address the concerns of preserving Hawaii's historical elements, your Committee has appropriated funds for the establishment of a Historic Preservation Division (separate from the State Parks) within the Department of Land and Natural Resources. Funds have also been provided for the upgrading of recreational boat launching facilities statewide, as well as for continuing research on the development of a portable test kit to detect the ciguatera toxin in fish.

#### PUBLIC SAFETY

Your Committee has addressed the need for coordination in the consolidation of the various public safety functions in the recently formed department of public safety. To ensure better organization of public safety functions and the fulfillment of mandated requirements, your Committee has provided funds to resolve long-standing deficiencies and guarantee proper development of the department.

Salary Adjustments for Adult Correctional Officers (ACOs). The correctional system's recruitment and retention problems stem, in part, from unsatisfactory salary levels for ACOs. Your Committee has provided funds to enable the department to raise ACO salaries to levels competitive with county law enforcement agencies and fire departments.

Management Information System. A computerized information retrieval system will enable the department to provide support and guidance over management decisions. Working in conjunction with the special master, your Committee has provided for an inmate management system to be established as the initial step in the management information system.

Repair and Maintenance. The physical condition of the correctional facilities continues to be a major concern. Funds for repair and maintenance projects have been provided with priority given to health and safety modifications.

New Program Structure. A new program i.d., PBS 900 (General Administration-Public Safety), has been created to accommodate the transfer of personnel and resources from the Sheriff's Office and for additional management and administrative support.

#### GOVERNMENT WIDE SUPPORT

Computerization of Support Functions. Your Committee continues its efforts to provide the State with highly automated, cost-efficient support functions through computerization. Funds have been provided for an integrated payroll/personnel system (PAYPERS) to update the present system, which was developed by the State in the late 1960's. Additional funds have been provided to upgrade the Applicant Tracking System and computerize the Classification and Pricing Actions System. Finally, your Committee has continued its support for the implementation of the redesigned General Excise Withholding/Transient Accommodations Tax (GEW/TAT) system.

State Civic Centers. To ensure easy access to government services statewide, your Committee has provided funds for the construction of State Civic Centers in Liliha, Kahului, Kapolei, Kaunakakai, and Waipahu.

Honolulu Police Department Crime Laboratory. Your Committee has provided funds for the expansion of the Honolulu Police Department crime laboratory to provide services for the attorney general, the police departments of Kauai, Maui, and Hawaii, and other local law enforcement agencies.

#### SUMMARY AND RECOMMENDATION

In summary, your Committee has thoroughly reviewed the numerous and varied supplemental funding requests and concerns of the Administration, the House of Representatives, the Senate, and the citizens of the State. Your Committee believes that it has molded a supplemental budget which meets the needs of the State and addresses the aforementioned issues.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2500, 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. 2500, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 68 on H.B. No. 1144**

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new section which establishes a small business incubator program under the Department of Business and Economic Development. The program shall assist new businesses, especially those engaged in high technology, for a maximum period of five years. In addition, \$1 is appropriated to establish and operate a small business biotechnology incubator to conduct research and advance training



in tropical biotechnology important to Hawaii and to other countries, particularly in the areas of health, agriculture, and marine biology.

Your Committee finds that the State is in the forefront of biotechnology research related to tropical and subtropical environments. As a leader in this field, the State would benefit from the commercial application of new discoveries which would provide both economic growth and employment opportunities. Therefore, your Committee finds that there is a need for the creation of a biotechnology incubator program to assure the continued growth and development of this area, for the benefit of the State.

The bill has been amended by deleting the language that created a small business incubator program and by expanding the language that creates a small business incubator program for biotechnology. The amended bill establishes a pilot small business incubator for biotechnology that would conduct research on matters of high priority for Hawaii, provide training in biotechnology research, and develop opportunities and markets for enterprises engaged in biotechnology.

In addition, \$100,000 has been appropriated for fiscal year 1990-1991 to establish and operate the program. The program shall be a joint project of the Department of Business and Economic Development and the University of Hawaii, who may request the services of the Pacific International Center for High Technology Research to assist them in the development of the small business incubator for biotechnology.

Your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1144, 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. 1144, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, A. Kobayashi, Matsuura and George.  
Managers on the part of the Senate.

Representatives D. Ige, Fukunaga, Hiraki, M. Ige, Lee and Hemmings.  
Managers on the part of the House.

#### **Conf. Com. Rep. 69 on H.B. No. 1900**

The purpose of this bill is to designate the Vice-Director of Civil Defense as a first Assistant to the Director who shall receive compensation pursuant to section 26-53.

Your Committee finds that the proposal to compensate the Vice-Director of Civil-Defense at the first assistant level is appropriate and justified because over the past twenty years, the continued increase in the State population, demographic changes, growth in technology, and changes in federal laws have increased the scope and complexity of civil defense operations. Consequently, the responsibilities for managing, directing, and controlling these operations have also expanded.

Your Committee has amended this bill as follows:

- (1) Increasing the appropriation amount to \$15,441, for fiscal year 1990-1991, and deleting the appropriation for fiscal year 1989-1990;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory provisions;
- (3) Changing the effective date to take effect on July 1, 1990; and
- (4) Making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1900, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1900, S.D. 1, C.D. 1.

Senators Yamasaki, McCartney and George.  
Managers on the part of the Senate.

Representatives Takamine, Metcalf, Souki, Baker, Bellinger, Horita, Yoshimura and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. 70 on H.B. No. 1251**

The purpose of this bill is to address the needs of the elderly housing residents of the State by extending a housing demonstration project to:

- (1) Direct the services of professionally-trained resident assistants to the elderly living independently in specified housing facilities; and
- (2) Encourage the development of an effective problem resolution and service provision process for elderly housing residents of specified housing facilities.

Additionally, the bill requests the Executive Office on Aging to submit a report which evaluates the progress of the demonstration project to the Legislature prior to the convening of the Regular Session of 1991.

Your Committee on Conference has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Technical, nonsubstantive amendments have also been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1251, 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. 1251, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Hagino, A. Kobayashi, McMurdo and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Souki, Baker, Hayes, Ihara Jr., Leong and Liu.  
Managers on the part of the House.

#### **Conf. Com. Rep. 71 on H.B. No. 69**

The purpose of this bill is to provide for early intervention services that are crucial to the long-term well-being of infants and toddlers with special needs. These intervention services would include the development of community-based, family-centered diagnostic services; a public awareness and "child find" effort; and a training program for personnel working with infants and toddlers with special needs and their families.

Your Committee on Conference has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with the constitutional and statutory requirements.

Technical, nonsubstantive revisions were made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 69, 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. 69, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, McMurdo, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Souki, Amaral, Duldulao, Fukunaga, Horita, M. Ige and Cavasso.  
Managers on the part of the House.

#### **Conf. Com. Rep. 72 on H.B. No. 3095**

The purpose of this bill as received is to establish an office of tourism within the Department of Business and Economic Development, headed by an additional Deputy Director. The responsibilities of the office include tourism industry promotion and development, and other duties related to the visitor industry. The bill also establishes an eleven-member tourism commission to approve the state tourism marketing plan, other promotion activities, and the office's budget requests.

The tourism office would also contract with the Hawaii Visitors Bureau, establish the visitor industry impact management system, plan for the development of the state tourism industry, make an annual report to the legislature, and prepare the biennial tourism marketing plan.

The bill also appropriates \$200,000 for the establishment and operation of the Office of Tourism and the Tourism Commission.

Your Committee finds that tourism, which accounts for a major sector of the state economy, needs greater stature within the state government in order to give that industry the support and recognition it deserves and to allow for coordination and development of the industry at a higher level.

Your Committee has amended this bill by:

- (1) Adding a purpose section;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (3) Changing the name of the Department of Business and Economic Development to the Department of Business, Economic Development, and Tourism;
- (4) Adding definitions of "department," "director," "deputy director of tourism," and "council";
- (5) Changing the size, composition, and duties of the tourism commission, making it an advisory council responsible for reviewing, evaluating, and making recommendations on the biennial tourism marketing plan, its implementation, and inventory and analysis of visitor satisfaction and complaints;

- (6) Changing the name of the visitor industry impact management system to the visitor impact management system, rather than to the tourism impact management system, to avoid confusion with the University of Hawaii travel industry management school;
- (7) Adding that the new deputy director be in charge of other tourism-related activities "as may be assigned by the director," with the explicit intent that the duties of the deputy director be restricted to only tourism-related functions;
- (8) Giving the Office of Tourism responsibility for development of the biennial tourism marketing plan;
- (9) Changing the subject appropriation to \$161,000, which is composed of \$111,000 to fund the new deputy director and deputy director's secretary positions, and \$50,000 to fund the council;
- (10) Changing the effective date from July 1, 1991 to July 1, 1990;
- (11) Making other technical, nonsubstantive amendments for purposes of style and clarity.

It is the intent of the Legislature that the governor, in appointing the deputy director, shall consider the individual's experience in planning, business, or finance, with emphasis on tourism marketing and promotion.

It is the intent of the Legislature that the governor, in appointing voting members of the Hawaii tourism marketing council, consider destination areas throughout the state, including those on Molokai and Lanai. Furthermore, the Legislature also intends that members be qualified in tourism marketing and promotion.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3095, 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. 3095, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Holt, Ikeda, McCartney and George.  
Managers on the part of the Senate.

Representatives Cachola, Souki, Baker, Hirayama Jr., Horita, Oshiro, Tajiri and Anderson.  
Managers on the part of the House.

Representative Oshiro did not sign the report.

#### **Conf. Com. Rep. 73 on H.B. No. 3098**

The purpose of this bill is to create a two-year pilot program to develop visitor industry practicum courses at Waipahu and Farrington High Schools.

Your Committee finds that the program initiated by this bill would build on an existing program at Waipahu High School. It would also take advantage of Farrington High School's transition center and exemplary Japanese language program.

Your Committee has amended the bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements and by changing the funding level to \$33,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3098, 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. 3098, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Crozier, Holt, A. Kobayashi, Nakasato and George.  
Managers on the part of the Senate.

Representatives Cachola, Fukunaga, Takamine, Duldulao, Horita, Yonamine, Yoshimura and Marumoto.  
Managers on the part of the House.

#### **Conf. Com. Rep. 74 on H.B. No. 3355**

The purpose of this bill is to enable the development of an array of community-based prevention, training, support, and treatment services in relation to foster care.

Specifically, the bill appropriates resources to the Department of Human Services to:

- (1) Develop community-based prevention and treatment services and increase activities to prevent the placement of children in foster care;
- (2) Recruit, train, prepare, and support foster parents;
- (3) Implement an independent living program for foster children; and
- (4) Hire two adoption specialists.

This bill also appropriates resources to the Judiciary of the State of Hawaii for:

- (1) The development of paralegal support services to assist social workers statewide;
- (2) The establishment of one full-time family court judge position for the county of Kauai; and
- (3) The establishment of two additional family court judge positions for the City and County of Honolulu.

Your Committee on Conference finds that reform is necessary to improve the State's system of foster care for children. Resources must be appropriated to improve the treatment of children consigned to the state system as well as to attract federal funding.

Your Committee on Conference has amended this bill as follows:

- (1) Added a new section, to comply with constitutional and statutory requirements, stating the reasons why and the amount and rate by which the appropriations contained in this bill exceed the state spending limit;
- (2) Appropriated \$200,000 for the development of an array of community-based prevention and treatment services and to increase activities to prevent placement of children in foster care;
- (3) Appropriated \$128,520 to recruit, train, prepare, and support foster parents;
- (4) Appropriated \$59,600 to implement an independent living program for foster children;
- (5) Appropriated \$179,860 for the hiring of two adoption specialists;
- (6) Appropriated \$65,020 for paralegal support services and designated the Department of the Attorney General as the expending agency thereof;
- (7) Deleted the section which would have established a full-time family court judgeship for the County of Kauai, and two additional family court judgeships for the City and County of Honolulu; and
- (8) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3355, 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. 3355, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Aki, A. Kobayashi, McMurdo and Koki.  
Managers on the part of the Senate.

Representatives Metcalf, Arakaki, Souki, Amaral, Chang, Peters, Shon and Anderson.  
Managers on the part of the House.

Representative Shon did not sign the report.

#### **Conf. Com. Rep. 75 on H.B. No. 3357**

The purpose of this bill is to appropriate funds to maximize federal dollars in the State Medicaid program.

Your Committee finds that Medicaid financing provides a cost-effective alternative for enhancing and expanding the scope of health services provided to the high-risk population served by the Department of Health's programs. Your Committee believes that these services are essential to the health and well-being of the people of Hawaii and that expanding and supporting health care is the best possible investment to future generations.

Your Committee has amended this bill as follows:

- (1) Added a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (2) Expanded optional health care under Section 346-14(14), Hawaii Revised Statutes, to children under six years of age rather than children under eight years of age.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3357, 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. 3357, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, A. Kobayashi, Levin, McMurdo and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Souki, Chang, Ihara Jr., Leong, Shon and Liu.  
Managers on the part of the House.

#### **Conf. Com. Rep. 76 on H.B. No. 3385**

The purpose of this bill is to assist the pilot outreach program of the Office of Children and Youth by providing for a program development outreach specialist to serve the literacy needs of the State.

Your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3385, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3385, S.D. 1, C.D. 1.

Senators Yamasaki, Aki, A. Kobayashi, McMurdo and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Fukunaga, Chang, Kawakami, Tam, Yonamine and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. 77 on H.B. No. 2046**

The purpose of this bill is to support family caregivers, assure safe and adequate care to elders, and pursue cost-effective service options for older adults by providing grants to renovate and improve existing facilities used to deliver a variety of long-term care services.

Your Committee has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Technical, nonsubstantive amendments have also been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2046, 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. 2046, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, McMurdo, Tungpalan and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Souki, Ihara Jr., Leong, Metcalf and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. 78 on H.B. No. 2092**

The purpose of this bill is to link social and employment services with housing development by establishing a mechanism for the planned development of services at a one-stop center in Kapolei.

The mechanism established by this bill is a social and employment incubator project board that would be responsible for the planning and implementation of the social and employment services project for the West Oahu region and would review all available needs and identify future needs. The board would also plan the establishment and oversee the implementation of a shared facility at Kapolei that would serve as the one-stop center to simplify resident access to services.

Your Committee on Conference has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2092, 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. 2092, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Crozier, McMurdo, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Fukunaga, Amaral, Duldulao, Peters, Tajiri and Cavasso.  
Managers on the part of the House.

Representative Cavasso did not sign the report.

**Conf. Com. Rep. 79 on H.B. No. 2229**

The purpose of this bill is to amend Act 303, Session Laws of Hawaii 1989, to provide supplemental appropriations to the Office of Hawaiian Affairs (OHA) for fiscal year 1990-91.

Your Committee carefully examined the supplemental budget request submitted by OHA and made provisions for those program activities which would assist OHA in its efforts to better serve native Hawaiians and Hawaiians in the State.

Your Committee recommends that in this supplemental year, OHA refrain from expansionary programs until it has addressed the concerns raised in the legislative audit on OHA. Realizing that the physical consolidation of OHA's offices may enhance communication and coordination, your Committee has provided funds for relocating existing staff from various locations to one central office location.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2229, 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. 2229, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Fernandes Salling, Crozier, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Representatives D. Ige, Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 80 on H.B. No. 2280**

The purpose of this bill is to promote the optimal health of pregnant women and ensure the best outcomes for all births by appropriating resources to:

- (1) Establish a perinatal care hotline service to act as a referral and resource for pregnant women and women of child-bearing age;
- (2) Establish a three-year demonstration project to provide incentives to pregnant women to seek perinatal care;
- (3) Establish a three-year demonstration project to provide at least three programs for comprehensive perinatal services in needy areas and reimbursement for comprehensive services for low-income or high-risk pregnancies, including nutrition education, health education, psychosocial services, and the provision of perinatal vitamins and minerals;
- (4) Establish a three-year demonstration project to provide flat-rate medicaid reimbursements to physicians and certified nurse-midwives for vaginal and caesarean deliveries at the prevailing reimbursement rates in the State;
- (5) Establish adjunctive eligibility for the federally funded Women, Infants, and Children program (WIC) so that all women receiving medicaid assistance and all members of families in which a pregnant woman or infant receives medicaid assistance are considered automatically income eligible; and
- (6) Ensure the quality of community health clinics in urban areas by providing perinatal health care services that are responsive to the needs of the community and by making necessary improvements in the delivery of perinatal health care services.

This bill also amends Section 324-1, Hawaii Revised Statutes, to include the Department of Health as one of the entities that may receive data for use in the course of any study on reducing maternal and perinatal morbidity or mortality.

Additionally, this bill amends Section 324-2, Hawaii Revised Statutes, to extend to the Department of Health, all restrictions provided therein regarding the use and confidentiality of data in conjunction with any study on maternal and perinatal morbidity or mortality.

Your Committee has amended this bill as follows:

- (1) Clarifying that the perinatal care hotline service is to act as a referral and resource for pregnant women and women of child-bearing age to inform them about the value and importance of early prenatal care and to help them to access perinatal services;
- (2) Clarifying that the maternal care incentives demonstration project shall develop incentives to allow participants to receive maternal and infant supplies at little or no cost, rather than just developing a coupon book;
- (3) Clarifying that the proposed establishment of adjunctive eligibility for the WIC program will enable pregnant women to obtain adequate food and nutrition during pregnancy, which will contribute to higher birth weight babies with fewer medical problems;
- (4) Deleting Sections 12 and 13 of the bill, as received, which pertains to ensuring the quality of community health clinics and making necessary improvements in the delivery of health care services;
- (5) Adding a new section, to comply with constitutional and statutory requirements, which states the reasons why and the amount and rate by which the appropriations contained in this bill exceed the state spending limit; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2280, 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. 2280, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, Levin, McMurdo and George.  
Managers on the part of the Senate.

Representatives Arakaki, Shon, Souki, Amaral, M. Ige, Isbell, Kawakami and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. 81 on H.B. No. 2281**

The purpose of this bill is to establish a two-year family support center demonstration project, with a family support center to be located on the island of Oahu, to demonstrate the effectiveness of the community-based family support center concept and to test different models of service delivery.

Your Committee on Conference has amended this bill by:

- (1) Establishing two family literacy programs as part of the family support center demonstration project and appropriating \$200,000 therefor;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2281, 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. 2281, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, McMurdo, Tungpalan and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Fukunaga, Amaral, Ihara Jr., M. Ige, Leong, Tam and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. 82 on H.B. No. 2287**

The purpose of this bill is to promote economic development and diversification by appropriating funds for plans and development of a full-service financial mall in Honolulu, including exchange trading floors and facilities for a variety of financial industry operations and support activities.

Your Committee has amended this bill by adding the financial services assistance program originally contained in H.B. No. 2290 and S.B. No. 3492. This statutory program allows the department of business and economic development to provide financial assistance to attract and develop financial services industry operations, including but not limited to a securities exchange, to Hawaii. Definitions of financial mall and financial services industry, as well as a revolving fund, have also been provided.

In addition, your Committee has:

- (1) Amended the purpose clause to more clearly state the purpose of the bill;
- (2) Added a new section stating the reason why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (3) Made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee intends that this bill should allow the Department of Business and Economic Development to hire consultants on its own or to share the cost of consultants with private industry. The choice of consultants will be critical in the success of this project. The following criteria should be followed in selecting the consultants for this project:

- (1) The consultants selected must have the knowledge and ability to develop a specific work plan, not a general one, including the identification of primary financial products to be traded on a Hawaii exchange to ensure its success;
- (2) The consultants selected must be respected by the industry, so that their findings will be accepted by the various exchanges considering Hawaii as a base of operations; and
- (3) The consultants selected must be able to complete the work within the cost range provided.

Your Committee does not intend for this program to provide financial assistance to accounting firms or retail financial services such as banks, savings and loans, or credit unions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2287, 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. 2287, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, A. Kobayashi, Levin and George.  
Managers on the part of the Senate.

Representatives D. Ige, Fukunaga, Isbell, Say and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. 83 on H.B. No. 2288**

The purpose of this bill, as received by your Committee on Conference, is to promote the development of the computer software industry in Hawaii by creating the Hawaii Software Service Center within the High Technology Development Corporation (HTDC).

Your Committee has amended this bill by deleting its contents and inserting the contents of H.B. No. 2288, H.D. 2, with amendments deleting the requirements that the department of budget and finance issue a determination in advance about the expertise of Hawaii software companies for each software development project and that the Director of the department be responsible for minimizing the involvement of mainland companies in software development.

Your Committee has further amended the bill by:

- (1) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (2) Adding a severability clause; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

These changes address concerns about H.B. No. 2288, H.D. 2 raised by the department of budget and finance in a previous hearing. By deleting the prior evaluation requirements, the state government can make software purchasing decisions based on a straightforward ten per cent differential between local companies and out-of-state companies.

The requirement that the Hawaii Software Service Center be informed about state agency software development requests does not bind any agency to a project; it is merely informational. Nor does the authority given to the HTDC to copyright software applications and programs developed for the State alter the current ability of any agency to copyright or license software, since the HTDC authority is subject to a licensing contract between HTDC and the state agency which developed the software. This change merely enables the Hawaii Software Service Center to work with state agencies to market their software, to the benefit of both state government and the software industry.

The department's final concern was the the appropriation to the University of Hawaii in the absence of a University plan for commercial software development. Your Committee notes that the appropriation will not be released until the University has completed its plan. Since the introduction of this bill, the University has made rapid progress toward completion of its plan. Your Committee is confident that the University will complete its plan before the beginning of the 1990-1991 fiscal year.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2288, 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. 2288, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, A. Kobayashi, Matsuura and George.  
Managers on the part of the Senate.

Representatives D. Ige, Taniguchi, Souki, Chang, Duldulao, Fukunaga and O'Kieffe.  
Managers on the part of the House.

#### **Conf. Com. Rep. 84 on H.B. No. 2290**

The purpose of this bill, as received by your Committee, is to create the Hawaii Linked-Deposit Development Program, to be administered by the Department of Budget and Finance, to promote the availability of capital to small businesses in industries other than the tourism industry.

Your Committee has amended this bill by deleting its contents and inserting the contents of H.B. No. 2290, H.D. 2, which creates the Hawaii Strategic Development Corporation to encourage and foster innovation and the development and application of high technology in Hawaii industries. This bill is substantially the same as H.B. No. 9, which was passed by the Legislature in the 1989 Regular Session but was vetoed by the Governor for technical reasons. This bill incorporates changes made to correct the technical flaws of H.B. No. 9.

Your Committee has further amended this bill as follows:

- (1) Deleted the statutory programs for research and development, product development, and financial services industry support;
- (2) Required the Corporation to review and evaluate the feasibility of capital formation programs utilized in other states;
- (3) Broadened the purpose section and the definitions of "economic development project", "enterprise", and "minority-owned businesses";
- (4) Narrowed the definition of "person" by excluding nonprofit corporations and higher education institutions;
- (5) Added a severability clause;
- (6) Added a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (5) Made technical, nonsubstantive changes for purposes of clarity and style.



Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2290, 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. 2290, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, A. Kobayashi, Matsuura and George.  
Managers on the part of the Senate.

Representatives D. Ige, Taniguchi, Souki, Fukunaga, Kanoho, Stegmaier and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 85 on H.B. No. 2582**

The purpose of this bill is to:

- (1) Appropriate funds for shelters and programs that assist the homeless; and
- (2) Request the Governor to appoint members to the Homeless Committee of the Subcabinet Task Force.

Your Committee finds that Hawaii's homeless problem is substantial and growing. There is an immediate need for expanded services to help homeless individuals and families regain their independence and self-sufficiency.

Your Committee on Conference has amended this bill by:

- (1) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (2) Making an appropriation of \$375,000 to the Department of Human Services to establish a program of services to battered women and children who are homeless due to family violence in the Leeward area of the island of Oahu;
- (3) Decreasing the appropriation for street outreach and first response care for homeless individuals and families from \$605,350 to \$230,350;
- (4) Deleting the appropriation for the retaining of consultants by the Department of Human Services because this appropriation is contained in the Supplemental Budget; and
- (5) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2582, 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. 2582, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Aki, A. Kobayashi, McMurdo and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Souki, Chang, Ihara Jr., M. Ige, Shon, Say and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. 86 on H.B. No. 2296**

The purpose of this bill is to require the Office of State Planning (OSP) to conduct studies at five-year intervals to determine the capability of various regions of the State to support increases in resident and visitor populations and their impact on these regions. The bill also appropriates \$300,000 to the OSP.

Your Committee finds that the studies commissioned by this bill would provide information necessary to allow the State to plan for future population growth and economic development.

Your Committee has amended this bill by:

- (1) Adding a purpose section;
- (2) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (3) Changing the title from "Population impacts" to "Regional studies" in the added Section §225M-2(b)(9), Hawaii Revised Statutes, and including physical, social, economic, and environmental impacts to be studied;
- (4) Requiring the OSP to determine the phasing of the studies;
- (5) Adding a new section stating that the studies may include infrastructure demand, social factors, economic factors, cultural factors, environmental factors and safety factors;
- (6) Changing the appropriation to \$200,000; and
- (7) Making other technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2296, 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. 2296, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Holt and Koki.  
Managers on the part of the Senate.

Representatives Cachola, Souki, Baker, Hirayama Jr., Horita, Okamura, Yonamine and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 87 on H.B. No. 2608**

The purpose of this bill is to amend Act 315, Session Laws of Hawaii (SLH) 1989, to provide supplemental appropriations to the Judiciary for fiscal year 1990-91.

Your Committee remained mindful of the budgetary foundation established through Act 315, SLH 1989, for the fiscal biennium 1989-91 during its budget deliberations. As such, your Committee addressed the Judiciary's most urgent concerns and operational requirements and funded them accordingly.

To address the increasing workload and facilitate timely services, your Committee provided for a Family Court judge and support staff to the Family Court of the First Circuit to respond to growing caseloads in domestic violence, juvenile, and adult criminal cases. A temporary Social Worker III position in the Second Circuit was converted to a permanent position to ensure continuity of services on Molokai and Lanai.

In order to implement the new records retention schedule, and to maintain a manageable record keeping system, your Committee provided additional staffing for the District Court's Records Management Division.

Your Committee funded programs to provide much needed services on the neighbor islands by expanding the Children's Advocacy Center and the Program Services Office statewide.

Finally, funds were provided to meet the growing facility needs of the Family Court in the First Circuit and to address facility needs on Kauai, Molokai, Maui, and Hawaii.

Your Committee agrees that the Judiciary should be allowed flexibility in budget execution and day-to-day operations. However, it is not the intent of your Committee to extend that flexibility to include funding of unauthorized programs and positions through internal savings and reallocations. This practice may create problems should internal savings become inadequate. More importantly, this practice circumvents the legislative budgetary process relating to fiscal responsibility.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2608, 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. 2608, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Menor, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Representatives Metcalf, Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 88 on H.B. No. 2645**

The purpose of this bill is to appropriate funds to educate the families of mentally ill persons, in order to assist them to understand and provide for mentally ill family members.

Your Committee has agreed to adopt the Senate version of H.B. 2645 and has amended this bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2645, 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. 2645, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, Levin and George.  
Managers on the part of the Senate.

Representatives Arakaki, Fukunaga, Duldulao, Isbell, Metcalf, Shon and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. 89 on H.B. No. 2649**

The purpose of this bill is to establish a community-based teenage health clinic demonstration project to improve health care to "high risk" and "homeless" teenagers.

As part of the foregoing demonstration project, this bill also establishes an outreach program for homeless persons under twenty-one years of age.

Your Committee has amended this bill as follows:

- (1) Clarified that the demonstration project shall establish a community-based teenage health clinic with an outreach program;
- (2) Limited the project target group to "street youth", i.e., persons from thirteen through nineteen years of age who have no responsible adult supervision, and amended the bill wherever necessary to conform with this change in focus;
- (3) Defined "professional" to include a professional health care provider such as a physician, physician's assistant, counselor, social worker, nurse, or nurse-practitioner;
- (4) Clarified that the Director of Health shall determine the types of health services and pharmaceutical products that may be provided by the clinic, and expressly prohibited the performance of abortions at the clinic;
- (5) Deleted the provision requiring teenagers to submit a consent form which has been signed by the teenager and the teenager's parent in order to receive nonacute medical services or pharmaceutical products for a nonacute medical condition;
- (6) Provided immunity to any clinic professional for a determination made in good faith that:
  - (a) The teenager is capable of giving informed consent;
  - (b) The services or pharmaceutical products are clearly for the teenager's benefit; and
  - (c) The teenager is a street youth;
- (7) Clarified that the aforementioned immunity shall not extend to liability arising from negligence or malpractice on the part of the clinic professional in rendering professional service to the street youth;
- (8) Specified that while the clinic shall not be required to notify a street youth's parents of medical care and services provided, the clinic may, at the discretion of the clinic professional, disclose such information after consulting with the youth;
- (9) Deleted all provisions relating to fee schedules adopted for services;
- (10) Amended the target group of the outreach program to "street youth" rather than homeless persons under twenty-one years of age;
- (11) Deleted provisions delineating the types of services which may be provided by the outreach program;
- (12) Provided for the establishment and appointment of an advisory council for the project which shall advise the Director of Health and assist the Director in collecting project data; monitoring, assessing, and evaluating the effectiveness of the project; and developing program and policy needs in order to effectively carry out the purposes of the Act;
- (13) Reduced the appropriated sum to \$150,000;
- (14) Added a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements; and
- (15) Made technical, nonsubstantive amendments for the purposes of style and clarity.

And finally, your Committee finds that in order to promote accessibility of services to street youth, the project must:

- (1) Develop effective outreach strategies; and
- (2) Provide clinic services free-of-charge.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2649, 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. 2649, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, B. Kobayashi, Levin, McMurdo and George.  
Managers on the part of the Senate.

Representatives Arakaki, Shon, Souki, Amaral, Chang, Lee, Yonamine and Marumoto.  
Managers on the part of the House.

Representative Marumoto did not sign the report.

The purposes of this bill are to make additions and corrections to the controlled substance schedules which reflect additions made to federal law and place already scheduled drugs in the sections which are most appropriate to their chemical properties.

Upon reconsideration, your Committee has further amended this bill by correcting a typographical error found on page 15, line 12, item number 7, in Conference Draft 1. Your Committee amends "4-bromo-2,5-dimethoxy-amphetamine(4-bromo-" to read "4-bromo-2,5-dimethoxy-amphetamine(4-bromo-2,5-DMA)".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2876, H.D. 1, S.D. 1, C.D. 1, as amended herein, and recommends it pass Final Reading in the form attached hereto as H.B. No. 2876, H.D. 1, S.D. 1, C.D. 2.

Senators Menor, Levin, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Metcalf, Cachola, Okamura, Takamine and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. 91 on H.B. No. 2896**

The purpose of this bill is to clarify the basis for determining the revenue due to the Office of Hawaiian Affairs (OHA) for the betterment of the conditions of native Hawaiians under the provisions of the State Constitution and chapter 10, Hawaii Revised Statutes.

More specifically, the bill would:

- (1) Clarify which lands comprise the public land trust for native Hawaiians under chapter 10, Hawaii Revised Statutes;
- (2) Clarify what constitutes revenue derived from the public land trust which in turn forms the basis for determining the pro rata share of OHA;
- (3) Provide a process to determine the actual amounts payable to OHA under the clarified standards;
- (4) Provide a process for payment of sums to OHA consistent with restrictions and limitations under existing federal and state laws, rules, and regulations, and bond and contractual obligations;
- (5) Require the Department of Budget and Finance and OHA to determine the actual amount equivalent to twenty per cent of the revenue derived from the public land trust;
- (6) Require the Department of Land and Natural Resources, the Office of State Planning, and OHA to identify parcels of public land which may be conveyed to OHA as payment of moneys owed;
- (7) Appropriate \$7,200,000 for fiscal year 1990-1991 as the initial payment of moneys owed to OHA;
- (8) Appropriate \$500,000 for land surveys, public information meetings, transportation costs, and to otherwise carry out the purposes of the bill;
- (9) Require that all data relating to lands comprising the public land trust and the revenue derived therefrom be subject to review by an independent auditor selected by OHA; and
- (10) Require the Office of State Planning in cooperation with affected agencies to:
  - (A) Review existing policies on the utilization and disposition of lands in the public land trust;
  - (B) Evaluate the effect of existing policies on the revenue due to OHA; and
  - (C) Develop and assist in implementing policies to ensure OHA receives its revenue entitlement promptly.

Your Committee finds that this bill is an important first step in addressing the concerns and needs of native Hawaiians and Hawaiians. This bill clarifies what constitutes the public land trust and revenue derived therefrom allowing OHA to be in a position to significantly increase its efforts on behalf of native Hawaiians.

Your Committee notes that the proposed settlement is on behalf of native Hawaiians only and leaves open for future negotiations the question of entitlements for Hawaiians with less than fifty per cent Hawaiian blood and the question of establishing a separate trust fund to benefit all Hawaiians regardless of blood quantum. Your Committee also notes that this bill in no way replaces, affects, or impairs claims of native Hawaiians and Hawaiians to reparations from the federal government, including claims relating to lands now under federal control in Hawaii.

Your Committee has amended the bill by adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements. Your Committee has also made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2896, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2896, H.D. 3, S.D. 2, C.D. 1.

Senators Yamasaki, Crozier, A. Kobayashi, Fernandes Salling, Hagino, Ikeda, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Representatives D. Ige, Souki, Apo, Baker, Fukunaga, Tajiri and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 92 on H.B. No. 2919 (Majority)**

The purpose of this bill is to amend certain laws relating to planning and community development to:

- (1) Facilitate the redevelopment of the Kakaako waterfront;
- (2) Enhance opportunities for more affordable housing through residential developments in Kakaako;
- (3) Expand the relocation program to assist in the relocation and re-establishment of small businesses displaced by the redevelopment of Kakaako; and
- (4) Facilitate the development of the Aloha Tower project and change the boundaries of the Aloha Tower complex area.

Upon further consideration, your Committee has made the following amendments to this bill:

- (1) Added a new section 1, stating the reasons why and the amount and rate by which the appropriations contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (2) Amended section 1 by adding a provision to require that a portion of the original park area be maintained as part of the Kakaako Waterfront Park. This will ensure that a prime and substantial area of the original park will be maintained as a park.
- (3) Amended section 5 by establishing a prioritization of locations for the development of reserved housing within and outside of the Kakaako District. This amendment is intended to promote and encourage the development of reserved housing within Kakaako and in areas immediately surrounding the District and discourage development in outlying areas.
- (4) Authorized the Hawaii Community Development Authority (HCDA) to transfer fees collected from residential projects for the development of affordable housing to the Housing Finance and Development Corporation (HFDC). Such fees may be used by the HFDC or nonprofit organizations for the provision of affordable housing within or outside of the community development district. The purpose of this amendment is to enhance the ability of HCDA and the HFDC to maximize the number of affordable housing units with the same amount of funds. Generally, this will be accomplished by allowing the HCDA to satisfy the affordable housing requirement outside of the development district where development costs could be substantially lower. Additionally, the development guidelines for the redevelopment of Kakaako have been modified to be consistent with the aforementioned amendment which allows the fees to be used outside of the Kakaako District.
- (5) Added an amendment to require that the modified procedures for the review of Special Management Area permits and shoreline setback variances, as provided in section 5, be in effect for 10 years with an option for the legislature to repeal the amendment after 5 years through the adoption of a concurrent resolution. This will enable a legislative review of the effectiveness of the procedure.
- (6) Decreased the appropriation for the relocation program from \$5,000,000 to \$1,000,000. This amount is sufficient for one year.
- (6) Deleted section 11 which would allow the chief executive officer of the Aloha Tower Development Corporation to hire employees without regard to Chapters 76 and 77 of the Hawaii Revised Statutes. This amendment is not necessary at this time for the continued operation of the Aloha Tower Development Corporation.

Your Committee recognizes and reaffirms the original objectives of establishing the Kakaako Community Development District, in particular, the need to encourage a mixture of residents with varying incomes, ages and family groups. It is your Committee's desire that this bill cause minimal displacement of long-time residents of Kakaako and minimal disruption to their current life styles.

Additionally, it is the intent of your Committee in the implementation of the amendments which allow the development of affordable housing outside of the Kakaako District, that the Hawaii Community Development Authority (HCDA) continue its affordable housing efforts within Kakaako and that affordable housing may be developed in other areas of urban Honolulu whenever economically feasible.

To further address the critical need for affordable housing, it is also your Committee's intent that HCDA consider reviewing its current reserved housing in-lieu fee program. Based on current market conditions and since the current fee schedule was adopted five years ago, your Committee believes a review is appropriate at this time. While it is your Committee's desire that the HCDA continue its policy of requiring the reserved housing in the project, your Committee recognizes the need for the HCDA to be able to consider and accept alternatives to the reserved housing requirement.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2919, 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. 2919, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, Holt and Koki.  
Managers on the part of the Senate.

Representatives Tom, Souki, Hagino, Apo, Fukunaga, Hiraki, Hirayama Jr., Honda, D. Ige, Oshiro, Say, Tajiri, Anderson and Marumoto.  
Managers on the part of the House.

Representatives Hagino, Honda and D. Ige did not sign the report.  
Representative Hiraki did not concur.

#### **Conf. Com. Rep. 93 on H.B. No. 2929**

The purpose of this bill is to fund specific repricing actions in the recommended compensation plan of the Executive Branch of the State of Hawaii. The specific actions to be funded are the repricing of all civil service secretary, private secretary, and school administrative services assistant classes.

Pay inequities were a long standing problem for the secretaries during the past 12 years; therefore, the bill seeks to fund the added cost of repricing action affecting secretaries.

While repricing actions are normally funded by the employing departments, this method of funding is not adequate given the number of employees affected. The added funds are essential to avoid serious repercussions in the employing departments.

Your Committee has amended this bill as follows:

- (1) Adding a section declaring that the appropriations contained in the bill will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$2,235,436, or 0.087 per cent and that such expenditure is necessary to serve the public interest and to comply with constitutional and statutory provisions; and
- (2) Making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2929, 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. 2929, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Takamine, Souki, Hirayama Jr., Horita, Kanoho, Yoshimura and Marumoto.  
Managers on the part of the House.

#### **Conf. Com. Rep. 94 on H.B. No. 2904**

The purpose of this bill is to implement the Job Opportunities and Basic Skills (JOBS) program in the State of Hawaii. The establishment of this mandatory work program for certain recipients of Aid to Families with Dependent Children (AFDC), is required by federal law. Failure to implement this program may result in the State's loss of more than \$50 million in federal assistance relating to the AFDC program.

Your Committee on Conference has amended this bill as follows:

- (1) Clarified that the Department of Human Services shall place eligible participants, who are denied services due to lack of resources, on inactive status without penalty until the needed services are made available;
- (2) Clarified that the program may include, inter alia, remedial education and English proficiency to "prepare participants for jobs";
- (3) Deleted the section which would have repealed Part IX of Chapter 346, Hawaii Revised Statutes;
- (4) Deleted amendments to Section 346-53.(b) which would have increased the assistance allowance to seventy percent of the standard of need on July 1, 1990; and
- (5) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2904, 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. 2904, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, McMurdo, Tungpalan and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Fukunaga, Amaral, M. Ige, Peters, Tajiri and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. 95 on H.B. No. 2932**

The purpose of this bill is to fund specific repricing for civil service adult corrections officer, youth corrections officer, registered professional nurse and anesthetist classes in the recommended compensation plan of the Executive Branch of the State of Hawaii.

While a substantial number of heavily populated classes were repriced during recent reviews, most departments would be unable to fund the increased payroll costs from existing appropriations without substantial delay in filling vacant positions or, conceivably, transferring funds from other program areas. Therefore, added funds are essential to avoid serious fiscal repercussions in the employing departments.

Your Committee has amended this bill as follows:

- (1) Adding a section declaring that the appropriations contained in the bill will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$2,857,732, or 0.11 per cent and that such expenditure is necessary to serve the public interest and to comply with constitutional and statutory provisions; and
- (2) Making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2932, 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. 2932, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Takamine, Fukunaga, Cachola, Horita, Leong, Tom and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. 96 on H.B. No. 2057**

The purpose of this bill is to establish and attach the judiciary history center to the Office of Administrative Director of the Courts for administrative purposes.

Your Committee has amended this bill by adding a new Section 2 stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements. Subsequent sections have been renumbered as appropriate.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2057, 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. 2057, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Menor and Koki.  
Managers on the part of the Senate.

Representatives Metcalf, Taniguchi, Souki, Hagino, Hiraki and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. 97 on H.B. No. 2089**

The purpose of this bill is to allow inspection of adoption records by adoptees, adoptive parents, and natural parents upon request and upon certain conditions.

Your Committee has amended H.B. No. 2089, H.D. 1, S.D. 1, as follows:

- (1) Adding a new SECTION 1 stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements and renumbering subsequent sections as appropriate;
- (2) Adding a new SECTION 6 that appropriates funds necessary to serve the purposes of the Act;
- (3) Removing the option to choose lifetime confidentiality on page 6, lines 10 to 13;
- (4) Providing for the option to choose between lifetime confidentiality or ten-year confidentiality for a subsequent affidavit on page 8, lines 16 to 21;
- (5) Clarifying language that provides reciprocal rights to adoptees where natural parents request inspection of adoption records on page 9, lines 11 to 14. Your Committee does not intend to grant any rights to adoptive parents to object to inspection of records by the natural parents;
- (6) Reversing the order of subparagraphs (F) and (G) and making changes consistent with the intent to make the subparagraph on the effective period of an affidavit requesting confidentiality apply to lifetime affidavits as well as

ten-year affidavits, and the intent to end the effective period of the affidavits on the last day of the period of the affidavit, the day the natural parent revokes the affidavit, or the day the natural parent dies, whichever occurs sooner;

- (7) Changing the period to file affidavits in subparagraph (B) on page 10, lines 11 to 17, to a period of ninety calendar days before the adoptee attains the age of eighteen, instead of sixty calendar days after the adoptee reaches eighteen, and added the option of filing a subsequent affidavit requesting lifetime confidentiality; and
- (8) Renumbering paragraphs (3) and (4) on page 9 as paragraphs (4) and (5), respectively, and making each paragraph applicable to all adoptions, regardless of date of occurrence. Paragraph (5) was renumbered as paragraph (3);
- (9) Substituting the words "affidavit requesting" for "request for" on page 11, line 10, for the purposes of consistency and clarity;
- (10) Allowing the family court to designate an "agent" or agency, not only an agency, in the event the notice by registered mail is undeliverable;
- (11) Requiring the family court and the designated agent or agency to send with the notice the request for inspection and copies of any accompanying letters, photographs or other documents filed in support of the request; and
- (12) Making technical changes to page 3, lines 2-4; page 5, lines 8-9; page 7, line 15; page 8, lines 9-21; and page 9, lines 9-10, for purposes of consistency, clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2089, 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. 2089, H.D. 1, S.D. 1, C.D. 1.

Senators Menor, Blair, Levin and Reed.  
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Metcalf, Amaral, Andrews, Hagino and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. 98 on H.B. No. 2273**

The purpose of this bill is to appropriate funds to support the creation of a weekly half-hour news show produced by Hawaii Public Television focussing on issues and events in the Pacific region.

Your Committee on Conference has amended this bill by:

- (1) Deleting Section 2 which appropriated \$500,000 to be paid into the public broadcasting revolving fund and to be matched on a dollar-for-dollar basis;
- (2) Appropriating \$250,000 to be paid into the public broadcasting revolving fund;
- (3) Appropriating or authorizing the use of \$500,000 from the public broadcasting revolving fund to be used for the creation of a weekly news program and to be matched on a dollar-for-dollar basis;
- (4) Adding a new section stating the reasons why and the amount and rate by which the appropriations contained in this bill exceed the state spending limit to comply with constitutional and statutory requirements; and
- (5) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2273, 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. 2273, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Hagino, Fernandes Salling, Tungpalan and George.  
Managers on the part of the Senate.

Representatives Taniguchi, Tom, Souki, Hirayama Jr., Horita, Ihara Jr., Takamine and Marumoto.  
Managers on the part of the House.

Representatives Ihara Jr. and Marumoto did not sign the report.

#### **Conf. Com. Rep. 99 on H.B. No. 2546**

The purpose of this bill is to add a new part to Chapter 329, Hawaii Revised Statutes, relating to precursors to the manufacture of methamphetamine.

Your Committee on Conference has amended this bill by:

- (1) Changing the name of the substance on page 2, line 6 from N-methylephedrine to N-methylpseudoephedrine; and



- (2) Correcting the spelling of the substance on page 2, line 7 from Chloroedphedrine to Chloroephedrine.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2546, H.D. 1, S.D. 1, C.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2546, H.D. 1, S.D. 1, C.D. 2.

Senators Levin, Menor and Reed.  
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Arakaki, Metcalf, Amaral, Peters, Shon and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. 100 on H.B. No. 2751**

The purpose of this bill is to make an appropriation to the Hawaii capital loan revolving fund and to establish an underground storage tank financial responsibility guarantee fund in the state treasury to be administered by the Department of Health (Department).

Your Committee finds that it is essential that the State encourage all practical means to control or eliminate pollution hazards posed by leaking petroleum underground storage tanks.

Following its deliberations on this measure, your Committee has amended this bill by:

- (1) Eliminating the upper and lower limits placed on the financial responsibility guarantee fund, and authorizing the Director of the Department of Health (Director) to suspend the collection of funds based on actuarial and environmental considerations;
- (2) Authorizing the Director to increase or decrease the \$200 tank fee based on actuarial need;
- (3) Eliminating the provision relating to the liability of a certified person and the proposed section relating to the authorized uses of the fund;
- (4) Requiring the Department to submit a report to the Legislature of an actuarially sound financial guarantee program and requiring the Department to present other insurance or guarantee programs as alternatives;
- (5) Eliminating references to certain administrative details regarding the financial responsibility guarantee program;
- (6) Authorizing the Department to use the fund for the purpose of conducting the actuarial studies; and
- (7) Deleting the sums appropriated to the Hawaii capital loan fund and the underground storage tank financial responsibility guarantee fund.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2751, 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. 2751, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Hagino, Ikeda, Matsuura, Solomon and Koki.  
Managers on the part of the Senate.

Senator Hagino did not sign the report.

Representatives Andrews, Souki, Baker, Honda, Kanoho, Lee and O'Kieffe.  
Managers on the part of the House.

Representative Honda did not sign the report.

**Conf. Com. Rep. No. 101 on S.B. No. 2252**

The purpose of this bill is to:

- (1) Amend section 155-9, Hawaii Revised Statutes (HRS), by raising the limits on agricultural loans from \$100,000 to \$400,000 for farm ownership and improvement loans (class "A") and farm operating loans (class "C"); and
- (2) Amend section 155-11(c), HRS, to provide that no farm ownership and improvement (class "A") loan shall exceed eighty percent of the value of the security offered.

Your Committee upon further consideration has amended the bill by changing the language which amends section 155-11(c) to require that no farm ownership or improvement (class "A") loan shall exceed eighty-five percent of the value of the security offered, rather than the original proposal of eighty percent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2252, 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. 2252, S.D. 2, H.D. 1, C.D. 1.

Senators Yamasaki, Ikeda and Koki.  
Managers on the part of the Senate.

Representatives Honda, Fukunaga, Bellinger, M. Ige, Isbell, Lee and Hemmings.  
Managers on the part of the House.

**Conf. Com. Rep. No. 102 on S.B. No. 2482**

The purpose of this bill is to strengthen the current plant and non-domestic animal quarantine law by inserting language which is more readily lucid and by making technical, nonsubstantive amendments.

Additionally, the bill adds a new section to chapter 150A, Hawaii Revised Statutes (HRS), which provides the Board of Agriculture with the authority to to recommend additions, deletions, and revisions to the list of plants, animals, and microorganisms enumerated in section 150A-6, HRS.

Your Committee upon further consideration has amended the bill by:

- (1) Deleting SECTION 1 of the bill which adds a new section to chapter 150A, HRS;
- (2) Reinstating (5) in section 150A-6, HRS, and adding language which allows the Board of Agriculture to maintain and amend lists of prohibited, conditionally approved, or restricted animals, plants, and microorganisms; and
- (3) Removing transportation companies from the class C felony penalty provision for repeat offenders.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2482, 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. 2482, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Honda, Bybee, Shon, Metcalf and O'Kieffe.  
Managers on the part of the House.

Representative Bybee did not sign the report.

**Conf. Com. Rep. No. 103 on S.B. No. 3094**

The purpose of this bill is to amend chapter 201E, Hawaii Revised Statutes, relating to the Housing Finance and Development Corporation (HFDC), to:

- (1) Clarify the procedures to be used by the HFDC in exercising its first option to purchase an affordable housing unit within the first ten years after the original sale of the unit when the purchaser wishes to sell the unit (the ten year buy-back period) and the amount to be paid to the purchaser upon the HFDC exercising its option, consistent with the procedures and guidelines currently used by the HFDC and the counties;
- (2) Clarify the sum to be paid to the HFDC by the original purchaser upon the resale of an affordable housing unit after the ten year buy-back period;
- (3) Provide for a discretionary rather than an automatic waiver of the ten year buy-back period for affordable housing units financed under federally subsidized mortgage programs, such as the Farmers Home Administration loan program, as well as discretionary waiver of the requirement that affordable housing units be resold only to qualified residents and the requirement that the original purchaser repay certain sums to the HFDC upon resale of an affordable housing unit;
- (4) Require that a "qualified resident" for purposes of purchasing or leasing affordable housing units or for purposes of the preference in purchasing market-priced housing units be a "domiciliary" of the State, rather than merely a "bona fide resident" of the State;
- (5) Eliminate from the definition of "qualified resident," any person who is living apart from the person's spouse and whose spouse (or the person and spouse jointly) owns fee simple or leasehold lands suitable for dwelling purposes or has pending an unrefused application to purchase a dwelling unit from the HFDC;
- (6) Require that, both during and after the ten-year buy-back period, affordable housing units be resold only to "qualified residents";
- (7) Require that purchasers of affordable housing units reside in the units at all times both during the ten year buy-back period and thereafter;
- (8) Require that preference in purchasing market-priced units in economically integrated housing projects be given to "qualified residents," i.e. persons who are U.S. citizens or resident aliens domiciled in the State and meet other qualifications determined by the developer, while authorizing the sale or lease of market-priced housing units to persons who are not U.S. citizens or resident aliens domiciled in the State, where there is an insufficient number of qualified residents;

- (9) Provide that, except as otherwise determined by the developer, a purchaser of a market-priced unit is not subject to:
- (a) the ten year buy-back period (during which the HFDC is given a first option to purchase the unit);
  - (b) the requirement that the unit be resold only to "qualified residents," but is subject to a requirement that preference be given to "qualified residents" in any resale;
  - (c) the requirement that the purchaser reside in the unit; and
  - (d) the requirement that the purchaser not own other fee simple or leasehold lands suitable for dwelling purposes or have pending any other unrefused application for the purchase of a housing unit sponsored by the HFDC; and
- (10) Clarify that prices for the sale or for the lease or rental of market-priced units are not subject to the cost limitation imposed by section 201E-220, except as otherwise determined by the developer;

Your Committee finds that it is essential to curtail speculation in affordable housing units sponsored by the State and counties and to give other qualified residents an opportunity to purchase the units at reasonable prices when the original purchaser of the affordable housing unit decides to sell and move elsewhere. Your Committee agrees that preferential status must be given to persons who are U.S. citizens or resident aliens domiciled in this State in the sale of market-priced units, and expects the HFDC to ensure proper implementation of this requirement. At the same time, your Committee finds that it is inappropriate and impractical to impose a strict requirement that purchasers of market-priced housing units be U.S. citizens or resident aliens domiciled in the State since there may be an insufficient number of qualified residents interested in the market-priced units, or to impose owner-occupancy, buy-back, or other restrictions on these purchasers, who receive no government subsidies and are in fact subsidizing the construction of affordable units.

Your Committee notes that the amendments made by SECTION 3 of the bill to Section 201E-220, Hawaii Revised Statutes, are intended to exempt market-priced units from rules normally applicable to affordable housing, but are not intended to authorize the HFDC to make loans to purchasers of market-priced units under Section 201E-220(b). Your Committee further notes that the amendments made by this bill are not intended to be retroactive, i.e. persons who have purchased or made commitments or agreements to purchase housing units prior to the effective date of this bill are not required to abide by the new conditions provided for in the bill nor are they relieved from any requirements imposed by law, contract, or otherwise when they originally purchased the units, except as otherwise permitted by law or rules adopted by the HFDC.

Your Committee upon further consideration has made the following amendments to S.B. No. 3094, S.D. 1, H.D. 2:

- (1) Retained within the current definition of "qualified resident" in Section 201E-2, Hawaii Revised Statutes, a person who is living apart from the person's spouse under a valid decree of separation issued by the family court and whose spouse (or the person and spouse jointly) owns fee simple or leasehold lands suitable for dwelling purposes or has pending an unrefused application to purchase a dwelling unit from the HFDC. This is consistent with section 580-75, Hawaii Revised Statutes, which in the case of an official separation accords the husband and wife the status of unmarried persons;
- (2) Provide that the rate of interest to be paid to the HFDC on the deferred sales price, if any, of an affordable housing unit shall be seven per cent per annum, rather than an unspecified interest rate; and
- (3) Minor technical amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3094, 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. 3094, S.D. 1, H.D. 2, C.D. 1.

Senators Crozier, Cobb and Reed.  
Managers on the part of the Senate.

Representatives Hayes, Fukunaga, Chang, Isbell, M. Ige, Shon and Marumoto.  
Managers on the part of the House.

#### Conf. Com. Rep. No. 104 on S.B. No. 2223

The purpose of this bill is to modify the list of minimum sizes of various seafood items to:

- (1) Make it unlawful for any commercial marine dealer (rather than "peddlers") to have in the dealer's possession, any:
  - (A) Ahi less than three pounds in weight; or
  - (B) Onaga or octopus less than one pound in weight; and
- (2) Allow the dealers to possess squid and ulaula less than one pound in weight.

Your Committee has amended this bill by limiting its effects to making it unlawful for any peddler or dealer in fish to have in the peddler's or dealer's possession, any ahi less than three pounds in weight.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2223, 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. 2223, S.D. 1, H.D. 2, C.D. 1.

Senators Matsuura, Ikeda and George.  
Managers on the part of the Senate.

Representatives Bunda, Metcalf, Isbell, Kanoho, Yoshimura and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 105 on S.B. No. 46**

The purpose of this bill is to increase the maximum towing charges for vehicles left unattended on public and private property to \$40 a tow and \$50 a tow when using a dolly.

Currently, the respective charges for towing services are \$25 a tow and \$37.50 a tow when a dolly is used. These charges were established in 1976 and have not been altered to reflect rising operating costs.

Your Committee, upon further consideration, has amended the bill by amending the towing charge amounts to \$35 a tow and \$40 a tow when a dolly is used.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 46, 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. 46, S.D. 1, H.D. 1, C.D. 1.

Senators Fernandes Salling, Levin and George.  
Managers on the part of the Senate.

Representatives Oshiro, Souki, Horita, Baker, Yonamine and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 106 on S.B. No. 3399**

The purpose of this bill is to restrict the operation of motor vehicle sound amplification systems at an excessively loud level.

Specifically, the bill:

- (1) Defines the offense of excessively loud operation of a motor vehicle sound amplification system as being audible to the human ear at a distance of sixty feet from the vehicle in a residential area, or upon any highway;
- (2) Provides it is a violation for the operation of a motor vehicle sound amplification system at an excessively loud level;
- (3) Provides it is a petty misdemeanor if the person either operates a sound system at an excessive noise level with the intent to cause serious inconvenience or substantial harm, or if the person persists after being duly warned by a police officer; and
- (4) Establishes exemptions from the provisions of the bill for police, emergency, or properly authorized vehicles.

Upon further consideration your Committee has amended the bill by adding that a person can only be charged a maximum of \$250 if found in violation of this section. Additionally, your Committee has made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3399, 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. 3399, S.D. 1, H.D. 2, C.D. 1.

Senators Fernandes Salling, Ikeda and George.  
Managers on the part of the Senate.

Representatives Oshiro, Shon, Metcalf, Yoshimura and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 107 on S.B. No. 3454**

The purpose of this bill is to extend the demonstration project which allows off-hour roadwork on Interstate H-1 between the Kapiolani and Kahauiki interchanges until June 30, 1991.

The Interstate H-1 is a heavily traveled traffic corridor and any road construction, repair, or maintenance work results in traffic congestion. Act 255, Session Laws of Hawaii 1989, established a pilot project which allowed off-hour roadwork to be done on the Interstate H-1 between the Kapiolani and Kahauiki interchanges until June 30, 1990. Your Committee finds that this project should be extended to further examine the effects of off-hour roadwork on the Interstate H-1.

Your Committee upon further consideration has amended the bill by amending section 3 of Act 255, Session Laws of Hawaii 1989, to include that the Director of Transportation shall submit a status report before the convening of the 1991 Legislative Session and a final report before the convening of the 1992 Legislative Session.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3454, 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. 3454, S.D. 1, H.D. 1, C.D. 1.

Senators Fernandes Salling, Mizuguchi, Nakasato and George.  
Managers on the part of the Senate.

Representatives Oshiro, Bybee, Baker, Hirayama Jr. and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 108 on S.B. No. 2122**

The purpose of this bill is to implement the recommendations of the Legislative Auditor in the report entitled: "Sunset Evaluation Report, Regulation of Tattoo Artists, Electrologists and Sanitarians."

This bill creates two new parts to chapter 321, Hawaii Revised Statutes, establishing licensing requirements and the regulation of: (1) electrologists by the Department of Commerce and Consumer Affairs; and (2) tattoo artists by the Department of Health. In addition, the bill includes the new regulatory groups in the sunset review schedule and clarifies the subjects of health regulations to include electrologist shops.

Your Committee has amended this bill by amending the regulation of tattoo artists to:

- (1) Authorize the Department of Health to adopt rules regulating the use of topical anesthetics and allowing registered nurses licensed under chapter 457 to administer injections. While your Committee believes that it is appropriate to give the Department broad discretion in the area of topical anesthetics, it also notes that it has been informed that Lidocaine, if sterile and if it does not contain preservatives, can safely be used as a topical anesthetic by unlicensed but experienced personnel, and urges the Department to consider such an approach in its rules;
- (2) Delete the requirement that examination standards meet nationally established standards for validity, reliability, and fair administration, because it is unclear whether such standards exist;
- (3) Delete the limitation that the licensure examination must be a written examination only; and
- (4) Allow a tattoo artist who is under the general supervision of a licensed physician to apply facial tattoos.

In addition, your Committee extended the regulation of sanitarians to December 31, 1992, and made several technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2122, 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. 2122, S.D. 1, H.D. 1, C.D. 1.

Senators Levin, Blair, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Hirono, Shon, Cachola, Andrews, Amaral and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. No. 109 on S.B. No. 2169**

The purpose of this bill is to require establishments that sell intoxicating liquor to post point-of-purchase signs warning of the dangers of drinking alcoholic beverages during pregnancy.

The bill also allows this warning sign to be combined with other statutorily required notices relating to intoxicating liquor, and authorizes the Department of Health, the agency charged with protecting public health and safety, to approve such a combined notice.

It has been well documented that consumption of alcohol by pregnant women can cause birth defects in their babies, defects that may be manifested throughout the child's life. Women who consume large quantities of alcohol during pregnancy may give birth to babies with Fetal Alcohol Syndrome (FAS). The syndrome is a cluster of congenital defects including mental retardation, curvature of the spine, and facial abnormalities. Even consumption of small amounts of alcohol can lead to Fetal Alcohol Effect (FAE), where children may suffer from insomnia and chronic psychological-adjustment problems.

The federal Anti-Drug Abuse Act of 1988 (Public Law 100-690), which took effect on November 18, 1989, requires a specific health warning statement to appear on the labels of all containers of alcoholic beverages sold in the United States. Inasmuch as the federal law may provide some notice to pregnant mothers, your Committee finds that further warning is warranted.

Due to the concern over FAS, a grant was provided by the National Institute on Alcohol Abuse and Alcoholism to study FAS. The study concluded that:

1. Ninety-six percent of the women who gave birth in the study area during the three-month period had seen messages about the dangers of drinking during pregnancy.

2. Fifty-nine percent of the women reported that they had consumed some alcohol during their pregnancy, although over sixty percent of those who did, did so extremely rarely.

Michael J. Minor and Bernice Van Dort in their treatise Prevention Research on the Teratogenic Effects of Alcohol found that of 2083 people surveyed, "twenty-two percent thought that pregnant women should abstain from drinking alcohol on a special occasion." This fact suggests that seventy-eight percent of those surveyed thought that occasional drinking by pregnant women was all right. It is not; FAE is evidence of that. This bill would serve to buttress the federal law to ensure proper notification to pregnant women and the general public.

Your Committee finds that the county liquor commissions are charged with regulating the sale of intoxicating liquor and the regulation of signs warning of the penalties of driving under the influence of intoxicating liquor. Therefore, your Committee believes that it would be more appropriate for the liquor commission to regulate the warning sign proposed in this bill, and has amended the measure accordingly.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2169, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2169, H.D. 1, C.D. 1.

Senators Levin, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Shon, Hirono, Hiraki, Amaral, Ihara Jr. and Cavasso.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 110 on S.B. No. 2318**

The purpose of this bill is to include the illegal distribution of steroids as an offense subject to the forfeiture provisions of the penal code.

Your Committee finds that the previous inclusion of steroids in chapter 329 created penalty provisions for the illegal distribution of steroids, but did not identify or list steroids in any controlled substance schedule. Therefore, the offense is technically outside the forfeiture provisions that exist for offenses involving other drugs listed under chapter 329. This bill corrects that problem.

Your Committee has amended this bill by adding language to clarify the effective date of the bill relative to the repeal of Act 260, Session Laws of Hawaii 1988.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2318, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2318, S.D. 1, H.D. 1, C.D. 1.

Senators Levin, Menor and Reed.  
Managers on the part of the Senate.

Representatives Shon, Metcalf, Hagino, Hiraki, M. Ige and Liu.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 111 on S.B. No. 3111**

The purpose of this bill is to authorize the use of Waimano Training School and Hospital for respite care.

This bill makes respite care available to eligible individuals with developmental disabilities for whom respite care in community settings is unavailable, and limits care to thirty calendar days per client per year. In addition, respite care at Waimano will not be considered an admission or re-admission to the institution.

It is anticipated that about eighty individuals will be deinstitutionalized or diverted from institutionalization within the next two years. This will have a great impact on the already limited number of spaces available for respite care. However, it is the intent of your Committee that Waimano Training School and Hospital be used for respite care only as a last resort, and only as long as the existing staff is able to serve clients effectively and adequate bed space is available.

Your Committee has amended this bill by reinserting the sunset clause to repeal this measure on June 30, 1995.

Your Committee on Conference is in accord with the intent and purpose of S.B. NO. 3111, 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. 3111, S.D. 1, H.D. 1, C.D. 1.

Senators Levin, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Shon, Amaral, M. Ige, Chang, Leong and Cavasso.  
Managers on the part of the House.

Representative Cavasso did not sign the report.

#### **Conf. Com. Rep. No. 112 on S.B. No. 422**

The purpose of this bill is to create a new chapter entitled Gold and Silver Stamping which would provide a standard for the fineness of gold and silver products and a scheme for enforcement.

Your Committee has found that unscrupulous persons or firms have been manufacturing in Hawaii or importing into Hawaii gold and silver items that are improperly marked to overstate the precious metal content. Sales of such items are deceptive and mislead consumers into purchasing items believed to be of higher value than they actually are. The publicity and sales of such items have eroded the public's confidence in jewelry items sold in Hawaii. The public has no practical way of knowing if an item is mismarked or underkarated and no way of checking the manufacturer's reputation if the item does not have a trademark.

Moreover, the selling of underkarated items creates an unfair competitive advantage as against legitimate dealers selling legitimate items.

The purpose of this bill is to create: definitions and standards for precious metal content, a trademarking requirement when items are stamped with "14K," "sterling," or any other marking or label which makes a representation as to the precious metal content, and criminal and civil remedies to enforce these standards and requirements.

The Department of Commerce and Consumer Affairs testified in support of this bill and stated that the private right of action on the part of industry associations and criminal liability for violation of these provisions would provide an effective means of enforcing compliance. Therefore, the Department did not feel that there would be a need for an agency of the Executive Branch to be involved in enforcing compliance of this bill.

The Board of Agriculture testified in support of this bill. Testimony in support of this bill was presented by a manufacturer and wholesaler of jewelry, the Hawaii Jewelers Association and a retail jeweler.

Your Committee has amended this bill as follows:

- (1) Deleted the definition of "Department."
- (2) Deleted the definition of "Jewelry trade association."
- (3) Added a definition of "person."
- (4) Added "enclose" to definition of "Stamped."
- (5) Amended the definition of "Trademark" to delete reference to the department of commerce and consumer affairs.
- (6) Added the words "of or in wholesale or retail" to "manufacturer or dealer" under § -2.
- (7) Added the words "or designed or intended to indicate" to "any mark or word indicating" under § -2.
- (8) Added the words "or any colorable imitation thereof" to "sterling silver" under § -4(b), and to "coin silver" under § -4(c).
- (9) Added the words "or applied for registration" to "registered under the laws of the United States" under § -6.
- (10) Added subsection (b) under § -7 to provide for a class C felony offense for knowingly violating sections -3, -4, or -5.
- (11) Changed the violation of trademarking for the first offense to a misdemeanor and to a class C felony for subsequent offenses.
- (12) Clarified when seizure of contraband and forfeiture can occur under § -9.
- (13) Added a reference to Chapter 712A, Hawaii Revised Statutes, under § -9.
- (14) Redrafted § -10 to provide for injunctive relief and suits to be brought directly by certain persons and allows damages to be recovered. This is enabling legislation to establish a private right of action. Also provides for remedies, including punitive damages, against frivolous suits.
- (15) Deleted the 5 year delay effective date for retailers to purge their inventories of untrademarked articles manufactured before the effective date of this Act.

Your Committee finds that consumers are being deceived by the mismarking and underkarating of jewelry. Your Committee believes that S.B. No. 422, S.D. 1, H.D. 1, C.D. 1, is a positive step to address these problems.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 422, 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. 422, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Menor, Crozier and Reed.  
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Amaral, Anderson, Hagino and Hiraki.  
Managers on the part of the House.

The purpose of this bill is to allow judges the discretion to impose community service work in lieu of the current statutory fines for conviction for not having a no-fault motor vehicle policy.

Your Committee finds that under the current law courts have found that the mandatory imposition of a stiff fine causes inequities in some cases which are of concern to judges. Your Committee believes that allowing the judges the discretion to impose community service hours in lieu of statutory fines still comports with the intent of the law, to sanction those who drive without no-fault insurance. Therefore, your Committee has accepted the schedule to allow judges to grant community service in lieu of a fine. Further your Committee believes that a three month suspension of a driver's license is sufficient.

Because of the recent Hawaii Supreme Court decision in State vs. Palpallatoc which requires an affirmative duty on the part of a motor vehicle borrower to ask whether or not the vehicle is insured before borrowing it, the House had added clarifying language of a good faith defense for drivers of borrowed motor vehicles. The language was added to specifically address the intent of the Legislature to allow for the defense of lack of knowledge of insurance and not require the duty imposed in the Palpallatoc case.

On the other hand, there may be instances in which a person borrowing a vehicle should affirmatively ascertain whether it is insured. Therefore, your Committee has amended this bill to address the issues raised in the recent Palpallatoc case, by adding a provision to Section 431:10C-117(a), which creates a standard for determining when a borrower of a vehicle is not subject to the penalties provided therein. Specifically, if a borrower of a vehicle holds a reasonable belief that it is insured, he has no duty to affirmatively ascertain whether the motor vehicle is insured. Thus, the fact that the borrower of the vehicle does not inquire as to whether or not the vehicle is insured, should not of itself, subject the borrower to the penalties in the law. A court may determine on a case-by-case basis whether a person's failure to ascertain coverage was reasonable under the circumstances.

Your Committee has made technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2174, 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. 2174, S.D. 2, H.D. 1, C.D. 1.

Senators Menor, Blair, Levin and Reed.  
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Hiraki, Hagino and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 114 on S.B. No. 2307**

The purpose of this bill is to provide for a uniform procedure for substance abuse testing to ensure that privacy rights are protected and that reliable and accurate test results are achieved.

Upon further consideration, your Committee on Conference has amended this bill to redefine the role of the medical review officer in the testing program and to refine the confidentiality provisions. More specifically, the bill was amended as follows:

- (1) A definition for "medical review officer" was added to ensure that the individual has knowledge of substance abuse disorders and toxicology.
- (2) The definition of "positive test result" was amended to specify that it is a finding that is made through confirmatory testing of the presence of drugs, alcohol, or drug metabolites.
- (3) The definition of "substance abuse test" was amended to exclude the references to breath and blood alcohol tests.
- (4) A definition for "third party" was added.
- (5) Section 3 was amended to: exempt a third party from the requirements under this bill if the party is covered by drug testing regulations of the state department of transportation, the United States Department of Transportation, or other federal agency; require a third party to pay all costs, including confirmatory testing costs; and clarify that the administration of breath tests to determine alcohol content in a tested individual's blood is not precluded.
- (6) Section 4 was amended to: exempt from this bill, testing pursuant to subpart c of the Mandatory Guidelines for Federal Workplace Drug Testing Programs; require out-of-state laboratories to be licensed by the respective state in accordance with standards comparable to the standards of this bill; prohibit the department of health from licensing an out-of-state laboratory to perform substance abuse testing; and require the director of health to adopt rules regarding the selection of medical review officers, the use of specified equipment for confirmatory tests, and procedures to ensure confidentiality of the testing procedures and information.
- (7) The section regarding the medical review officer was deleted.
- (8) Section 6 was renumbered to section 5 and was rewritten to require that an individual be provided with a written statement of the substances to be tested for and a medication disclosure form prior to specimen collection and to authorize the director of health to adopt rules regarding the qualifications of the medical review officer, the use of medication disclosure forms, transmittal of test results, and handling of testing information.



- (9) Section 7 was renumbered to section 6 and rewritten to further clarify the requirements of the laboratory report, tighten the confidentiality provision, and add a provision invalidating a test result when the procedures in this bill are not followed.

Your Committee notes that the Chamber of Commerce of Hawaii expressed opposition to any provision which would impose penalties upon third parties and provide for reasonable court costs and attorney's fees. The Chamber expressed concern that such a provision would have a chilling effect upon workplace substance abuse testing in Hawaii because of the likelihood of costly litigation against employers who are attempting to comply with the law in good faith. While appreciating and being sensitive to such concerns, your Committee must emphasize that such a provision would only apply to "knowing" violations thereof. In this regard, it should be made clear that it is not the intent of your Committee to penalize employers who are making a good faith attempt to comply with the law.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2307, 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. 2307, S.D. 2, H.D. 2, C.D. 1.

Senators Menor, Aki, Levin and Reed.  
Managers on the part of the Senate.

Representatives Shon, Metcalf, Duldulao, Hagino, Kawakami and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. No. 115 on S.B. No. 2432**

The purpose of this bill is to establish a representative payee service in the Department of Health (Department) for mentally ill persons and persons suffering from substance abuse.

A representative payee service provides assistance to people who are unable to manage their personal finances. Your Committee finds that mentally ill persons and persons suffering from substance abuse are often unable to exercise prudent financial judgment and would benefit from a representative payee service. Additionally, mentally ill persons are more likely to utilize psychiatric or medical services if their financial resources are properly managed.

The bill directs the Department to consider developing representative payee services on the neighbor islands and making these services available to care home residents and homeless persons. The Department is also required to consider appropriate training for representative payees, and develop an inter-agency agreement with the Department of Human Services for the purposes of this bill.

Your Committee has amended the bill by:

- (1) Establishing a representative payee service in chapter 334, Hawaii Revised Statutes, instead of the Session Laws of Hawaii;
- (2) Adding the criterion that the Department consider the "development of due process procedures to protect the rights of mentally ill persons and persons suffering from substance abuse" in developing a representative payee service; and
- (3) Making technical amendments that have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2432, 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. 2432, S.D. 1, H.D. 1, C.D. 1.

Senators Menor, B. Kobayashi, Levin and Reed.  
Managers on the part of the Senate.

Representatives Shon, Souki, Isbell, Tajiri and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 116 on S.B. No. 3018**

The purpose of this bill is to improve the administrative procedures for child support orders under Chapter 576E, Hawaii Revised Statutes.

Your Committee has amended S.B. No. 3018, S.D. 1, H.D. 1, as follows:

- (1) Added a new subsection (d) to Chapter 576E relating to interstate request for income withholding to explicitly provide that enforcement of a support order may also include child support arrearages and reimbursement to Aid to Families with Dependent Children moneys;
- (2) Amended the new section to Chapter 576E relating to willful violations by providing that unless otherwise provided therein, any person who knowingly, intentionally or willfully violates any section of the chapter shall be guilty of a petty misdemeanor;
- (3) Deleted the new section to Chapter 576E relating to a biennial audit by the legislative auditor;

- (4) Amended Section 571-52.2 to make it clear that it is unlawful for any employer to fail to comply with its requirements;
- (5) Made technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. 3018, 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. 3019, S.D. 1, H.D. 1, C.D. 1.

Senators Menor, Blair, Levin and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Hagino, Yoshimura and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 117 on S.B. No. 1398**

The purpose of this bill is to require all health insurance policies issued in this State, with the exception of policies which are intended to cover specific diseases or are otherwise limited, to include coverage for a minimum schedule of mammographic screenings.

Women ages thirty-five to thirty-nine will be covered for one baseline mammogram, while women ages forty to forty-nine will be entitled to one screening every two years. Women age fifty or older will be covered for an annual mammogram, and any woman with a history of breast cancer or whose mother or sister has had a history of breast cancer will be covered for as many screenings as are recommended by the woman's physician.

In the United States, breast cancer is the most common form of cancer in women and the second most lethal. However, mammogram screenings when properly performed on a regular schedule, in combination with physical breast examinations, can detect the cancer in its earliest stages and significantly reduce the mortality rate of the disease. Therefore, your Committee finds that requiring health insurers to provide coverage for mammogram screenings will significantly improve the health of the female population of this State.

Your Committee has amended this bill by clarifying that if an insurer contracts with another provider to provide mammogram screening services, the contract must meet the approval of the Director of Health. Your Committee has also made a technical change which has no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1398, 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. 1398, S.D. 1, H.D. 2, C.D. 1.

Senators Blair, Ikeda, A. Kobayashi and Koki.  
Managers on the part of the Senate.

Representatives Shon, Hirono, Hayes, Amaral, Kawakami and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. No. 118 on S.B. No. 2435**

The purpose of this bill is to limit the aggregate benefits payable to a commercial motor vehicle driver injured in a work-related accident to the person's average net earnings less federal and state taxes and F.I.C.A, if the person's employer provides both workers' compensation and no-fault benefits.

Current law allows payment of up to eighty percent of the claimant's gross monthly income.

Your Committee finds that the eighty percent figure was intended to approximate an injured party's net income, but in most cases actually exceeds it. The formula proposed in this measure accomplishes the intent of the law as originally enacted and provides an equitable standard of remuneration for injured commercial drivers.

Your Committee has amended this bill by making a nonsubstantive technical change for the purpose of conformance with recommended drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2435, 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. 2435, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Ikeda, A. Kobayashi, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Hiraki, Hagino, Metcalf and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 119 on S.B. No. 3295**

The purpose of this bill is to clarify that discrimination in real property transactions on the basis of a person's handicapped status is illegal in every kind of transaction covered by chapter 515, Hawaii Revised Statutes.

The bill also clarifies that it is not illegal to discriminate on the basis of parental status with regard to housing for older persons, as defined by 42 U.S.C. section 3607(b)(2).

"Handicapped status" is defined as the "state of having a physical or mental impairment which substantially limits one or more major life activities, having a record of such an impairment, or being regarded as having such an impairment."

"Handicapped status" is currently termed "physical handicap" in chapter 515, without any details or parameters. Your Committee finds that term to be too ambiguous and imprecise to achieve the full extent of the protection your Committee wishes to extend to the people of Hawaii through the provisions of chapter 515. This bill will allow the Department of Commerce and Consumer Affairs to more effectively enforce the rights of handicapped persons in real property transactions.

Your Committee has amended this bill by clarifying that the term "handicapped status" does not include alcohol or drug abuse that impairs a person's activities or threatens the property or safety of others, and by making the bill retroactive to June 27, 1989. Your Committee has also made several nonsubstantive technical changes for the purposes of clarity and conformance with recommended drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3295, 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. 3295, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Chang and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Hiraki, Amaral and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 120 on S.B. No. 2117**

The purpose of this bill is to reorganize the schedule of sunset evaluations provided in section 26H-4, Hawaii Revised Statutes, and add solicitors in the business of taking orders (chapter 468) to the review cycle.

Currently, professions and occupations which are subject to state regulation under chapter 26H are scheduled to be reviewed by the Legislative Auditor every seven years, necessitating as many as ten reviews in a single legislative interim. This bill would spread out the reviews over a ten year period, thus enabling the Auditor to thoroughly examine each of Hawaii's regulated professions and vocations without borrowing critical time from other important duties placed in that office.

Your Committee has amended this bill by changing the repeal date of the Board of Massage, chapter 452, from December 31, 1997 to December 31, 1993. Your Committee has also deleted the December 31, 1996 repeal date for the statutory sections regulating electrologists. A new chapter on electrologists is scheduled for repeal on December 31, 2000, in conformance with the ten year cycle.

Your Committee has further amended this bill by allowing the Board of Acupuncture an additional two years - until the 1999 Regular Session - to develop standards for publicly characterizing and differentiating between academically and medically trained acupuncturists.

Your Committee wishes to emphasize that the decision not to include attorneys in the regulatory cycle is intended to give the new "unified bar" an opportunity to become established and propose its own improvements to the current regulatory environment. It is not the intention of your Committee to imply an opinion or finding that inclusion of attorneys in the regulatory cycle would be inappropriate.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2117, 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. 2117, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Cobb and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Hiraki, Oshiro, Takamine and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 121 on S.B. No. 2119**

The purpose of this bill is to require unaccredited educational institutions to register with the Department of Commerce and Consumer Affairs, disclose their lack of accreditation in advertising, catalogs, and instructional contracts, and refrain from using any reference to the State or its employees in connection with selling, advertising, or promoting products or services.

In addition, the bill requires all such institutions to keep true and accurate records of student enrollment, courses, fees, and matriculation rates, and produce them on demand.

Your Committee finds that consumers shopping for educational services have a right to full and accurate information about any institution that competes in the educational marketplace. This bill, by requiring unaccredited educational institutions to identify themselves as such and be accountable for their activities, will help prospective students make informed decisions regarding choice of school and curriculum.

Your Committee has amended this bill by clarifying that unaccredited educational institutions are prohibited from referring to their registration with the Department of Commerce and Consumer Affairs, their compliance with the requirements of chapter 446E, Hawaii Revised Statutes, or to any agency or employee of the State in a manner which suggests that the State licenses, approves, or regulates their operations.

Your Committee has also amended this bill by making a technical change which has no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2119, 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. 2119, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Hagino and Koki.  
Managers on the part of the Senate.

Representatives Taniguchi, Hirono, Hiraki, Takamine and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 122 on S.B. No. 2314**

The purpose of this bill is to strengthen and clarify the laws regulating the advertising of massage services.

The bill also deletes out-call massage services from the statutes on the basis that massage therapy licensees are already privileged to deliver massage therapy services at locations other than their places of business.

Relating to advertising, the bill seeks to ensure honesty in representations of services offered and to prohibit advertising practices which would mislead the public or which imply special techniques or services which are not actually available or are not permitted by state law or rule. The bill specifically prohibits:

- (1) Advertising as a massage therapist or massage establishment without the appropriate license;
- (2) Combining advertisements for licensed massage services with escort or dating services;
- (3) Advertising the performance of massage in a form in which the person is not trained;
- (4) Using pictures depicting the human form;
- (5) Using terms other than "therapeutic massage" or "massage therapy" to advertise the service; and
- (6) Advertising personal qualities of the practitioner.

The bill further clarifies the term "advertise" as it applies to the massage therapy profession; clarifies the kinds of information which must be included in an advertisement for massage; specifies the obligations of advertising media in accepting and publishing massage advertisements; exempts publishers and producers from liability for refusing to run false advertisements; and provides for the termination of the telephone service of a massage therapist or massage establishment which has falsely advertised.

Your Committee finds that although massage is a skilled profession with a long and honorable tradition in Hawaii and throughout the world, it remains susceptible to abuse or misunderstanding when advertised in manners designed to deceive the customer or cater to prurient interests. Your Committee also finds that this bill will enable effective enforcement of the laws and rules governing massage, thus protecting legitimate practitioners and the consuming public.

Your Committee has amended this bill by clarifying that it is illegal to advertise as performing massage of a type which is not licensed or otherwise recognized by statute or administrative rule, and that it is also illegal to use pictures of body parts other than hands, wrists, and forearms in any mass distribution, print advertisements such as newspaper advertisements, or telephone listings.

Your Committee has further amended this bill by clarifying that establishments which offer massage services are "massage therapy establishments," and by making other nonsubstantive technical and clarifying changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2314, 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. 2314, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Cobb, Ikeda and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Hiraki, Shon and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 123 on S.B. No. 2433**

The purpose of this bill is to repeal provisions in section 431:16-218, Hawaii Revised Statutes, which require insurers to notify policyholders by means of a summary document that their policies or contracts may be only partially covered by the Hawaii Life and Disability Insurance Guaranty Association or not covered at all.

The statutory prohibition against advertising the existence of the Association is retained.

Your Committee finds that the prohibition against advertising the Association and the notice requirement appear to be in conflict with each other.

However, your Committee also finds that the summary document which this bill would delete serves a valid purpose by providing the consumer with relevant information. The apparent conflict can be satisfactorily resolved by prohibiting delivery of the summary document to the consumer prior to delivery of the policy. Your Committee has therefore amended this bill by retaining subsections (b), (c), and (d) of section 431:16-218 and deleting the words "prior to or" from subsection (b), page 2, line 11. Your Committee notes that since the consumer has a ten day right of rescision, the information conveyed in the summary document is still being given in a timely fashion.

Your Committee has also amended this bill by providing that the summary document shall be submitted to the Insurance Commissioner for approval. Your Committee intends this to be a legislative mandate and that the Commissioner should not hesitate to impose appropriate sanctions for noncompliance.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2433, 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. 2433, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Cobb, Ikeda and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Hiraki, Metcalf, Shon and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. No. 124 on S.B. No. 2964**

The purpose of this bill is to create a new offense of assault of athletic contest official.

Your Committee has amended this bill by including an assault which occurs while the contest official is entering or leaving the premises at which the official is officiating. This amendment is intended to cover assaults which occur in parking lots adjacent to the premises or while the contest official is walking between the premises and the parking lot.

Further, your Committee has also amended this bill by adding to subsection (b), the words "who is engaged in the performance of official duties or who is entering, leaving, or on the premises of the facility at which the contest official is performing those duties", for the purpose of consistency between the subsections of this bill.

Finally, your Committee has amended this bill by changing the word "officials" on page 1, lines 6 and 8, and page 2, line 5, from the plural to singular.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2964, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2964, H.D. 1, C.D. 1.

Senators Menor, Aki, B. Kobayashi and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Bellinger, Hagino, Takamine and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 125 on S.B. No. 2833**

The purpose of this bill is to provide grounds and a mechanism for an apartment owner to seek removal of a specific member of a board of directors of a condominium owners association, and to amend the provisions relating to scheduling of special board meetings to remove officers or directors.

Specifically, the bill provides that a board member may be removed from office by a mediator or arbitrator for failing to:

- (1) Allow an owner to speak at a board meeting;
- (2) Comply with notice, posting, and other meeting requirements;
- (3) Record the vote of each member; and
- (4) Provide owners with pertinent records.

A written demand would be delivered by the aggrieved owner to the board member, who would have one month to correct or address the alleged failure to comply. If the member failed to correct or address the problem, the owner would then be entitled to make a written demand for the Real Estate Commission to remove the board member. The Commission would then send a copy of the written complaint to the board member requesting a written response. If no response was received in fourteen days, or if the Commission considered the claim valid, the matter would be referred to mediation or arbitration, the costs of which would be paid by the association. The period of removal would be at the discretion of the mediator or arbitrator, and refusal of mediation or arbitration would entitle the complainant/owner to pursue the issue in court.

This bill also requires condominium bylaws to allow petitioners to set the time, date, and place of a special meeting to remove an association officer or director if the secretary or managing agent schedules the meeting more than sixty days after the petition is submitted, and requires the Commission to annually provide a summary of programs funded by the Condominium Management Fund for the prior fiscal year and a copy of the proposed Condominium Management Education Budget for the next fiscal year.

Finally, the bill requires an interim report for the 1991 Legislature on the impact of this bill and its effect on the willingness of persons to serve as board members. A final report is scheduled for 1992.

Your Committee has amended this bill by providing that all condominium boards of directors shall have an odd number of members to prevent condominiums with one hundred or fewer units from establishing an even number of board members.

Your Committee has also deleted the material relating to the Condominium Management Fund, as this item is covered by H.B. No. 3380, H.D. 1, S.D. 1.

In addition, your Committee has clarified that the interim and final reports on the effect of this bill in encouraging or discouraging condominium owners from serving as board members shall be made and submitted by the Real Estate Commission.

Your Committee has also made several technical changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2833, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2833, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Cobb, Ikeda and Koki.  
Managers on the part of the Senate.

Representatives Hirono, Hiraki, Shon, Hayes and Cavasso.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 126 on S.B. No. 2694**

The purpose of this bill is to strengthen and clarify the laws regulating collection agencies.

Specifically, the bill adds sections to chapter 443B, Hawaii Revised Statutes, relating to certificates of registration; termination of business and surrender of certificates of registration; notice of termination of business; notification of change; single violations as grounds to seek remedy; transfer of registrations; fiduciary responsibilities; punitive actions against registrants; biennial renewal of registration; restoration of forfeited registrations; collecting without a registration; hearings; audits; and deceptive forms.

Further, the bill adds definitions of "client", "communication", "debt", "debtor", "material change", "regularly repossesses", "regular practice", and "regular wage or salary", to chapter 443B.

The business of collecting debts for other people may be viewed by some debtors as a form of extortion and by creditors as the last means of obtaining money owed. Because of this varied perception, the Legislature has determined that collection agencies should be closely regulated, but not to the extent that the ability of legitimate businesses to earn a fair profit is jeopardized. The provisions in this bill will help protect debtors from unfair practices, enhance the ability of collection agencies to do business, and enable the State to more effectively monitor the activities of debt collectors and enforce the law.

Your Committee has amended this bill by making several nonsubstantive technical amendments and language changes for the purposes of clarity, style, and conformance with recommended drafting technique.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2694, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2694, H.D. 1, C.D. 1.

Senators Blair, Chang, Matsuura and Koki.  
Managers on the part of the Senate.

Representatives Hiraki, Bellinger, Cachola, Hayes and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 127 on S.B. No. 2764**

The purpose of this bill is to prohibit space vehicles launched from the land or ocean territory of the State from carrying payloads containing weapons of destruction, nuclear waste materials, or from utilizing radioactive materials as a power source.

Your Committee realizes the importance of the space industry but is concerned over the possible use of radioisotopic thermoelectric generators (RTGs), which are commonly used for deep space probe missions as a power source for space vehicles.

Your Committee upon further consideration has amended the bill by:

- (1) Replacing the phrase "prohibited payloads" in the title of the new section with the word "prohibitions"; and
- (2) Deleting the phrase which declares the prohibitions are State policy.

Your Committee does not intend for the provisions in the bill to prohibit the launching of payloads which utilize small amounts of radioactive material for calibration of scientific instruments, other research purposes, or for temperature control. Furthermore, your Committee recognizes that, notwithstanding the prohibitions set forth in the bill, that federal supremacy found within the United States Constitution may supercede the provisions of the bill. But it is the intention of your Committee that the prohibition is applicable to activities within the jurisdiction of the State and not to activities conducted within areas under the jurisdiction of the federal government.

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

Senators Chang, Levin and George.  
Managers on the part of the Senate.

Representatives D. Ige, Metcalf, Fukunaga, Stegmaier and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 128 on S.B. No. 1630**

The purpose of this bill as received was to establish a two-year pilot project for Maui Memorial Hospital from July 1, 1990 to June 30, 1992. The bill also established a similar pilot project at Hilo Hospital, but only upon request from the Hilo Hospital administrator and supported by the Public Health Facility Management Advisory Committee.

This bill authorizes the decentralization of operations within the state's public hospital system to foster greater local participation in health care matters, enhance administrative accountability, and ultimately provide a more caring and personal health care system.

Your Committee has amended this bill by authorizing the pilot project at Hilo Hospital without further condition. This will allow the Hilo Hospital to start the project immediately on July 1, 1990, similar to the Maui Memorial Hospital.

Your Committee believes that it is essential for the Management Advisory Committee of each hospital to fully participate in the pilot project, and has amended the bill accordingly. Technical, nonsubstantive amendments have also been made for purposes of style and clarity.

In addition, your Committee is concerned that both hospitals continue to play an integral role in the efforts to deal with substance abuse in their respective counties.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1630, 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. 1630, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Levin and Reed.  
Managers on the part of the Senate.

Representatives Shon, Souki, Baker, Chang, Fukunaga, Kawakami, Metcalf and Cavasso.  
Managers on the part of the House.

Representative Cavasso did not sign the report.

**Conf. Com. Rep. No. 129 on S.B. No. 3019**

The purpose of this bill is to sunset the Hawaii Criminal Justice Commission to provide for the more efficient management and delivery of crime prevention, research and other criminal justice related programs of the Department of the Attorney General. This bill also allows the Attorney General to appoint executive security officers to furnish security to the governor and other public officials.

Your Committee finds that the sunseting of the Hawaii Criminal Justice Commission will allow the Department of the Attorney General to continue the functions of the Hawaii Criminal Justice Commission while at the same time enabling the Department to reorganize its staff and resources for the purposes of managing and coordinating crime prevention, education, and research in a more efficient manner.

In regards to SECTION 1 of this bill, your Committee is aware that there was an inadvertent omission from Act 211, Session Laws of Hawaii 1989, of statutory authority for the executive security personnel who were not transferred to the Department of Public Safety created by that Act. Currently, there are fourteen state law enforcement officers, whose positions are authorized by statute in section 28-11.5, Hawaii Revised Statutes, and who are assigned to perform security functions for the governor and lieutenant governor. While the executive security function performed by these officers was retained by the Attorney General under Act 235, the Act repealed section 28-11.5, Hawaii Revised Statutes, because all other state law enforcement officers were transferred to the new Department of Public Safety which has its own statutory authority.

Your Committee concludes that as a result, while the function was retained, there will exist as of July 1, 1990, no statutory authority by which the executive security personnel will be able to perform their functions.

Your Committee has amended Section 1 of this bill by providing for an amendment to Section 12, Act 211, Session Laws of Hawaii 1989, regarding the appointment and enforcement powers of executive security officers.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3019, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3019, H.D. 1, C.D. 1.

Senators Menor, Aki, Levin and Reed.  
Managers on the part of the Senate.

Representatives Metcalf, Souki, Amaral, Bellinger, Fukunaga, Takamine and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 130 on S.B. No. 26**

The purpose of this bill is to amend the Hawaii Revised Statutes by adding new parts, amending current sections and subsections, and deleting outdated and unnecessary statutes relating to government regulation.

Your Committee has amended this bill by:

- (1) Deleting Part II relating to meat inspection;
- (2) Deleting Part III relating to water catchment systems;
- (3) Deleting the requirement that the Department of Public Safety inform victims and surviving immediate family members of crime when the offender escapes from incarceration; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 26, 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. 26, S.D. 1, H.D. 1, C.D. 1.

Senators McCartney, Ikeda, Levin, Menor and George.  
Managers on the part of the Senate.

Representatives Metcalf, Bellinger, Amaral, Peters and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 131 on S.B. No. 2549**

The purpose of this bill is to strengthen and clarify the laws relating to intoxicating liquor.

Your Committee finds that as communities evolve and community standards change, it is desirable to provide for appropriate changes in the regulation of intoxicating liquor. This bill is the result of many months of meetings and conferences between the liquor industry, and the Honolulu and neighbor island liquor commissions, and is an attempt to make vital amendments to existing statutes that would allow the liquor commissions to effectively carry out their duties.

Your Committee believes that it is good public policy and in the best interests of the citizens of this State to limit and restrict nude entertainment. Your Committee finds that this type of entertainment is not supported by the general public, and is not necessarily endorsed by your Committee. Therefore, your Committee believes that it is important to regulate nude entertainment, but also recognizes the need to balance the rights of licensees and establishment patrons.

Currently, the liquor commission has no power to regulate nude entertainment when cabaret licenses are transferred. Your Committee finds that authorizing the liquor commission to adopt rules relating to nude entertainment will serve two purposes. First, it will allow the commission to regulate and restrict such entertainment as deemed appropriate, and second, concerned citizens will have an opportunity to debate this issue in an open forum. In order to treat this issue fairly, your Committee believes that existing establishments and licenses that are transferred in the next ten years should be allowed to continue their operations, pursuant to commission rules. Therefore, your Committee has amended this bill accordingly.

In addition, technical, nonsubstantive amendments have been made for purposes of style and clarity.

This bill also gives the liquor commission authority to adopt rules regulating establishments with a class 5 license in which employees or entertainers are compensated to sit with patrons. This will allow public input into the regulation of these establishments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2549, 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. 2549, S.D. 1, H.D. 2, C.D. 1.

Senators McCartney, McMurdo and George.  
Managers on the part of the Senate.

Representatives Tom, Metcalf, Baker, Hirayama Jr., Yoshimura and Anderson.  
Managers on the part of the House.



**Conf. Com. Rep. No. 132 on S.B. No. 506**

The purpose of this bill is to prohibit car rental agencies from charging more than \$9 per full or partial twenty-four hour rental day for a collision damage waiver.

The bill also prohibits agencies, or officers, employees, agents, or other representatives of the lessor, from receiving commissions as compensation for selling collision damage waivers.

Your Committee is concerned about the potential for abuse relating to selling collision damage waivers. In some cases, customers are already covered for this kind of loss by their personal insurance policies. In other cases, the rental company may exaggerate the need for the waiver or overcharge the customer for protection which the lessor has already provided for himself or which is less expensive than the cost of the waiver justifies.

However, your Committee is reluctant to advocate hard regulation at this time because some of the more prevalent abuses can be eliminated by simple prohibitions, and much more data is required to make informed decisions on matters such as the actual costs incurred in repairing or replacing damaged vehicles versus the amount charged for the collision damage waiver, and appropriate rates. Therefore, your Committee has amended this bill by:

- (1) Deleting the cap on collision damage waiver rates;
- (2) Clarifying that paying or receiving a commission for selling collision damage waivers is an unfair or deceptive practice as defined in section 480-2, Hawaii Revised Statutes; and
- (3) Requiring each rental agency to keep track of expenses incurred in repairing or replacing damaged cars; and
- (4) Authorizing the Director of Commerce and Consumer Affairs to adopt rules to require rental companies to submit data.

The information provided pursuant to amendment (3) is not confidential in that all information reported to the Department of Commerce and Consumer Affairs, for reasons such as insurance rate making and other purposes, is public. Your Committee has obtained the endorsement and the assistance of the Executive Director of the Office of Consumer Protection in developing these formulae and data categories, and the Executive Director has assured your Committee that the rental car industry is prepared to comply with this law.

This bill authorizes the Director to compile and disclose to the Legislature upon the request of the Legislature information on the total amount of collision damage waiver sales by car rental companies and the total amounts expended for costs of repair of damages to rental vehicles caused while the vehicles are subject to collision damage waiver.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 506, 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. 506, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Cobb, Ikeda, A. Kobayashi and Koki.  
Managers on the part of the Senate.

Senator A. Kobayashi did not sign the report.

Representatives Hirono, Hiraki, Hagino and Shon.  
Managers on the part of the House.

**Conf. Com. Rep. No. 133 on S.B. No. 2801**

The purpose of this bill is to amend section 445-90, Hawaii Revised Statutes.

Specifically, the bill amends the definition of "lodging or tenement house," "group home," "group residence," "group living arrangement," or "rooming house" by deleting the nine room limitation.

Currently, all buildings with more than nine rooms are considered to be "hotels" under chapter 445, Hawaii Revised Statutes (HRS). Consequently, building owners are expected to expend large sums of money to bring their buildings up to the current code requirements as hotels. Your Committee believes that when section 445-90, HRS, was enacted, the law was intended to exclude such buildings from hotel licensing requirements since the rooms are not rented on a hotel or transient basis.

Therefore, your Committee has amended this bill by amending the definition of "hotel" to mean a building containing lodging or dwelling units, or both, that include fifty percent or more lodging units.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2801, 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. 2801, S.D. 1, H.D. 1, C.D. 1.

Senators McCartney, Menor and George.  
Managers on the part of the Senate.

Representatives Hirono, Tom, Baker, Bybee, Cachola, Hiraki and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 134 on S.B. No. 3142**

The purpose of this bill is to create the Hawaii Opportunity Program in Education Special Fund to award scholarships to financially needy students with priority given to students from ethnic groups which are underrepresented in the student population at the University of Hawaii. The bill would also give priority to students who are the first from their families to attend a college or university.

Education continues to be a priority of the legislature and, as such, has received generous funding. The legislature understands the value of an education and has acted to provide our young people with the knowledge and skills they need to compete in our dynamic and competitive society. Unfortunately, some never get the chance at a higher education. Your Committee finds that certain ethnic groups are grossly underrepresented at the University of Hawaii. If the legislature is to provide educational opportunities that are equitably distributed among all its people, then it must make a special effort to assist those with special needs. The bill addresses this concern by allowing and motivating financially disadvantaged students from underrepresented ethnic groups to continue their education at the University of Hawaii.

Your Committee has amended the bill as follows:

1. By deleting the priority which would have been given to students who are the first from their families to attend a college or university;
2. By changing the amount of financing for the HOPE special fund from \$4,000,000 per year to \$1,000,000 per year over a ten-year period taken out of tuition collected by the university; and
3. By changing the role of the Department of Education from participating as an equal partner in the establishment of a comprehensive plan to participating as a consultant to the University of Hawaii as it establishes the plan.

Your Committee wishes to make clear that, although the University of Hawaii is required to actively seek private participation in the HOPE program, it is not the Committee's intent that private funds will be used to offset or reduce the amounts required to be contributed by the university under the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3142, 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. 3142, S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, Hagino, Holt, Solomon and Koki.  
Managers on the part of the Senate.

Representatives Taniguchi, Souki, Arakaki, Baker, Duldulao, Fukunaga, Stegmaier and O'Kieffe.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 135 on S.B. No. 3169**

The purpose of this bill is to create a registered nurse student financial support program and a registered nurse student loan fund to provide low interest loans to qualified students who intend to become licensed registered nurses and work in Hawaii.

Your Committee finds that the State of Hawaii is in the midst of a critical nursing shortage and it is anticipated that by 1991, there will be over thirteen hundred vacant nursing positions. Your Committee further finds that in addition to the increasing demand for skilled nurses, the costs associated with earning a degree in nursing are considerable, and in many cases, prohibit interested persons from pursuing a nursing education. Your Committee believes that this bill will address problems relating to the recruitment and retention of nurses in the State, thereby assuring the availability of appropriately trained registered nurses to meet the growing demand for quality health care services.

Your Committee has amended this bill by: (1) making loans available to students attending an accredited degree-granting university, college, or nursing institution in Hawaii, instead of limiting loans to students attending the University of Hawaii system; (2) providing that the measure will take effect upon its approval, except for the appropriation section which will take effect on July 1, 1990; and (3) including a repeal date of July 1, 2000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3169, 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. 3169, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Levin and George.  
Managers on the part of the Senate.

Representatives Shon, Souki, Arakaki, Baker, Duldulao, Hayes, Leong and Liu.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 136 on S.B. No. 3170**

The purpose of this bill is to add a new section to chapter 321, Hawaii Revised Statutes, relating to developmental disabilities domiciliary homes.

Specifically, this bill authorizes the Department of Health to:

- (1) License domiciliary homes for developmentally disabled or mentally retarded individuals who are unable to live independently and who require supervision or care, but do not require nursing care in a domiciliary setting;

- (2) Adopt rules to administer the licensing of domiciliary homes and their respective facilities and staffs; and
- (3) Maintain a registry of licensed facilities and an inventory of vacancies to facilitate placement of developmentally disabled or mentally retarded individuals.

The bill also provides an appropriate level of care payments to service providers whose homes meet licensing standards.

Your Committee has amended this bill on page 2, line 6, by substituting the word "Provide" for "Establish" for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3170, 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. 3170, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Levin and George.  
Managers on the part of the Senate.

Representatives Shon, Fukunaga, Arakaki, Hayes, Ihara Jr., M. Ige, Leong and Liu.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 137 on S.B. No. 1148**

The purpose of this bill is to provide for the public safety by establishing a quick, administrative procedure for revoking the licenses of drunk drivers while they are awaiting trial on criminal DUI charges under section 291-4, Hawaii Revised Statutes.

This bill contains several provisions to protect innocent persons, including an administrative review of the arrest and an administrative hearing before the administrative revocation goes into effect, and judicial review if the hearings officer finds against the arrestee. Concurrently, the prosecutor may request the Administrative Director of the Courts to reexamine the review decision to safeguard against early termination of the case based on an incomplete or incorrect evaluation of the evidence. And the prosecutor, of course, may also seek judicial review.

Drunk drivers pose one of the most serious threats to the safety of the people of Hawaii, and your Committee has for several months sought input from the legal and law enforcement establishments, public and private groups which advocate for stiff DUI laws, and from other states which have implemented administrative revocation laws. We found that the main benefit of administrative revocation is that it allows the State to remove a drunk driver's license before the culmination of a lengthy prosecution under the criminal statute. Currently, a person charged with driving under the influence must be allowed to continue driving until he or she is found guilty in a court of law. This process takes an average of seven or eight months in Hawaii, and even longer, and while this process is going on, the dangerous driver, who quite likely is an inveterate repeat offender, remains on the road.

Your Committee believes that it should be a clear policy of this State that persons found guilty of drunk driving should be prohibited from driving as quickly as possible. Administrative revocation will get such persons off the road in thirty days, in most instances.

In its consideration of this issue, your Committee wrestled with the problem of concurrent prosecution - is it proper and appropriate for Hawaii to allow a person to be tried by the State and the county at the same time for the same offense? We have concluded that it is indeed proper because it achieves the policy of getting drunks off the road quickly. However, it would not be proper to allow county prosecutors to continue prosecuting persons who have been found innocent at an administrative hearing (which in virtually all cases would precede the court trial) by a preponderance of the evidence. If the prosecutor cannot obtain a decision for administrative revocation on the lowest standard of proof, he should not be permitted to proceed on the same case when the standard is the highest - beyond a reasonable doubt. Therefore, this bill requires the prosecutor to drop the similar criminal charge if the prosecution fails to meet its burden of proof at any stage of the administrative process. Of course, as in all actions of this kind, the prosecutor has the right to seek judicial review.

The administrative revocation procedure works in the following manner:

- (1) A driver is stopped and arrested on reasonable suspicion and probable cause that he or she was under the influence;
- (2) The arrestee is asked to take a test to determine alcohol concentration in the blood; and
- (3) At the same time, his or her license is confiscated by the arresting officer, who issues a notice of administrative revocation setting the date thirty days hence when revocation will go into effect, and a temporary permit to continue driving for thirty days.

The notice contains information about the administrative process, penalties, concurrent prosecution, and the administrative review, administrative hearing, and judicial review.

Immediately after arrest, the State begins collecting evidence, including the arrest report and the confiscated license, the results of the blood test if the arrestee consented, and sworn statements of officials involved in the testing. All information is transmitted to the Director, who assigns a reviewer to either affirm or rescind the notice of revocation. If the reviewer confirms the notice, the arrestee is scheduled for a hearing where he or she may be represented by counsel, face his or her accuser, cross examine witnesses, and present a defense. If a hearing is continued at the request of the State or the

prosecutor, the arrestee's temporary permit is extended. If the hearing is continued at the request of the arrestee, the permit is not extended.

If criminal charges are filed currently with the administrative charges, the State will share all its evidence with the county prosecutor.

A finding for administrative revocation starts revocation as of the date specified on the notice. If the finding is for the defendant, the license is returned pending a possible appeal. Periods of revocation run from three months to life, depending on the number of prior alcohol-related convictions the defendant has, either in Hawaii or in any other State or possession of the United States. If the defendant refused to take a blood test, the revocation period is doubled.

This bill also allows a first offender to plead hardship and be granted a conditional permit to drive during the revocation period, provided that the first month in all cases will be a hard suspension with no driving privileges at all. Conditional permits will only be allowed if the arrestee must drive to retain employment or to attend alcohol treatment if there is no alternative transportation available. Other conditions that may be imposed include alcohol counseling and treatment, limitation of driving to certain hours and to certain destinations, and installation of an ignition interlock system which prevents the driver from starting the car unless his or her breath indicates a blood concentration level within lawful limits.

After a revocation period is over, the person, in order to ever drive again in Hawaii, will have to prove that all conditions of the revocation have been met and apply for a new license. Revocation is not a suspension; it is an absolute removal of a person's privilege to drive in this State!

This bill also strengthens certain provisions of section 291-4, authorizes the court to order a defendant to install an ignition interlock system, clarifies the length of jail terms that may be imposed, and strongly increases the penalties under section 291-4.5 for driving after a license has been suspended or revoked for driving under the influence.

Since ignition interlock systems are a prominent feature of this bill, your Committee has provided for them to be certified by the Director of Transportation and for the Director to report on their use and effectiveness. This bill also acknowledges that much more work has to be done during the 1990-1991 interim before it takes effect on July 1, 1991, and has provided an appropriation of \$150,000 to be expended by the Judiciary to flesh out details such as qualifications of administrative reviewers and hearings officers and procedures and protocols involving interrelationships and communication among the State, the counties, and local law enforcement cadres.

In conclusion, your Committee believes that it has fashioned a good bill, one that is sensitive to Hawaii's unique needs but tough enough to quickly and effectively get drunks off the road, where they can't hurt anybody with their cars while being tried criminally. This bill will be especially hard on repeat offenders and the hard cases who we all wish to be off the road if not behind bars! Your Committee believes that this bill will stand up well against any other administrative revocation bill enacted by any other state, and is secure in its belief that it has discharged its fiduciary responsibility to the people of Hawaii by developing a firm policy that will save many lives over the years.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1148, 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. 1148, S.D. 2, H.D. 2, C.D. 1.

Senators Fernandes Salling, Menor, Yamasaki, Blair and Koki.  
Managers on the part of the Senate.

Representatives Fukunaga, Metcalf, Amaral, Bellinger, Ihara Jr., Oshiro, Takamine and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 138 on S.B. No. 1526**

The purpose of this bill is to add a new teacher class for any teacher who holds a certificate issued by the department of education based upon five acceptable years of college education and sixty additional credits approved by the department and other requirements as the department may establish.

Your Committee has amended the bill to require a Class VII teacher to have sixty-six additional credits instead of sixty credits and also added a requirement that the department submit a report to the legislature on the costs of implementing this change.

Your Committee wishes to indicate that funding for this measure should be requested during the 1991 legislative session outside of the regular executive branch budget "ceiling" for the department of education budget.

Your Committee expects that the department of education shall keep the legislature informed as to the implementation of this measure and shall submit a report on the costs of implementing this measure to the legislature twenty days before the convening of the 1991 regular session.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1526, 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. 1526, S.D.2, H.D.1, C.D. 1.

Senators Yamasaki, B. Kobayashi, McCartney, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Takamine, Souki, Baker, Horita, Kawakami, Yonamine and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 139 on S.B. No. 2794**

The purposes of this bill are to supplement institutional health care reimbursements for inpatient care under the State's medical care payments law and to establish a blue ribbon panel within the department of health to examine the financial and economic dynamics of the health care industry in Hawaii.

Upon further consideration, your Committee has amended this bill as follows:

- (1) The dollar and percentage figures by which this bill will exceed the state general fund expenditure ceiling have been changed from \$300,001 or 0.012 per cent to \$3,000,000 or 0.12 per cent.
- (2) The membership of the blue ribbon panel has been amended to include representation of consumer advocates.
- (3) The blue ribbon panel is to submit a preliminary report to the legislature prior to the 1991 session and a final report prior to the 1992 session.
- (4) The appropriation amount for the operational costs of the blue ribbon panel has been changed from \$300,000 to \$250,000.
- (5) The appropriation amount to supplement the reimbursements to medicaid participating institutional providers has been changed from \$1 to \$2,750,000.
- (6) A repeal date of June 30, 1992 has been added to the effective date section.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2794, 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. 2794, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, Levin, McMurdo and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Shon, Souki, Baker, D. Ige, Leong and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. No. 140 on S.B. No. 3146**

The purpose of this bill is to improve home and community-based care by:

- (1) Adjusting the expenditure ceiling for the nursing home without walls program to not more than seventy-five per cent of the annual Medicaid cost for comparable institutional care for the caseload rather than for each individual client;
- (2) Establishing an eleven-member task force to advise the department of health on the allocation and expenditure of funds appropriated for respite care services;
- (3) Appropriating \$1,000,000 to the department of health (DOH) for support services and training to families and caregivers who provide home care to individuals with developmental disabilities and mental illness;
- (4) Appropriating \$650,000 to the executive office on aging (EOA) for the expansion of respite care services, a caregiver training program and a caregiver demonstration project;
- (5) Appropriating \$75,000 to the department of human services (DHS) for respite care services for foster care providers;
- (6) Appropriating \$100,000 to the DOH for an assessment of at-home family caregiving;
- (7) Appropriating \$250,000 to the EOA for the expansion of crisis intervention services for the elderly program;
- (8) Appropriating \$176,112 to the DHS for the expansion of senior companion and respite companion programs; and
- (9) Appropriating \$75,000 to the DHS for services and training to families providing home care to a disabled adult or child.

Your Committee has amended this bill to authorize the director of health to provide community-based services for persons with developmental disabilities.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3146, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3146, H.D. 2, C.D. 1.

Senators Yamasaki, McMurdo, A. Kobayashi, Tungpalan and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Fukunaga, Duldulao, M. Ige, Ihara Jr., Leong and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. No. 141 on S.B. No. 3233**

The purpose of this bill is to appropriate funds to the office of the legislative auditor for the conduct of a comprehensive study on the feasibility of establishing a Hawaii sports authority that will be responsible for the operation and management of the Aloha Stadium and other state sports facilities.

Upon further consideration, your Committee has amended this bill as follows:

- (1) The study is to be conducted by the office of state planning instead of the office of the legislative auditor.
- (2) The responsibilities of the Hawaii sports authority to be studied are to include the planning, development, and construction of new state water and land-based sports facilities.
- (3) The amount by which the appropriation in this bill will exceed the state general fund expenditure ceiling has been changed from \$250,000 or 0.0098 per cent to \$100,000 or 0.0039 per cent.
- (4) The parameters of the study have been expanded to include the construction of sports facilities; the development of new sports or sports-related programs; new methods and mechanisms for the financing of sports facilities and programs; and recommended powers and jurisdiction of the proposed sports authority.
- (5) The appropriation amount has been changed from \$250,000 to \$100,000 and the requirement that the appropriation be matched by funds from the stadium special fund has been deleted.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3233, 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. 3233, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Hagino, Holt, McCartney and Koki.  
Managers on the part of the Senate.

Representatives Tom, Souki, Baker, Horita, Tajiri, Yoshimura and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 142 on S.B. No. 3247**

The purpose of this bill is to amend chapters 101, 171, and 261, Hawaii Revised Statutes, by adding a new section to provide state assistance in the relocation of businesses on leased land displaced by the government's acquisition of private land either through condemnation or the threat of condemnation. The bill would provide these displaced commercial and industrial lessees priority in leasing public lands in state industrial parks or other designated lands. The bill further authorizes the director of transportation to provide relocation assistance to those businesses displaced by any land acquisition program for any state airport and appropriates \$125,000,000 out of the airport revenue fund to the department of transportation to acquire land and provide for the relocation of and other costs incurred by dislocated lessees or tenants as a result of condemnation of private property for the expansion of the Honolulu International Airport.

Upon further consideration of this measure, your Committee has made the following amendments. The department of transportation requested that the proposed language for section 261-32(e) be amended to clarify that there are two categories of persons affected by condemnation actions: (1) those relocated to a new site; and (2) those remaining in their current location on the property being condemned by the State. This bill allows the department of transportation to enter into leases with both categories of affected persons.

Persons immediately displaced by condemnation may negotiate with the department of transportation to enter into a lease of an appropriate site under the department's jurisdiction. The department may allow any lessee of a site acquired by the department to remain on the site, and may enter into a new lease with the lessee granting the use of the site, provided that the term of the new lease shall not exceed the time remaining on the lease terminated by the acquisition. While the leases issued under this subsection shall be negotiated without regard to the limitations set forth in chapter 171, it is the intent of your Committee that the leases be mutually agreeable to both the parties and that due consideration be given to the long-term needs of the State to maximize its lease rental income. It is your Committee's intent that the leases granted by the department of transportation to the affected persons will reach fair market value in a reasonable length of time.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3247, 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. 3247, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Fernandes Salling, Matsuura, A. Kobayashi and George.  
Managers on the part of the Senate.

Representatives D. Ige, Tom, Hagino, Souki, Cachola, Fukunaga, Yonamine and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 143 on S.B. No. 3306**

The purpose of this bill is to establish a Kaneohe Bay advisory committee to study and develop recommendations for a master plan for Kaneohe Bay.

Your Committee has amended this bill as follows:

- (1) Language was added to the purpose clause to state that use of Kaneohe Bay by commercial operators is a privilege, not a right, and that the master plan is to be used as the recommended guideline in the adoption and implementation of rules regulating activities in the Bay.
- (2) The advisory committee placed in the department of transportation was changed to a task force placed in the office of state planning.
- (3) The task force is to develop a comprehensive master plan which shall be subject to the approval of the director of the office of state planning.
- (4) The task force is to be composed of eleven members instead of six, and includes the director of transportation, director of health, chairperson of the board of land and natural resources, additional members from the Kahaluu and Kaneohe neighborhood boards, a representative from the Kaneohe Marine Corps Air Station, and representatives from the commercial fishing and commercial ocean recreation industries. Your Committee recognizes that technically, federal officials such as the commander of the Kaneohe Marine Corps Air Station cannot be directed to participate in state affairs through state legislation. It is therefore your Committee's intent that active steps be taken to request and encourage participation on the part of the Kaneohe Marine Corps Air Station.
- (5) The task force members must be appointed by October 1, 1990 and must complete the master plan by October 1, 1991.
- (6) The language concerning the moratorium on authorizations of additional commercial use was rewritten to specifically prohibit the issuance of any new commercial permits or expansion in existing levels of commercial activities.
- (7) The Act is to be repealed thirty days after the director of the office of state planning approves the master plan.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3306, 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. 3306, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Holt, A. Kobayashi, McCartney and Koki.  
Managers on the part of the Senate.

Representatives Bunda, Hagino, Souki, Bellinger, Isbell, Kanoho, Yonamine and O'Kieffe.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 144 on S.B. No. 3403**

The purpose of this bill is to:

- (1) Authorize the counties to provide lifeguard services at state beach parks where the department of land and natural resources and the affected county agree that these services are needed; and
- (2) Make an appropriation to the department of land and natural resources to reimburse the counties for providing lifeguard services at state beach parks.

Your Committee has amended this bill by deleting the appropriation to the department of land and natural resources and made several conforming amendments for the purposes of consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3403, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3403, H.D. 1, C.D. 1.

Senators Yamasaki, Holt, A. Kobayashi, McCartney and George.  
Managers on the part of the Senate.

Representatives Tom, Souki, Baker, Bybee, Isbell, Kanoho, Tajiri and Marumoto.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 145 on S.B. No. 2159**

The purpose of this bill is to authorize funds for plans, land purchase, design, site preparation, improvements to land, construction and necessary equipment for capital improvement projects. This bill authorizes general funds in the sum of \$25,476,000 for various projects.

Your Committee finds that this bill will provide appropriations to meet the needs of the State through various capital improvement projects. For purposes of further discussion, your Committee has amended the four unspecified projects to various specified projects and inserted the appropriate amounts specified for each project. Also, your Committee has amended this bill to include the expenditure ceiling section.

After close scrutiny, your Committee believes that the projects contained herein reflect the legislature's continued support of projects which reflect the needs and desires of the people of the State of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of S.B. 2159, 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. 2159, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 146 on S.B. No. 1214**

The purpose of this bill is to stimulate interest in the general public and the educational community in learning about space science and space industry applications of space science and technology.

Your Committee has amended the bill to change the appropriation from \$2 to \$750,000 which must be matched by the private sector. The bill has also been amended by deleting the no interest loan.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1214, 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. 1214, S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, Tungpalan and Koki.  
Managers on the part of the Senate.

Representatives Oshiro, Souki, Horita, Yonamine and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 147 on S.B. No. 1611**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Wailuku River Hydroelectric Power Company, Inc. and Puna Geothermal Venture in establishing power plants.

Your Committee has amended this bill by:

- (1) Changing the amount of special purpose revenue bonds authorized under part I from \$2 to \$18,000,000;
- (2) Changing the amount of special purpose revenue bonds authorized under part II from \$1 to \$7,500,000; and
- (3) Designating sections 5, 6, and 7 as "Part III".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1611, 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. 1611, S.D. 2, H.D. 1, C.D. 1.

Senators Yamasaki, Matsuura and George.  
Managers on the part of the Senate.

Representatives Andrews, Souki, Fukunaga, Hiraki, Kanoho, Leong, Say and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 148 on S.B. No. 2945**

The purpose of this bill is to:

- (1) Enable the office of the lieutenant governor to continue efforts towards the replacement of the current voting system with a new totally electronic voting system, and to subsequently replace the current voting system with a new totally electronic voting system;
- (2) Direct the temporary advisory committee on electronic voting systems to select and the chief elections officer to acquire a new, totally electronic voting system;
- (3) Set forth procedures for the solicitation of proposals, advertisement, system selection, review, and vendor selection for a totally electronic voting system; and
- (4) Appropriate \$2 to the office of the lieutenant governor.

Your Committee has amended this bill by:

- (1) Deleting the authority of the chief elections officer to acquire a new totally electronic voting system but retaining the provisions for the temporary advisory committee on electronic voting systems to select and negotiate the purchase of the new system;



- (2) Requiring the committee to submit a report to the legislature not later than twenty days prior to the convening of the 1991 regular session that includes reasons for selecting the system, details of the agreement with the vendor, acquisition and operating costs, and other relevant information;
- (3) Subjecting the agreement with the vendor to the approval of the legislature and the appropriation of funds to fulfill the State's obligation under the agreement;
- (4) Appropriating \$250,000; and
- (5) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2945, 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. 2945, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Hagino, A. Kobayashi, Menor and George.  
Managers on the part of the Senate.

Representatives Metcalf, Souki, Baker, Bellinger, Hagino, Isbell, Takamine and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 149 on S.B. No. 3088**

The purpose of this bill is to establish a Hawaii community-based development program and revolving fund within the department of business and economic development to assist traditional and small community-based businesses and enterprises in becoming self-sufficient and to encourage diversification of economic opportunities for Hawaii's residents and communities.

Your Committee finds that since conventional financial institutions traditionally do not provide loans to initiate the establishment of community-based enterprises, there is a need for a program which supports economic alternatives for communities, provides assistance through loans and grants, and initiates the establishment or expansion of traditional enterprises.

The Waianae Coast Community Alternative Development Corporation (Corporation) is a prime example of a community-based enterprise that deserves the support of a Hawaii community-based development program. The Corporation currently operates a backyard fish farming project that assists Waianae coast families to produce fish for themselves and the community, and the Ka'ala Cultural Science and Learning Center that educates families and students in the community about the importance of taro in the Hawaiian culture and provides a source of pride for the community. Your Committee finds that the Corporation is an exemplary model of the community-based enterprises the program is intended to assist.

It is the intent of your Committee that the department of business and economic development proceed expeditiously through the rulemaking process, and that the department be allowed to provide grants to applicants who meet the minimum requirements under this bill prior to the adoption of rules.

Your Committee has amended the bill by:

- (1) Replacing the director of labor and industrial relations with the chairperson of the board of agriculture as an ex officio voting member of the advisory council;
- (2) Requiring that each county be represented by at least one council member who is a resident of that county;
- (3) Requiring that the council assess the appropriateness of the business or enterprise in order to achieve the purposes of the chapter, rather than its acceptability to the community;
- (4) Eliminating the requirements that an applicant must derive a major portion of income from or devote a major portion of time to the enterprise, and be able to obtain necessary operating capital;
- (5) Allowing an applicant to have applied for all applicable licenses and permits, rather than requiring the actual receipt of the licenses and permits;
- (6) Allowing the department of business and economic development to provide grants to applicants who have met the minimum criteria for eligibility;
- (7) Requiring that an annual report be included in the department of business and economic development's annual report pursuant to section 201-10;
- (8) Appropriating \$900,000 for the revolving fund and requiring that of that amount, \$500,000 be used to provide grants;
- (9) Appropriating \$100,000 for the hiring of necessary staff and the operation of the program; and
- (10) Making technical and nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3088, 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. 3088, S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, Chang, Aki, A. Kobayashi and George.  
Managers on the part of the Senate.

Representatives D. Ige, Souki, Bellinger, Horita, Isbell, Say and Hemmings.  
Managers on the part of the House.

**Conf. Com. Rep. No. 150 on S.B. No. 2596**

The purpose of this bill is make an appropriation to supplement the compensation for coaches of public school athletics.

Your Committee finds that student athletics helps to build positive qualities such as perseverance, teamwork, sportsmanship, and self-esteem, and that athletics encourages some students to stay in school who might otherwise drop out. Coaches devote long hours to support our student athletic programs and are an essential part of this program. Your Committee finds that a pay supplement will help to more fully compensate coaches for their efforts.

Your Committee has amended this bill by changing the appropriation to \$1,000,000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2596, 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. 2596, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, B. Kobayashi, McCartney and Koki.  
Managers on the part of the Senate.

Representatives Tam, Souki, Hirayama Jr., M. Ige, Kawakami, Taniguchi, Yonamine and Hemmings.  
Managers on the part of the House.

**Conf. Com. Rep. No. 151 on S.B. No. 3127**

The purpose of this bill is to authorize the transfer of certain state parks to the counties and certain county parks to the State in order to better utilize the resources of these jurisdictions.

Following its deliberations on this measure, your Committee has deleted all park transfers and amended subsection (c) of section 2 of this bill, relating to the transfer of the title to Kawaiinui Marsh from the city and county of Honolulu to the State. Your Committee has included a proviso to require the State to enter into the necessary operation or maintenance agreements, or both, with the United States Army Corps of Engineers to ensure proper maintenance of the area.

Your Committee has further amended subsection (c) by requiring that the management lease, license agreement, or other agreement between the State and the city and county of Honolulu contain a requirement that the department of land and natural resources notify the city and county of Honolulu of any operation and maintenance undertaking in the marsh and allow it to review the effect of the proposed undertaking.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3127, 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. 3127, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Holt and George.  
Managers on the part of the Senate.

Representatives Hagino, Tom, Souki, Baker, Bybee, Fukunaga, Say, Stegmaier, Yoshimura, Hemmings and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 152 on S.B. No. 2978**

The purpose of this bill is to establish a temporary commission to prepare an overall program to observe the 500th anniversary of the arrival of Christopher Columbus to the New World.

Your Committee has amended this measure by:

- (1) Changing the name of the commission to the Commission on Columbian Quincentennial Observance;
- (2) Changing the name of the trust fund to the Columbian Quincentennial Observance Trust Fund; and
- (3) Expanding the scope of the commission's task to promotion of understanding of the transformations wrought through exploration, encounter, and exchange throughout the world--not just by Columbus.

Your Committee finds that substitution of the term "observance" for "celebration" is necessary for two reasons:

- (1) Legislative sensitivity suggests that some minority groups (e.g., Native Americans) may not wish to "celebrate" the arrival of Columbus; and

- (2) The term "observance" more accurately describes both the ceremonial events and educational activities expected of the commission.

Your Committee finds that the commission should promote community understanding of the transformations wrought not only by the arrival of Columbus but as well by exploration, encounter, and exchange in other parts of the world, including the Pacific. Thus, the charge to the commission will not be limited just to Columbus but will encompass other explorers and voyagers, including the ancient Polynesians, the Portuguese, the Chinese, and others. Setting Columbus in this context will clarify his relevance to the history and people of Hawaii.

Upon consideration, your Committee has reduced the appropriation. It is expected that the commission will be able to obtain funds from public and private sources to carry out the purposes of this bill, supplemented as may be necessary by the office of the governor from the office's budgeted appropriations.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2978, 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. 2978, S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, Tungpalan and Koki.  
Managers on the part of the Senate.

Representatives Taniguchi, Souki, Duldulao, Horita, Lee and Marumoto.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 153 on S.B. No. 2881**

The purpose of this bill as received is to require the department of education to develop formal procedures, including criminal history record checks, for obtaining verifiable information regarding the criminal history of persons who are employed or seeking employment in public or private schools in positions that place them in close proximity to children. This bill in its amended form authorizes the department of education and private schools to develop such procedures.

Your Committee upon further consideration has made the following amendments to S.B. No. 2881, S.D. 2, H.D. 2:

- (1) Deleted the word "shall" at line 14 on page 1 and inserted "and respective private schools may";
- (2) Changed the amount appropriated in section 4 to \$25,000 and the amount appropriated in section 5 to \$38,000 and changed to figures at line 6 on page 1 to "\$63,000" and "0.0025" respectively to reflect these amended appropriations; and
- (3) In section 7, deleted the word "however" at line 20 and inserted "and shall be implemented to the extent resources are available", deleted the word "three" and inserted "at least one" at line 21, and changed the word "positions" at line 22 to "position".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2881, 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. 2881, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Hagino, B. Kobayashi, Menor and Koki.  
Managers on the part of the Senate.

Representatives Metcalf, Tam, Fukunaga, Bellinger, Hagino, Kawakami, Yoshimura and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 154 on S.B. No. 1810**

The purpose of this bill is to create an agency, the natural energy laboratory of Hawaii authority, to improve and consolidate the management and operations of the natural energy laboratory of Hawaii (NELH) and the Hawaii ocean science and technology (HOST) park under a single administrative organization.

This bill would:

- (1) Place the authority in the department of land and natural resources for administrative purposes;
- (2) Create a nine-member board appointed by the governor;
- (3) Establish powers and duties of the authority;
- (4) Allow for the appointment of a research advisory committee by the authority;
- (5) Create a special fund for all moneys and fees received by the authority;
- (6) Allow an exemption for the authority from all state taxes and the state competitive bidding law;
- (7) Protect accrued benefits of former NELH employees hired as state employees;
- (8) Transfer NELH and HOST records, equipment, etc., to the authority; and

- (9) Make an appropriation of \$965,000 for fiscal year 1990-1991.

Your Committee has amended this bill by changing the appropriation to \$242,106 and by changing the administrative and expending agency to the department of business and economic development. Your Committee has deleted the requirement that two of the members of the research advisory committee be elected to serve on the board and has inserted language making the chairperson and secretary of the committee board members. Your Committee has also deleted the requirement that the immediate past chairperson of the board of directors of the NELH serve on the board. Your Committee has also clarified that members of the scientific community may be included on the research advisory committee. In addition, your Committee has made minor grammatical, nonsubstantive amendments for purposes of style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1810, S.D. 2, H.D. 4, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1810, S.D. 2, H.D. 4, C.D. 1.

Senators Yamasaki, Matsuura and George.  
Managers on the part of the Senate.

Representatives Andrews, Fukunaga, Honda, Ihara Jr., Kanoho, Stegmaier and O'Kieffe.  
Managers on the part of the House.

Representative Honda did not sign the report.

**Conf. Com. Rep. No. 155 on S.B. No. 3176**

The purpose of this bill is to increase the number of child care providers by:

- (1) Establishing a one-year demonstration project to train people to become home child care providers who will be able to establish and operate their own home-based child care facility;
- (2) Providing grants to family child care providers and center-based programs to convert and renovate existing facilities; and
- (3) Establishing a child care resource lending center to help family child care providers start up their businesses.

The bill appropriates \$500,000 each for the demonstration project, the grants program, and the resource center.

Your Committee has amended this bill by:

- (1) Appropriating \$250,000 for the demonstration project;
- (2) Appropriating \$225,000 for the grants program;
- (3) Appropriating \$25,000 for the resource center; and
- (4) Specifying the amount and percentage by which the appropriations will exceed the expenditure ceiling for 1990-1991.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3176, 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. 3176, S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, McMurdo, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Souki, Amaral, Duldulao, Fukunaga, Horita, M. Ige and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. No. 156 on S.B. No. 2587**

The purpose of this bill is to provide a statewide comprehensive and coordinated interdisciplinary program of early hearing impairment screening, identification, and follow-up for children, from birth to thirty-six months of age, and their families.

Your Committee finds that deafness in infants interferes with the normal development of language skills. Studies have concluded that early assistance to hearing-impaired infants significantly improve their language skills and their ability to achieve academic success. This bill will provide for the early screening of all newborns for hearing impairment.

Your Committee has amended this measure by making a grammatical amendment in the purpose statement of the bill. The word "birth" has been substituted in place of the word "neonates" to make the language consistent with the operative provisions. Your Committee finds that the purpose statement clearly states the intent of this bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2587, 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. 2587 S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, Levin and George.  
Managers on the part of the Senate.

Representatives Shon, Fukunaga, Duldulao, Kawakami, Leong and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. No. 157 on S.B. No. 2560**

The purpose of this bill is to:

- (1) Establish within the housing finance and development corporation a program to provide low-interest loans of up to \$25,000 per residential unit for design alterations which need to be made to the residences of persons with physical disabilities;
- (2) Authorize the corporation, in consultation with the commission on persons with disabilities, to adopt rules to administer this program;
- (3) Make an appropriation to the housing finance revolving fund and to provide that interest earned on the appropriated amount may be used by the corporation for administrative purposes;
- (4) Require the corporation to establish the terms and conditions, maturities, interest rates, collateral, and other requirements for loans;
- (5) Empower the corporation to collect any delinquent amounts in the event of a default in the payment of any installment of principal or interest on any loans made from the fund and to otherwise secure the loans in a manner which affords reasonable protection of the State's resources; and
- (6) Authorize the corporation to enter into agreements with or purchase services from any bank.

Your Committee has amended this bill by deleting its contents and instead adding a new part to chapter 201E, Hawaii Revised Statutes, entitled "housing alteration revolving loan fund" which:

- (1) Establishes a housing alteration revolving loan fund for persons with physical disabilities;
- (2) Provides low-interest loans of not more than \$25,000 to eligible persons with physical disabilities or their caregivers to make design alterations to a residence occupied by one or more eligible persons;
- (3) Authorizes the corporation to establish the terms and conditions, maturities, interest rates, collateral, and other requirements for loans;
- (4) Empowers the corporation to collect any delinquent amounts in the event of a default in the payment of any installment of principal or interest on any loans made from the fund and to otherwise secure the loans in a manner which affords reasonable protection of the State's resources;
- (5) Authorizes the corporation to enter into agreements with or purchase services from any bank; and
- (6) Authorizes the corporation, in consultation with the commission on persons with disabilities, to adopt rules to administer this program and the fund.

As amended, the bill also appropriates \$200,000 to be paid into the loan fund.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2560, 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. 2560, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Crozier, A. Kobayashi, Solomon and Reed.  
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Hayes, Shon, Souki, Ihara Jr. and Cavasso.  
Managers on the part of the House.

**Conf. Com. Rep. No. 158 on S.B. No. 2338**

The purpose of this bill is to improve the administrative functions within the Legislature to better fulfill legislative duties and to facilitate legislative access to the public. Specifically, this measure would:

- (1) Establish a Joint Legislative Budget Committee, composed of an equal number of House and Senate members, to ascertain facts and to make recommendations to the Legislature about the state budget, revenues and expenditures of the State, and the organization and functions of the State;
- (2) Authorize the Joint Legislative Budget Committee to establish the Office of the Legislative Analyst. With the assistance of the Office of the Legislative Analyst, the Joint Legislative Budget Committee would provide the Legislature with research, evaluation, analyses, and recommendations regarding state revenues and expenditures, the executive budget, and economic and fiscal policy;

- (3) Require the Joint Legislative Budget Committee to report to the Legislature on the progress of the establishment of the Office of the Legislative Analyst;
- (4) Appropriate funds for the operations of the Office of the Legislative Analyst and to facilitate more efficient operation and management of the Legislature; and
- (5) Appropriate funds to promote improved public access throughout the State through technological and other means.

Upon further consideration, your Committee has amended this measure as follows:

- (1) Renaming the new chapter on "Joint Legislative Budget Committee" as "Legislative Fiscal and Budget Analysis" in Part I of the bill;
- (2) Deleting the purpose section in Part I of the bill and instead inserting a modified purpose of the Joint Legislative Budget Committee and the Office of the Legislative Analyst as section -1 of the new chapter on Legislative Fiscal and Budget Analysis;
- (3) Reducing the number of Joint Legislative Budget Committee members from 14 to 10;
- (4) Providing that the Legislative Analyst be appointed for a four-year term;
- (5) Providing that the Joint Legislative Budget Committee may remove the Legislative Analyst from office by a three-fourths votes for cause;
- (6) Providing that the Joint Legislative Budget Committee shall fix the salary of the Legislative Analyst;
- (7) Providing that the Legislative Analyst may employ other clerical and technical employees and providing that the Legislative Analyst and other employees are entitled to participate in employee benefit plans or privileges available to state employees;
- (8) Amending the sum appropriated for the operations of the Office of the Legislative Analyst;
- (9) Amending the sum appropriated for facilitating more efficient operation and management of the Legislature;
- (10) Amending the sum appropriated to the Department of Education, the University of Hawaii, the Department of Budget and Finance, and the Department of Accounting and General Services for improved access;
- (11) Amending the effective date to take effect on July 1, 1990; and
- (12) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2338, 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. 2338, S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, Hagino, Aki, A. Kobayashi and George.  
Managers on the part of the Senate.

Representatives Fukunaga, Souki, Alcon, Apo, Ihara Jr., Okamura and Liu.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 159 on S.B. No. 3334**

The purpose of this bill is to provide a tax credit against an employer's tax liability for hiring persons with disabilities who encounter significant barriers to employment. The targeted jobs credit for a taxable year is equal to forty per cent of the first year wages paid to all newly hired vocational rehabilitation referrals for that year. The amount of the first-year wages that may be taken into account for each qualified individual shall not exceed \$6,000 per year.

Your Committee has amended the bill to change the amount of the credit to twenty per cent of the first year wages paid to all newly hired vocational rehabilitation referrals for that year. Your Committee believes that a twenty per cent tax credit will achieve the goal of the bill to encourage employers in the State to hire individuals who suffer from physical or mental disabilities.

Your Committee has also amended the bill by including in the definition of "vocational rehabilitation referral" any individual certified by the Hawaii state employment service of the department of labor and industrial relations.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3334, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3334, H.D. 1, C.D. 1.

Senators Yamasaki, A. Kobayashi, Mizuguchi, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Takamine, Fukunaga, Baker, Horita, M. Ige, Ihara Jr., Taniguchi and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 160 on S.B. No. 2776**

The purpose of this bill is to afford relief to anyone in the State who has made use tax payments to the State where the use tax payments were also being made by another taxpayer. The bill establishes a twenty-year statute of limitations for claims based upon duplicate payment, requires the claimant to prove the tax for which the claim is made was not passed through to a third party, limits the amount of any credit or refund to thirty per cent of the total eligible claim if the claim is not filed within three years after payment of tax, and requires any refund due to be made in three annual installments.

Upon further consideration, your Committee has amended this bill by limiting its effects to afford relief to General Motors dealers in Hawaii who made use tax payments to the State on imported automobiles from 1969 to 1978, not realizing that the General Motors Overseas Distribution Corporation had made duplicate tax payments on the same automobiles. The bill as amended waives the statute of limitations to a claim for a credit or refund for those dealers.

Your Committee finds that in all fairness the duplicate payments should be returned as a credit or refund, and that no interest shall be due by the State on any claim filed pursuant to this bill. Any credit or refund shall be paid in one lump sum, rather than three annual installments. In order to alleviate concerns that the bill would subject the State to an unknown number of claims, your Committee states that this bill remedies a unique situation and is not meant in any way to set a precedent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2776, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2776, H.D. 1, C.D. 1.

Senators Yamasaki, A. Kobayashi and George.  
Managers on the part of the Senate.

Representatives Souki, Fukunaga, Horita, Say, Tajiri and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 161 on S.B. No. 2377**

The purpose of this bill is to ensure the fiscal integrity of the State by subjecting all existing special and revolving funds to a one-time evaluation by the legislative auditor and by establishing a review process for all new and proposed special and revolving funds.

Upon further consideration, your Committee has made technical, nonsubstantive amendments to the bill as follows:

- (1) On page 5, line 9, the misspelled term "automotic" was corrected to "automatic".
- (2) On page 13, line 13, the initial capitals from the term "department of personnel services" were changed to lower case.
- (3) On page 14, line 17, the term "facilities" was changed to "facility".
- (4) On page 15, line 17, the term "statewide" was changed to "systemwide".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2377, 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. 2377, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Hagino, Ikeda, A. Kobayashi and George.  
Managers on the part of the Senate.

Senator Hagino did not sign the report.

Representatives Souki, Fukunaga, Horita, Leong and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 162 on S.B. No. 3119**

The purpose of this bill is to amend the tobacco tax law by establishing a different tax rate for cigarettes. At present, all tobacco products are taxed alike at forty per cent of wholesale value. This bill would create a different tax rate for cigarettes, which would be taxed at a rate of 1.8 cents per cigarette.

Your Committee finds that this type of tax will bring the method of taxation of cigarettes in line with those of other states, and that this change is both fair and reasonable.

Your Committee has amended this bill by changing the tax from 1.8 cents per cigarette to 2 cents per cigarette.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3119, 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. 3119, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, A. Kobayashi, Levin, Matsuura and Koki.  
Managers on the part of the Senate.

Senator Levin did not sign the report.

Representatives Souki, Horita, Say, Tajiri and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 163 on S.B. No. 3128**

The purpose of this bill is to allow the counties to establish a general excise and use tax surcharge for a period of ten years. The moneys collected from this surcharge may be utilized by the city and county of Honolulu to finance a fixed rail rapid transit system, and by the counties of Hawaii, Kauai, and Maui for infrastructure and park needs.

Your Committee finds that all counties have infrastructure needs for which they do not have sufficient revenue raising capabilities--the neighbor islands with park and general infrastructure needs, and the city and county of Honolulu with a growing transportation problem. Your Committee has reviewed the financial situation of the State and finds that there is little left of the surpluses that the State has enjoyed during the last few years. In fact, the carry-over of moneys will be the bare minimum necessary for the appropriate revenue cushion recommended by national and state financial officers.

Your Committee finds that in addition to continuing with the State's highway maintenance and construction programs, it is imperative that initiatives be continued to lessen the number of motor vehicles on our highways. Your Committee further finds that mass transportation or, more specifically, the transportation of individuals by bus or a fixed rail rapid transit system is a very viable means of lessening the increase in the number of motor vehicles on our highways. Your Committee also finds that the capital costs for the development of an efficient bus or fixed rail rapid transit system are substantial and has reviewed the alternative revenue sources to fund this development. To ask the city and county of Honolulu to fund a fixed rail rapid transit system by itself would mean a very substantial increase in real property taxes, gasoline taxes, or some combination of those and other taxes. As your Committee indicated, the highly publicized state surplus no longer exists, and the use of existing state revenues to totally fund the system would mean a substantial reduction in state programs. Many of these state programs are only now receiving the necessary level of funding due to the fact that during the period 1976 to 1985, the State was required to spend more than it received in revenues in six of the ten years. As a result of the previous shortfall in revenues, a backlog in State infrastructure and program needs has built up which the State needs present revenues to overcome.

With this determined, your Committee finds that the city and county of Honolulu is in the process of developing a fixed rail rapid transit system for Oahu. The city, even with the State's assistance, will be unable to absorb the estimated \$1.4 billion required to build such a system, and assistance from the federal government is necessary. Your Committee further finds that the city's fixed rail rapid transit project appears eligible to receive assistance from the federal government for approximately thirty per cent of the total design and construction cost.

Your Committee also finds that various entities interested in building a fixed rail rapid transit system in Honolulu have indicated that they are willing to absorb some or all of the construction cost in return for various development rights and concessions. Your Committee is persuaded that private sector funding is available and that the funding for a fixed rail rapid transit system must be pinned down this legislative session.

Your Committee finds that the best way to pay for a fixed rail rapid transit system is to provide for thirty per cent federal funding, thirty-five per cent private sector funding, and thirty-five per cent state funding. The state funding is found in S.B. No. 1719 which provides for a transit capital development fund into which the State shall place \$53 million a year to be matched by the city and county of Honolulu with private sources' matching funds.

This bill provides that if the director of finance determines that the private sector revenues are not adequate, then and only then, in 1993, for a period of ten years, shall a one-half per cent general excise and use tax surcharge come into being.

Your Committee notes that in discussion of the effects of the county surcharge, various individuals have stated that the general excise tax is really equal to a twelve per cent sales tax or a twenty per cent sales tax if we use the California tax rate and tax base. Therein lies a serious misrepresentation to the public. California has a tax base which is limited to retail sales and which does not include food or services. Hawaii, on the other hand, taxes food, all services, and many other purchases that California does not tax. Your Committee notes that the reference to a twelve per cent sales tax is equally incorrect as that figure is based on a substantially smaller tax base as part of a hypothetical problem posed to one of the consultants to the first Tax Review Commission. Let there be no misunderstanding, Hawaii does not have a sales tax, and theoretical conversions of the general excise tax are not equal to a twelve or twenty per cent sales tax. The general excise tax rate is four per cent, and the combined general excise tax and county general excise and use tax surcharge if established by any county will be four and one-half per cent.

Your Committee finds that the needs of the city and county of Honolulu for a fixed rail rapid transit system and the needs of the other counties for infrastructure mandate that the issue be met. As a State, we can no longer ignore the growing infrastructure problems on the neighbor islands. As has been pointed out, it will cost money to build a fixed rail rapid transit system and to meet infrastructure needs. It has been proposed that the surplus be used to meet these needs, but the conference committee on the budget finds no surplus. Projections of surplus are just that, projections. Until the projections come to fruition, your Committee cannot recommend funding the needs set forth in this bill through the use of "estimated" surpluses. A review of the ten years from 1976 to 1985 earlier in this committee report shows that surpluses are not a condition which the State can always expect to enjoy. With the present drop in the value of the Japanese yen relative to the dollar, now is not the time for fiscal bullishness. Your Committee also notes that projections of the Council of Revenues indicate that there will be a substantial surplus in 1995. Your Committee has reviewed some of the five-year projections of the Council on Revenues and notes that in 1984, the Council was fourteen per cent under in its projections for 1989 or more than \$400 million under the actual revenues. Economic projections, no matter how conservative, cannot be relied upon for funding projects of the magnitude proposed in this bill. A real chance exists that the income tax reductions during the past four years (amounting cumulatively through 1989 to \$325 million) would be jeopardized, if forecasted surpluses were relied upon for these purposes.

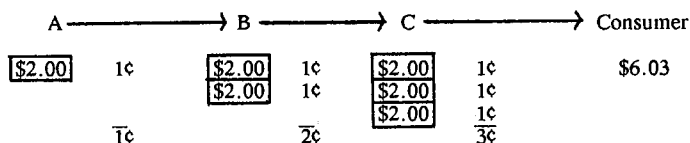


Your Committee has reviewed the argument that the surcharge raises moneys that will be paid back through an income tax credit at a later date to the same people who paid the surcharge suggested later in this committee report. While it is true that residents who pay the surcharge will receive the credit, the fact is that the county government establishing the surcharge will receive the revenue while the State will pay out the credit from state revenues. Further, in many instances, through withholding or other means, taxpayers will keep the credit they later claim when filing income taxes, and the State will not have use of the money for any period of time. This is not taking money from one state pocket and placing it in another pocket.

Your Committee has reviewed the method of returning the surcharge to the county. Two methods have been suggested: first, return the surcharge revenues to the county in which they are raised, and second, return the surcharge based on a state resident formula. After considering the two methods, your Committee is of the opinion that the first method should be used to return the surcharge revenues to taxpayers in the county which they are raised. This is particularly true in light of the possibility that not every county may establish a surcharge, and the county that does not establish a surcharge will not receive any revenues, nor should a county receive revenue that it did not raise.

In order to allow the counties sufficient time in which to adopt the surcharge, your Committee has fixed the date by which establishment should take place as before October 1, 1992.

In order to address the possibility that each county may use its authority to establish a one-half per cent general excise and use tax surcharge for fixed rail rapid transit system or other infrastructure, your Committee analyzed the general excise tax and its imposition. One of the most discussed aspects of the general excise tax is that, depending on the situation, it may pyramid. That is, one seller may attempt to pass the tax to a second seller who, in turn, may attempt to pass the first seller's taxes plus the tax on the second seller to the ultimate consumer. If this is diagrammed, an interesting result is highlighted. The following diagram is admittedly simplistic, but it is intended to show results and not to be accurate in reflecting profits, pyramids, failure to pass on taxes, or other details. It is assumed that a one-half per cent tax is passed on in each transaction and that each seller has a profit of \$2.



Remembering that this illustration is used simply to get a point across, what is apparent is that A pays 1 cent to the State, B pays 2 cents to the State, and C pays 3 cents to the State. What also is apparent is that the consumer only pays 3 cents in taxes while the State collects 6 cents.

Looking at this admittedly simple analysis, what became clear to your Committee is that Hawaii individual consumers do not pay the full amount of the general excise tax paid to the State, but instead pay something less than the full amount collected. (In the above illustration, one-half of the tax is paid by the consumer.) Thus, your Committee believes that in offsetting the impact of the county general excise and use tax surcharge, not all of the total collected would have to be returned.

A further indication of this follows from an analysis of individual expenditures as a percentage of adjusted gross income. Upon review, it became clear to your Committee that individuals do not expend all of their income upon purchases that are subject to the general excise tax. Between forty and forty-five per cent of an individual's income goes to federal and state taxes, mortgage payments, and other expenditures which are not subject to the general excise tax. This is true at all income levels; the amount of adjusted gross income used for purchases subject to the general excise tax varies between fifty-five and sixty per cent of that income. Multiplying sixty per cent of adjusted gross income by .005 gives the amount the taxpayer may have expended for the county surcharge.

In order to further consider this aspect of the general excise tax, your Committee next analyzed personal consumption expenditures published by the department of business and economic development for 1985. These figures represent Hawaii individual expenditures and not expenditures by others (which your Committee will discuss later). These figures include expenses for nontaxable items such as mortgage costs. In 1985, Hawaii individual expenditures equaled \$10.3 billion. Inflating to 1990 dollars and subtracting nontaxable items, this translates to \$46 million in surcharge taxes that might be paid in calendar year 1990, if the counties were to enact the county one-half per cent surcharge.

To further cross-check its figures, your committee used another source--total income reported to the department of taxation in 1987, which equaled \$10.4 billion. Using the sixty per cent of adjusted gross income as mentioned above inflated to 1990 dollars, this yields \$44 million in taxes for calendar year 1990, if the surcharge tax is collected at the one-half per cent rate.

In making its final analysis, your Committee examined the composition of the approximately \$125 million that might be raised by the county surcharge rate of one-half per cent and the payors of that tax. The following represents that analysis:

Total County Surcharge Collections	\$125.0 million
Distribution of County Surcharge Tax:	
Amount paid by resident businesses and others	\$ 81.0 million
Amount paid by individual taxpayers	\$ 44.0 million

Based upon the analysis preceding this discussion, the amount of moneys that is necessary to fund the credit would be \$50 million. The credit will be a variable credit in that, unlike flat credits, and disappearing credits which involve reducing the amount of credit as income goes up, the variable credit will increase as income rises in order to offset the amount of county surcharge paid. This is based on the preceding analysis of adjusted gross income; as adjusted gross income rises, more income is used for purchases and will be subject to the county surcharge tax. Thus, the credit will increase to match the surcharge expenditures. Unlike flat credits and disappearing credits, which serve other purposes, the variable credit will focus the credit to the expenditure patterns of individuals with a fair degree of accuracy as expenditures are based upon disposable income.

As your Committee discussed earlier in this Report, the revenues to be raised by the county surcharge are paid by different business and individual taxpayers and by different income levels of individual taxpayers. Because the composition of adjusted gross income may vary and the expenditure patterns of individuals and families may vary, there will be some variance in receipt of the credit. In particular, your Committee has capped the credit at \$450, due to the large amounts of discretionary income which may be used for expenditures at the higher income level, and has set a minimum credit of \$18 for those with adjusted gross incomes of less than \$5,000 or those having no adjusted gross income.

The variable credit which your Committee recommends would be based on the sixty per cent of adjusted gross income formula discussed above. That is, adjusted gross income would be multiplied by sixty per cent. The resultant figure would then be multiplied by .006 to determine the amount of the credit. The .006 figure was chosen to offset to a certain extent the pyramiding aspect of the general excise tax which, at four per cent, has itself been found by the first Tax Review Commission to be at most one per cent.

Your Committee has provided further that if private sector revenues are inadequate, the general excise and use tax surcharge may take effect on January 1, 1993. In addition, should a surcharge become necessary, the transfer of \$53 million of State revenues to the transit capital development fund will terminate. Your Committee strongly believes that the \$53 million then should be used to offset the surcharge, if the surcharge must be imposed due to the unavailability of private sector revenues.

Your Committee has made other technical amendments for the purposes of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3128, 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. 3128, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, A. Kobayashi, Matsuura and Koki.  
Managers on the part of the Senate.

Representatives Oshiro, Tom, Souki, Baker, Fukunaga, Horita, Okamura, Say, Yonamine and Marumoto.  
Managers on the part of the House.

Representatives Horita and Say did not sign the report.

#### **Conf. Com. Rep. No. 164 on S.B. No. 1719**

The purpose of this bill, as received, is to ensure a safe, reliable, efficient, and convenient transportation system in the State by:

- (1) Establishing a state transit capital development fund to assist the counties with the capital and construction costs involved in developing mass transportation;
- (2) Transferring general excise tax revenues totalling \$2 per year from September 1, 1991 through 2005 to the state transit capital development fund; and
- (3) Transferring general excise tax revenues totalling \$80 million per year from 1990 through 1994 to the state highway fund.

Your Committee finds that an integrated transportation system that services statewide needs and promotes safe, reliable, efficient, and convenient movement of people and goods is of vital concern to our island state and is central to Hawaii's economic development.

It is imperative that initiatives be continued to lessen the number of motor vehicles on our highways. Mass transportation or, more specifically, the transportation of individuals by bus or fixed rail rapid transit is a very viable means of reducing the number of motor vehicles on our highways. Your Committee finds that the capital costs for the development of an efficient bus or fixed rail rapid transit system may be substantial and agrees that a reasonable distribution of financial responsibility between participating governments and private parties is essential.

It is your Committee's understanding that the City and County of Honolulu is in the process of developing a fixed rail rapid transit system for Oahu. However, the City will be unable to absorb the estimated \$1.4 billion required to build such a system and that assistance from state, federal, and private sector sources is imperative. Your Committee further finds that the City's fixed rail rapid transit system is eligible to receive assistance from the federal government for approximately 30 percent of the total construction costs.

Your Committee finds that various entities interested in building a fixed rail rapid transit system in Honolulu have indicated that they are willing to absorb some or all of the construction costs in return for various development rights and

concessions. However, your Committee is cognizant that in order to adequately compensate such an entity for its \$1.4 billion outlay, the land use development rights and concessions requested may not be conducive to the people. At the same time, your Committee believes that should a private entity be requested to absorb a lesser portion of the total construction cost, a reasonable compromise may be attained.

With regard to the Neighbor Islands, your Committee finds that several counties presently have bus systems and are in need of financial assistance to purchase new buses. Your Committee also finds that private sector entities such as the visitor accommodation industry, which is currently experiencing problems in retaining a sufficient number of employees, may be willing to contribute toward the enhancement of existing bus systems or even the creation of a new bus system.

Upon further consideration, your Committee has amended the bill by:

- (1) Changing the name of the fund from state transit capital development fund to the transit capital development fund;
- (2) Inserting a purpose clause into the new chapter creating the fund;
- (3) Adding a new definition of "transit fund";
- (4) Amending the definition of "private source revenue";
- (5) Providing that the director of finance shall administer the fund;
- (6) Allowing the counties to use private source revenues, county revenues, or both for the matching requirements;
- (7) Requiring a more specific breakdown of costs and anticipated funding sources including the amount being requested and the source of county matching funds to be included in the development agreement;
- (8) Adding a new section specifying that a development agreement shall provide that the obligation to disburse funds from the transit fund is a limited obligation payable solely from moneys on deposit in the transit fund;
- (9) Adding a new section providing that each year from fiscal year 1992 through 2008, the legislature shall appropriate to the transit fund the sum of \$53,000,000 or so much thereof as may be necessary for the purpose of financially assisting counties for capital costs in developing mass transportation;
- (10) Adding a new section requiring the director of finance to determine if the private source revenues relating to the development agreement are inadequate and to report the findings to the legislature;
- (11) Deleting the provision which transferred general excise tax revenues totalling \$2 per year from September 1, 1991 through 2005 to the state transit capital development fund;
- (12) Deleting the provision which transferred general excise tax revenues totalling \$80 million per year from 1990 through 1994 to the state highway fund; and
- (13) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1719, 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. 1719, S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, A.Kobayashi, Matsuura and Koki.  
Managers on the part of the Senate.

Representatives Oshiro, Souki, Baker, Fukunaga, Okamura, Say, Tom, Yonamine and Marumoto.  
Managers on the part of the House.

Representative Say did not sign the report.

#### **Conf. Com. Rep. No. 165 on S.B. No. 3128 (Majority)**

The purpose of this bill as originally received was to allow the counties to establish a general excise and use tax surcharge for a period of five years. The moneys collected from this surcharge may be utilized by the city and county of Honolulu to finance a fixed rail rapid transit system, and by the counties of Hawaii, Kauai, and Maui for infrastructure and park needs.

Your Committee finds that all counties have infrastructure needs for which they do not have sufficient revenue raising capabilities--the neighbor islands with park and general infrastructure needs, and the city and county of Honolulu with a growing transportation problem.

Your Committee finds that the best way to pay for a fixed rail rapid transit system is to provide for thirty per cent federal funding, thirty-five per cent private sector funding, and thirty-five per cent state funding. The state funding is found in S.B. No. 1719 which provides for a transit capital development fund into which the State shall place \$53 million a year to be matched by the city and county of Honolulu with private sources' matching funds.

Your Committee has amended this bill to provide that if the director of finance determines that the private sector revenues are not adequate, then and only then, in 1993, for a maximum period of ten years, would a one-half per cent

general excise and use tax surcharge come into being. Your Committee has also provided that for each year that the one-half per cent general excise and use tax surcharge is in effect, the State will provide \$50 million in variable tax credits.

Your Committee also made other technical amendments for the purposes of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3128, 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. 3128, S.D. 2, H.D. 2, C.D. 2.

Senators Yamasaki, Fernandes Salling, Hagino, A. Kobayashi, Matsuura and Koki.  
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Oshiro, Tom, Souki, Baker, Fukunaga, Horita, Okamura, Say, Yonamine and Marumoto.  
Managers on the part of the House.

Representatives Say and Yonamine did not sign the report.  
Representative Marumoto did not concur.

**Conf. Com. Rep. No. 166 on S.B. No. 2597**

The purpose of this bill is to reduce the top tax bracket from ten per cent to nine per cent, reduce the number of tax brackets from eight to four, increase the standard deduction amounts, and combine the food and excise tax credits into one food/excise tax credit.

Your Committee on Conference has reviewed this bill in view of the present revenue picture, and particularly, the current rise of the yen against the dollar. In consideration of these factors, your Committee has amended the bill to delete all provisions except those combining the food and excise tax credits. Your Committee recognizes the importance of retaining the existing food tax credit. The bill retains the food credit which was due to expire on December 31, 1990 by combining it with the excise tax credit to form a permanent food/excise tax credit. In addition, your Committee increased the flat portion of the credit from \$45 to \$55.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2597, 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. 2597, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, A. Kobayashi, Matsuura and Koki.  
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

Representatives Duldulao, M. Ige, Ihara Jr., Kanoho, Tajiri, Yonamine and Liu did not sign the report.

**Conf. Com. Rep. No. 167 on S.B. No. 2376**

The purpose of this bill is to provide a tax credit to satisfy the constitutional requirement under Article VII, section 6, of the Hawaii State Constitution, that the legislature provide a tax refund or tax credit to the taxpayers of the State whenever the state general fund balance at the close of each of two successive fiscal years exceeds five per cent of general fund revenues for each of the two fiscal years.

This bill provides a tax credit of \$1 to each resident taxpayer who files an individual income tax return, regardless of adjusted gross income; but does not include persons confined in correctional facilities for the entire taxable year.

Your Committee has amended this bill by allowing a tax credit of \$60, rather than \$1.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2376, 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. 2376, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Senators Ikeda, McCartney, Mizuguchi, Tungpalan and Koki did not sign the report.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

Representatives Duldulao, M. Ige, Ihara, Jr., Kanoho, Tajiri, Yonamine and Liu did not sign the report.

**Conf. Com. Rep. No. 200 on H.B. No. 2864**

The purpose of this bill is to increase the maximum annual compensation for Criminal Injuries Compensation Commission (Commission) members from \$6,600 to \$10,000 a year.

Your Committee recognizes the House agreement to the Senate deletion of language referring to those citizens appointed to the Commission in 1968, 1969, and 1970, and to technical nonsubstantive changes in this bill. Your Committee has amended this bill by adding a new SECTION which states the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements, and renumbering consecutively the remaining sections.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2864, 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. 2864, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, McMurdo and Koki.  
Managers on the part of the Senate.

Representatives Metcalf, Fukunaga, Amaral, Hiraki, Hirono, M. Ige, Isbell and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 201 on H.B. No. 2865**

The purpose of this bill is to appropriate sufficient funds out of the general revenues of the State to pay victims of crimes who were awarded compensation by the Criminal Injuries Compensation Commission in 1989.

Your Committee after further consideration has amended this bill by:

- (1) Adding a new SECTION 1 which states the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements.
- (2) Renumbering consecutively the remaining sections;
- (3) Deleting a comma, in SECTION 2 after the words "certain persons" on page 1, line 13; and
- (4) Deleting another comma, in SECTION 2 after the words "of services" on page 1, line 14.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2865, 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. 2865, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, A. Kobayashi, Fernandes Salling, Hagino, Ikeda, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Representatives Metcalf, Souki, Amaral, Hiraki, Hirono, M. Ige and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 202 on H.B. No. 2871**

The purpose of this bill is to provide general fund appropriations to satisfy claims against the State of Hawaii for refunds, reimbursements, payments of judgments, settlements, and other payments.

Your Committee amended this bill as follows:

- (1) Adding a new SECTION 1 stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the State spending limits to comply with constitutional and statutory requirements and renumbering the subsequent sections as appropriate; and
- (2) Adding eight new claims to the JUDGMENTS AGAINST THE STATE AND SETTLEMENT OF CLAIMS section of the bill. Final documentation on these claims was received after completion of the Senate draft of this bill and these amendments are intended to make this bill reflect the current claims being resolved. These claims are those of Ako v. Office of Hawaiian Affairs, Espino v. State and Septimo v. State, Gaut v. Sunn, Howes v. State, Robinson v. Ariyoshi, In re Stadium Authority, Koyanagi v. State, and Dunaway v. State.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2871, 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. 2871, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Menor, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Representatives Metcalf, Souki, Fukunaga, Hagino, Hiraki, Hirono and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 203 on H.B. No. 2884**

The purpose of this bill is to provide equitable salary adjustments for the following public officers and employees: the members of the Hawaii Labor Relations Board, the Executive Director of Housing Finance and Development Corporation, the members of the Public Utilities Commission, the Director of the Office of Veteran Services, and the members of the Labor and Industrial Relations Appeals Board.

Your Committee has amended this bill as follows:

- (1) By adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with constitutional and statutory requirements;
- (2) By adding a new section providing a salary adjustment for the Director of the Ethics Commission; and
- (3) By making technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2884, 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. 2884, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Mizuguchi, Nakasato, Solomon and George.  
Managers on the part of the Senate.

Representatives Takamine, Souki, Hirono, Horita, Say, Tajiri, Yonamine and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 204 on H.B. No. 2986**

The purpose of this bill is to provide the Department of Budget and Finance with the authorization to issue special purpose revenue bonds for the purpose of assisting Linguatron (USA) Limited with the establishment of an electronic computer equipment assembly plant and related facilities. The funds shall be issued provided that a patent is acquired from the United States government for the essential elements to be manufactured by Linguatron (USA) Limited.

Your Committee finds that under Part III, Chapter 39A, the Department of Budget and Finance, with the approval of the Governor, is authorized to issue special purpose revenue bonds for assisting manufacturing enterprises.

Linguatron (USA) Limited, a Hawaii corporation, is involved in the commercialization of high technology machines, which will ultimately form a sophisticated communications equipment system that will break communications barriers between persons who speak or write in different languages. Your Committee finds that this corporation will assist in the diversification of Hawaii's economy and produce new engineering, software, and assembly jobs for our citizens.

The bill has been amended by deleting the language of Senate Draft 2 and inserting the language of House Draft 2. The purpose of the bill remains the same, however, the requirement for Linguatron (USA) Limited to obtain patents from the U.S. government has been deleted. Your Committee was informed that Linguatron (USA) Limited has already obtained patents from the U.S. government. In addition \$10,000,000 in special revenue bonds has been authorized to assist the establishment of the facility.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2986, 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. 2986, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, A. Kobayashi, Matsuura and Koki.  
Managers on the part of the Senate.

Representatives D. Ige, Souki, Say, Stegmaier and O'Kieffe.  
Managers on the part of the House.

**Conf. Com. Rep. No. 205 on H.B. No. 2789**

The purpose of this bill is to give retirants a special cost of living bonus for each year of the retirant's service.

Pursuant to Hawaii's Collective Bargaining Law (Chapter 89, Hawaii Revised Statutes), it has been the practice of the Legislature to grant retirants the same pay increase as employees in active service. Since the enactment of Chapter 89, retirants have had to approach the Legislature to request pension adjustments.

Your Committee has amended this measure to increase the amount of the special cost of living bonus received by retirants or pensioners having ten or more years of service, and it shall have a cumulative amount to include all previous bonuses and shall not exceed:

- (1) \$1.25 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of five years by July 1 in the year in which the bonus is effective;
- (2) \$2.50 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of ten years by July 1 in the year in which the bonus is effective;

- (3) \$4.50 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of fifteen years by July 1 in the year in which the bonus is effective;
- (4) \$6.00 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of twenty years by July 1 in the year in which the bonus is effective;
- (5) \$8.75 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of twenty-five years by July 1 in the year in which the bonus is effective; and
- (6) \$10.50 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of thirty years by July 1 in the year in which the bonus is effective.

Your Committee has also amended this measure to provide that any retirant or pensioner with ten or more years of service who on July 1 of the year in which the bonus is being calculated has been retired a minimum of twenty years and whose current bonus amount exceeds the maximum specified, shall nevertheless receive a pension increase of \$1.25 for each year of credited service.

The bonus shall be paid to retirants or pensioners with ten or more years of service or to their beneficiary who is receiving a monthly benefit from the Employees' Retirement System; provided that the requirement of ten or more years of service shall not apply to a person who retires with fewer than ten years of service because of a service-connected disability.

Your Committee has further amended this measure by:

- (1) Adding a new section stating the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit;
- (2) Inserting the sum to be appropriated for the purposes of this measure; and
- (3) Amending the effective date so that the Act will be repealed as of June 30, 1995 to allow the Legislature time to review the impact of this measure.

It was never the Legislature's intent to have retirants and pensioners approach the Legislature to request pension adjustments when Chapter 89, Hawaii Revised Statutes, was enacted. In recognition of the valuable service rendered to public service by our retirants and pensioners, your Committee agrees that a better method of properly providing for government retirants and pensioners must be instituted to enable them to keep up with the rising cost of living. Your Committee has added the automatic repeal date to enable the Legislature, during the five-year period before this Act is repealed, to review all the possible methods and means to ensure that retirants and pensioners are able to receive automatic increases. By exploring all the possible funding mechanisms available, including evaluating the percentage of excess earnings maintained in the Employees' Retirement System funds, it is your Committee's intent to enable the retirants and pensioners to receive the necessary adjustments to keep up with the cost of living.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2789, 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. 2789, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Hagino, A. Kobayashi, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Takamine, Souki, Baker, Bybee, Horita, Ihara Jr. and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 206 on H.B. No. 2891**

The purpose of this bill is to clarify the Employees' Retirement System law with regard to the following:

- (1) Contributions made by firefighters, police officers, corrections officers, investigators of the prosecutors' and the attorney general's offices, and narcotics enforcement investigation;
- (2) Credits for military service; and
- (3) Acquisition of credit by noncontributory members at no cost.

Your Committee has amended this measure by correcting a typographical drafting error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2891, 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. 2891, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, A. Kobayashi, Mizuguchi, Nakasato and Koki.  
Managers on the part of the Senate.

Representatives Takamine, Souki, Fukunaga, Horita, Tajiri, Taniguchi and Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 207 on H.B. No. 1148**

The purpose of this bill, as received, is to share the tax revenues generated by the transient accommodations tax (TAT) with the counties by:

- (1) Amending the definition of "gross rental" or "gross rental proceeds" to exclude taxes imposed by the TAT;
- (2) Amending the TAT tax rate of 5 per cent to an unspecified rate;
- (3) Requiring that an unspecified percentage of the tax revenues be retained by the State and making an undetermined amount available for appropriation to the counties for improvement to the infrastructure and other tourism-related activities;
- (4) Requiring that the Director of Finance establish a separate special account into which an undetermined percentage of the tax revenues shall be deposited; and
- (5) Appropriating \$75,000 for fiscal year 1990-1991 to the Department of Budget and Finance to implement the provisions of the bill.

Your Committee agrees that a more equitable method of sharing state revenues with the counties must be provided. A stable and continuing source of revenue will enable the counties to provide for their needs. Currently, the counties must come before the legislature each year to request financial assistance. This process discourages long-range planning.

During this legislative session, both houses considered several proposals to determine the most equitable means of sharing state revenues with the counties. Among the proposals that were considered were the transfer of revenues collected from the transient accommodations tax, a portion of the public service company tax, animal fines, and unadjudicated traffic and parking fines and forfeitures to the counties.

Your Committee finds that the administrative costs and burdens of distributing revenues from several smaller sources will be considerably greater than the costs of distributing from one large source.

Your Committee also notes that tourism is the largest industry in Hawaii, and many of the burdens imposed by tourism falls on the counties. Increased pressures of the visitor industry mean greater demands on county services. Many of the costs of providing, maintaining, and upgrading police and fire protection, parks, beaches, water, roads, sewage systems, and other tourism related infrastructure are being borne by the counties.

Upon further consideration, your Committee has amended this bill in order to share the TAT revenues with the counties. More specifically, your Committee has amended this bill by:

- (1) Providing that 5 percent of the TAT revenues will be retained by the State to cover the administrative costs of assessment, collection, and disposition of the revenues, with the remainder of the TAT revenues will be distributed to the counties;
- (2) Specifying the percentage each county will receive from the 95 percent in TAT revenues as follows: the City and County of Honolulu will receive 44.1 percent, the County of Maui will receive 22.8 percent, the County of Hawaii will receive 18.6 percent, and the County of Kauai will receive 14.5 percent;
- (3) Allowing the counties to use the TAT revenues for any county purpose;
- (4) Specifying that all TAT revenues be paid into the state treasury within ten working days of collection and kept in special accounts;
- (5) Maintaining the current 5 per cent TAT rate; and
- (6) Deleting the appropriation section.

The Council of Revenues has estimated that \$90 million would be generated from TAT revenues for fiscal year 1991. Based on this projection and the formula provided in this measure, the counties would receive \$85.5 million with each county projected to receive the following:

City and County of Honolulu	\$37,500,000
County of Maui	\$19,500,000
County of Hawaii	\$15,900,000
County of Kauai	\$12,400,000

Your Committee finds that sharing TAT revenues with the counties by distributing the revenues among the counties in proportion to the population of each county would best accomplish the intent of this measure in an equitable manner. Your Committee further finds that this method will provide the counties with a predictable, flexible, and permanent source of revenues.

Since your Committee intends this measure to be an equitable plan to distribute funds, your Committee notes that the Legislature may re-examine this TAT sharing mechanism if the county uses its present real property taxing powers to selectively impose a heavier burden on one industry over other industries who are currently paying the nonresidential real property tax rate.

The distribution of the TAT revenues to the counties does not mean that the Legislature has lessened its state support and commitment to the tourism industry. On the contrary, your Committee finds that because of tourism, Hawaii now



enjoys economic prosperity. Your Committee further finds that past state support for tourism marketing and promotions programs have resulted in making tourism Hawaii's largest industry. It is the intent of your Committee to continue its financing of the Convention Center Authority and future funding for statewide tourism marketing and promotion to ensure the continued vitality of the tourism industry in Hawaii.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1148, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1148, S.D. 1, C.D. 1.

Senators Yamasaki, Holt, Ikeda, A. Kobayashi and McCartney.  
Managers on the part of the Senate.

Representatives Cachola, Souki, Tom, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

Representative Liu did not sign the report.

**Conf. Com. Rep. No. 208 on H.B. No. 1576**

The purpose of this bill is to implement the constitutional mandate to provide a tax refund or tax credit when, under certain conditions, there is a surplus in the state general fund.

Article VII, section 6, of the Constitution of the State of Hawaii requires the Legislature to provide for a tax refund or tax credit to the taxpayers of the State 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. Since these factors have been met, this bill is necessary to satisfy the constitutional mandate.

Your Committee upon further consideration has amended this bill to reflect a general income tax credit which shall be \$65 deducted from income tax liability.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1576, 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. 1576, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Senator Fernandes Salling did not sign the report.

Representatives Souki, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

Representative Liu did not sign the report.

**Conf. Com. Rep. No. 209 on H.B. No. 1148**

The purpose of this bill is to share the tax revenues generated by the transient accommodations tax (TAT) with the counties.

Your Committee has amended this measure to correct a technical drafting error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1148, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1148, S.D. 1, C.D. 2.

Senators Yamasaki, Holt, Ikeda, A. Kobayashi, McCartney and George.  
Managers on the part of the Senate.

Representatives Cachola, Souki, Tom, Baker, Chang, Duldulao, Fukunaga, Horita, M. Ige, Ihara Jr., Isbell, Kanoho, Kawakami, Leong, Say, Tajiri, Yonamine, Liu and Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 210 on H.B. No. 3095**

The purpose of this bill is to restructure the organization of the Department of Business and Economic Development to better serve the needs of the tourism industry in the State.

Your Committee has amended this measure to specify the appropriate agency to expend the appropriated moneys.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3095, H.D. 2, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3095, H.D. 2, S.D. 2, C.D. 2.

Senators Yamasaki, Holt, Ikeda, McCartney and George.

Managers on the part of the Senate.

Representatives Cachola, Souki, Baker, Hirayama Jr., Horita, Oshiro, Tajiri and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 211 on H.B. No. 2871**

The purpose of this bill is to provide general fund appropriations to satisfy claims against the State of Hawaii for refunds, reimbursements, payments of judgments, settlements, and other payments.

Your Committee has amended this bill by:

- (1) Substituting language in SECTION 1 to state "...the state general fund expenditure ceiling for fiscal year 1989-1990 to be exceeded by \$12,159,436, or 0.52 per cent" instead of "...the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$12,159,436, or 0.152 per cent"; and
- (2) Making a technical change in SECTION 5.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2871, H.D. 2, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2871, H.D. 2, S.D. 1, C.D. 2.

Senators Yamasaki, Menor, Fernandes Salling, Hagino, Ikeda, A. Kobayashi, Matsuura, McCartney, McMurdo, Mizuguchi, Solomon, Tungpalan, George and Koki.  
Managers on the part of the Senate.

Representatives Metcalf, Souki, Fukunaga, Hagino, Hiraki, Hirono and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 212 on H.B. No. 3357**

The purpose of this bill is to appropriate funds to maximize federal dollars in the State Medicaid program.

Your Committee finds that Medicaid financing provides a cost-effective alternative for enhancing and expanding the scope of health services provided to the high-risk population served by the Department of Health's programs. Your Committee believes that these services are essential to the health and well-being of the people of Hawaii and that expanding and supporting health care is the best possible investment to future generations.

Your Committee has amended this bill by amending line 11, page 7 of the bill, as received, as follows:

- (1) Inserting the phrase "the sum of" between the words "Hawaii" and "\$55,000"; and
- (2) Inserting the phrase "or so much thereof as may be necessary for fiscal year 1990-1991," between the words "\$55,000" and "for".

As amended, the sentence reads as follows: "There is appropriated out of the general revenues of the State of Hawaii the sum of \$55,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the creation of special medicaid staffing to implement medicaid option changes".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3357, H.D. 2, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3357, H.D. 2, S.D. 1, C.D. 2.

Senators Yamasaki, A. Kobayashi, Levin, McMurdo and Koki.  
Managers on the part of the Senate.

Representatives Arakaki, Souki, Chang, Ihara Jr., Leong, Shon and Liu.  
Managers on the part of the House.

**Conf. Com. Rep. No. 213 on H.B. No. 1718**

Your Committee on Conference has amended H.B. No. 1718, S.D. 2, by:

- (1) Adding two new sections containing the language necessary to comply with Constitutional and statutory laws relating to appropriations causing the state general fund to be exceeded for the fiscal years 1989-1990 and 1990-1991, providing the necessary appropriation amounts for the purposes of this bill, and renumbering subsequent sections as appropriate;
- (2) Increasing the salary of the Chief Justice of the Supreme Court from the proposed \$1 per year to \$90,699 per year beginning January 1, 1989, and \$94,780 per year beginning January 1, 1990;
- (3) Increasing the salary of the Associate Justices of the Supreme Court from the proposed \$1 per year to \$89,699 a year beginning January 1, 1989, and \$93,780 per year beginning January 1, 1990;
- (4) Increasing the salary of the Chief Judge of the Intermediate Appellate Court from the proposed \$1 per year to \$87,199 per year beginning January 1, 1989, and \$91,280 per year beginning January 1, 1990;

- (5) Increasing the salary of the Associate Judges of the Intermediate Appellate Court from the proposed \$1 per year to \$85,699 a year beginning January 1, 1989, and \$89,780 per year beginning January 1, 1990;
- (6) Increasing the salary of the Circuit Court judges from the proposed \$1 per year to \$82,699 per year beginning January 1, 1989, and \$86,780 per year beginning January 1, 1990;
- (7) Increasing the salary of the District Court judges from the proposed \$1 per year to \$77,699 a year beginning January 1, 1989, and \$81,780 per year beginning January 1, 1990;
- (8) Adding a new section increasing the salary of the Administrative Director of the Courts from \$68,400 a year to \$81,629 a year beginning January 1, 1989, and \$85,302 per year beginning January 1, 1990 and increasing the salary of the Deputy Administrative Director of the Courts from \$61,560 per year to \$74,608 per year beginning January 1, 1989 and \$77,966 a year beginning January 1, 1990;
- (9) Removing the provisions relating to appointment of District Court judges;
- (10) Adding a provision that the President of the Senate and the Speaker of the House of Representatives appoint a Joint Legislative Study Committee to study the effects of requiring applicants for District Court judgeships to go through a confirmation process;

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1718, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1718, S.D. 2, C.D. 1.

Senators A. Kobayashi, Yamasaki and Koki.  
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Metcalf, Souki, Fukunaga, Hiraki, Kawakami, Takamine and Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 214 on H.B. No. 2258**

The purpose of this bill is to establish a joint legislative management committee within the Legislature to establish general policy and to evaluate, supervise, and coordinate activities among the legislative support agencies.

Your Committee has amended this measure to allow the Speaker of the House of Representatives and the President of the Senate to have the authority to appoint members of this new committee upon the enactment of this measure. By doing so, this new committee will be able to begin operations in a timely manner.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2258, H.D. 2, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2258, H.D. 2, S.D. 2, C.D. 2.

Senators Yamasaki, Aki, Hagino, A. Kobayashi and George.  
Managers on the part of the Senate.

Senator Aki did not sign the report.

Representatives Fukunaga, Souki, Baker, Isbell, Okamura and Liu.  
Managers on the part of the House.

## STANDING COMMITTEE REPORTS

**SCRep. 1900 (Joint) Education and Ways and Means on S.B. No. 2330**

The purpose of this bill is to establish a statewide pilot after-school program in the public schools to provide affordable and quality after-school supervision for students enrolled in kindergarten through grade six who could be without the supervision of an adult after the end of the instructional school day as a result of the single parent's or both parents' employment.

This pilot program has been popularly referred to as the "After-School Plus Program" or the "A+ Program." The Department of Education is ready to start this pilot program on February 5, 1990. The pilot program will run through the end of the current school year.

Your Committees are providing the sum of \$5,655,000 to ensure that every public elementary school that wishes to implement the pilot program, and every eligible child who wishes to enter the pilot program, may do so.

Your Committees feel this pilot program will help the State determine the feasibility of a permanent state-subsidized after-school program. It is the intent of your Committees that if the pilot program proves to be cost-efficient and effective, every effort will be made to make the pilot program a permanent program.

Your Committees have amended this bill by inserting language pursuant to Section 9 of Article VII of the Constitution of the State of Hawaii. This bill was also amended to permit rather than mandate the assessment of a \$5 late pick-up fee. This amendment was made to reflect the original intent of the bill, as was indicated in the testimony before the Committee on Education on January 20, 1990. The ramseyer section was deleted because no statutory language is being added or amended. Technical non-substantive amendments were made for purposes of style and clarity.

Your Committees on Education and Ways and Means are in accord with the intent and purpose of S.B. No. 2330, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2330, S.D. 1, and be committed to the Committees on Education and Ways and Means for further consideration.

Signed by all members of the Committees.

**SCRep. 1901 (Joint) Education and Ways and Means on S.B. No. 2330**

The purpose of this bill is to establish a statewide pilot after-school program in the public schools to provide affordable and quality after-school supervision for students enrolled in kindergarten through grade six who could be without the supervision of an adult after the end of the instructional school day as a result of the single parent's or both parents' employment. This bill made an amendment to permit rather than mandate the assessment of a \$5 late pick-up fee. This bill also inserted a declaration pursuant to Section 9 of Article VII of the Constitution of the State of Hawaii.

This pilot program has been popularly referred to as the "After-School Plus Program" or the "A+ Program." The Department of Education is ready to start this pilot program on February 5, 1990. The pilot program will run through the end of the current school year.

Your Committees are providing the sum of \$5,655,000 to ensure that every public elementary school that wishes to implement the pilot program, and every eligible child who wishes to enter the pilot program, may do so.

Your Committees feel this pilot program will help the State determine the feasibility of a permanent state-subsidized after-school program. It is the intent of your Committees that if the pilot program proves to be cost-efficient and effective, every effort will be made to make the pilot program a permanent program.

Your Committees received testimony expressing the concerns of single parents, and also how situations on the outer islands may require different considerations. These concerns and considerations will be addressed if a permanent program is established. Your Committees also noted the concerns regarding the timing of when children will do their homework.

Your Committees on Education and Ways and Means are in accord with the intent and purpose of S.B. No. 2330, S.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committees.

**SCRep. 1902 Ways and Means on S.B. No. 1**

The purpose of this bill is to appropriate funds to the Legislature for its expenses up to June 30, 1990. This bill also appropriates funds for the various legislative support agencies for fiscal year 1989-1990.

Your Committee has amended this bill by appropriating funds to the Legislature for its expenses up to June 30, 1991 and to the various legislative support agencies for fiscal year 1990-1991.

Your Committee has determined that the following appropriations are necessary for the Legislature and its support agencies to carry out their functions and has amended the bill by inserting the amounts for the Legislature and the legislative support agencies as follows:

- |                                  |             |
|----------------------------------|-------------|
| (1) The Senate                   | \$4,274,551 |
| (2) The House of Representatives | \$5,576,113 |

(3) The Legislative Auditor	\$2,297,501
(4) The Legislative Reference Bureau	\$1,840,743
(5) The Ombudsman	\$ 925,122
(6) For the SHADOW system	\$1,000,000

Your Committee finds that increases in the expenses of the Legislature are due to implementing changes in response to public concerns regarding access to the legislative system. The Legislature has hired additional staff for: roadside pick-up of testimony; the Senate information desk; and the printshops. Another improvement to aid the public's access has been the placing of directional signs within the capitol.

Your Committee finds that increases to the Office of the Ombudsman were due to the request for a new computer system.

Your Committee has also amended the bill by inserting language pursuant to Section 9 of Article VII of the Constitution of the State of Hawaii.

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

Signed by all members of the Committee.

#### **SCRep. 1903      Ways and Means on H.B. No. 2138**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost salary adjustments negotiated between the State and the exclusive representatives of collective bargaining unit 7 for the 1989-91 and 1991-93 fiscal bienniums; and to make the required declaration pursuant to Section 9 of Article VII of the Constitution of the State of Hawaii.

Your Committee heard favorable testimony on the companion Senate bill, S.B. No. 2329, and since there was no substantive difference from this bill except for the required constitutional declaration, hereby approves of the House of Representatives version.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2138, 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. 1904      Ways and Means on H.B. No. 2139**

The purpose of this bill is to provide fund authorizations and appropriations for salary adjustments and other cost items from employees excluded from collective bargaining unit 7 for the 1989-91 and 1991-93 fiscal bienniums; and to make the required declaration pursuant to Section 9 of Article VII of the Constitution of the State of Hawaii.

Your Committee heard favorable testimony on the companion Senate bill, S.B. No. 2328, and since there was no substantive difference from this bill except for the required constitutional declaration, hereby approves of the House of Representatives version.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2139, 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. 1905      Business Development and Pacific Relations on S.B. No. 2610**

The purpose of this bill is to appropriate \$233,000 out of the State's general fund for fiscal year 1990-1991, for the High Technology Development Corporation (HTDC) to establish a Hawaii Software Service Center (HSSC) that would be the focal point of software development and support activities in Hawaii.

Your Committee has amended the bill by adding four new sections for the purpose of fostering and promoting the development of a software industry in the State:

(1) A findings and purpose clause;

(2) Amending Chapter 206M, Hawaii Revised Statutes, to include a new Part I composed of the existing sections of the chapter to be entitled "High Technology Development Corporation," and to include a new part composed of new sections to be entitled "Hawaii Software Service Center" and establishing same;

(3) Amending Chapter 103, Hawaii Revised Statutes by adding a new section which requires all government agencies to set aside a minimum of twenty-five per cent of their appropriations for each fiscal year for software analysis, design, development, and purchase of products and services from companies doing business in Hawaii;

(4) Makes an appropriation of \$2,000,000 out of the State's general fund for fiscal year 1990-1991 for the Office of Technology Transfer and Economic Development to support the software development programs of the University of Hawaii; the amounts to be distributed based upon competitive bid.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 2610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2610, S.D. 1, and be recommitted to the Committee on Business Development and Pacific Relations for further consideration.

Signed by all members of the Committee.

**SCRep. 1906      Housing and Hawaiian Programs on S.B. No. 973**

The purpose of this this bill is to provide a vehicle for substantive amendments to the law relating to the office of Hawaiian affairs.

Your Committee finds that the office of Hawaiian affairs was established to benefit the people of Hawaiian ancestry. To facilitate this objective, the office receives a twenty percent pro rata share of all funds derived from the public land trust. The office is empowered to develop expenditure plans, determine budgetary priorities, and determine operating needs; subject however, to review by the legislature.

Your Committee finds that the budgetary process of the office of Hawaiian affairs should be designed to be as efficient as possible. The amendments incorporated into this bill will clarify the budgetary procedures of the office and will assure consistency with the process currently utilized by executive agencies of the State.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 973, S.D. 1, and be recommitted to the Committee on Housing and Hawaiian Programs for further consideration.

Signed by all members of the Committee.

**SCRep. 1907      Judiciary on Gov. Msg. No. 64**

Recommending that the Senate consent to the nomination of RONALD T.Y. MOON as Associate Justice, State Supreme Court, for a term of ten years, in accordance with Article VI, Section 3, of the Hawaii State Constitution.

Signed by all members of the Committee except Senator Aki.

**SCRep. 1908      Judiciary on S.B. No. 3017**

The purpose of this bill is to clarify the authority of the Attorney General on matters relating to civil identification. The bill authorizes the Attorney General to require applicants for civil identification certificates to furnish original or certified copies of documents to establish their identities and to permit the Attorney General to establish by rule what documents will be required to support or corroborate civil identification applications. The bill further confers discretionary authority to the Attorney General to dispose of any civil identification information or records maintained, pursuant to Part II of Chapter 846, Hawaii Revised Statutes, when retention is no longer required.

Testimony in support of the bill was received by the Attorney General which indicated that the Civil Identification Section of the Hawaii Criminal Justice Data Center issues approximately 30,000 civil identification certificates annually. Presently, the law requires the Attorney General to preserve a written record of applicants for civil identification, and does not make accommodations for the disposal of said records when they are no longer needed. This has resulted in the accumulation of thousands of records with no useful purpose. Currently, there are approximately two (2) million records on file.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3017 and recommends that it pass Second Reading in its original form and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Aki.

**SCRep. 1909      Judiciary on S.B. No. 2568**

The purpose of this bill is to appropriate monies to expand the Honolulu Police Department's Crime Laboratory to provide forensic services to the Attorney General, the Police Departments of Kauai, Maui, and Hawaii and other local law enforcement agencies which are beyond their current capabilities. This will ensure that each of the counties and the Attorney General's office have the capability to conduct their own scientific analyses of evidence gathered through investigations.

Your Committee received testimony from the Attorney General in support of this bill. It indicated that the State of Hawaii lacks forensic facilities and resources which would furnish it with the capability to solve many more crimes than is presently possible due to advances in science and technological development. While the City and County of Honolulu and Hawaii County have crime labs, only the City and County of Honolulu has a full service forensic laboratory which lacks the manpower or equipment to service the entire state.

At the present time the outer-island counties and the Attorney General's office are reliant on federal agencies to perform their forensic analyses, and are at the mercy of those agencies and their own federal budget constraints in terms of the priority given to their requests. The Attorney General testified that the individual counties are unable to fund the necessary crime labs. He emphasized the need for a statewide response to crime, enabling law enforcement to perform

their jobs in a comprehensive, reliable, modern, timely and cost effective manner. The Attorney General further recommended that the bill be amended to include appropriations in the amount of \$332,000.00 for equipment to establish mini-labs in the counties of Maui and Kauai where less sophisticated analyses, such as drug and alcohol testing, can be done.

Your Committee adopted the proposed amendment of the Attorney General by deleting the appropriation amount in Section 2 of the bill and inserting the amount of \$2,238,900.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2568 and recommends that it pass Second Reading in the form attached hereto as S.B. 2568, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

**SCRep. 1910      Judiciary on S.B. No. 3213**

The purpose of this bill is to provide continuing funds for the maintenance of the witness protection program which is administered by the Attorney General. The bill appropriates \$500,000.00 or so much thereof as may be necessary for fiscal year 1990-1991.

Testimony was received by the Attorney General which indicated that his department had expended 61% of the program funds appropriated to date. He further noted that the department anticipates applications from the county police and prosecutors within the next few months which may exceed present appropriations.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3213 and recommends that it pass Second Reading in its original form and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

**SCRep. 1911      Higher Education on S.B. No. 2532**

The purpose of this bill is to appropriate funds to gather and develop data and information necessary to establish a formal comprehensive Master Plan for the University of Hawaii system athletic programs, including intercollegiate, intramural, and club activities.

Your Committee adopted the recommendation from the Office of the Chancellor for Community Colleges to include a proviso making it clear that the establishment of intercollegiate, intramural and club athletic programs at the community colleges is not mandatory.

Your Committee has further amended the bill by providing guidelines for the study, and replacing rugby with soccer as a sport to be assessed for inclusion in the Master Plan.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2532, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1912      Energy and Natural Resources on S.B. No. 2359**

The purpose of this bill is to authorize the issuance of a total of \$22,340,000 of general obligation bonds and the appropriation of the same sum for the purpose of groundwater exploration, design, and construction of seven water development projects in Maui County. The sum of \$21,900,000 shall be expended by Maui County, which shall provide matching funds totaling \$6,949,000. The remaining sum of \$440,000 shall be expended by the Department of Land and Natural Resources.

Testimonies in support of this measure were received from the Department of Hawaiian Home Lands and from the County of Maui Department of Water Supply. Due to the tremendous growth experienced by Maui County within the last decade, the need to comply with the Federal Safe Drinking Water Act, the accelerated development of Hawaiian Home Lands and to the need to provide dependable sources of water to various districts in the county, the Maui County Water Department's capital expenditure requirements far exceed the department and the county's funding capability. The Maui Water Department's present annual revenue is about \$12,000,000; the revenues are used to cover both operational and capital requirements.

In order to provide and maintain the necessary levels of service and safety that is expected and required, your Committee finds that it is appropriate to authorize the issuance of general obligation bonds and to appropriate the requested sums for water development purposes on Maui.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2359 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. 1913      Energy and Natural Resources on S.B. No. 2386**

The purpose of this bill is to authorize the issuance of \$4,700,000 of general obligation bonds and the appropriation of the same sum to assist in design and construction to expand Maui County's Wailuku/Kahului Water Reclamation Facility.

Testimony in favor of this measure was received from the County of Maui Public Works Department. Expansion of the Wailuku/Kahului Water Reclamation Facility is required to meet the projected urban growth and development of Wailuku, Kahului, and Paia, and to maintain a high effluent quality standard. Included in the urban growth projections are the Housing Finance and Development Corporation's Waiehu Planned Development and a Hawaiian Home Lands pending residential development. The estimated total cost of the project is \$9,400,000. The State is requested to pay for one-half of the project.

In accordance with testimony by the County of Maui Public Works Department, the bill was amended to require Maui County to provide \$4,700,000 in matching funds.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2386, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1914      Energy and Natural Resources on S.B. No. 2389**

The purpose of this bill is to authorize the issuance of \$9,961,500 in general obligation bonds and to appropriate the same sum to assist in the design and construction of the first phase expansion of Maui County's Lahaina Water Reclamation System.

Testimony in favor of this measure was received from the County of Maui Public Works Department. Expansion of the Lahaina Water Reclamation System is required to meet the projected urban growth and development of West Maui, maintain system reliability and to maintain a high effluent quality standard. Included in the urban growth projection is the Housing and Finance Development Corporation's Lahaina Master Plan Development. The estimated total cost of this phase of the project is \$19,923,000. The State is requested to pay for one-half of the cost.

In accordance with testimony of the County of Maui Public Works Department, the bill was amended to require Maui County to provide \$9,961,500 in matching funds.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2389, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1915      Energy and Natural Resources on S.B. No. 2391**

The purpose of this bill is to authorize the issuance of \$9,215,000 in general obligation bonds and appropriate the same sum to assist in the design and construction of Maui County's new Central Maui Water Reclamation System.

Testimony in favor of this measure was received from the County of Maui Public Works Department. Construction of a new Central Maui Reclamation System is required to meet the projected urban growth and development in Wailuku, Kahului, and Paia that cannot connect to the existing Wailuku/Kahului Water Reclamation Facility. Private developers as well as the county are sharing in the cost of the new facility and system. Maui County's share of the project's cost is \$18,430,000. The State is requested to pay for one-half of Maui County's share.

In accordance with testimony by the County of Maui Public Works Department, the bill was amended to require Maui County to provide a matching appropriation of \$9,215,000.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2391, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1916      Energy and Natural Resources on S.B. No. 2627**

The purpose of this bill is to enable the Department of Land and Natural Resources to assume an increased presence in West Hawaii and to effectively manage the natural resources in this area by creating a forestry and wildlife baseyard at the Kamuela state tree nursery.

The Department of Land and Natural Resources testified in support of this measure, stating that it will provide support facilities to effectively manage West Hawaii's natural resources without burdening the existing tree nursery facility functions. Increased environmental concerns coupled with developmental pressures have complicated the situation to the point where measures must be taken immediately to protect and enhance this area's existing natural resources.

The bill was amended to reflect an appropriation of \$550,000. The bill was further amended to make clear that the funds would be used to "expand", rather than "establish", the baseyard facility.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2627, S.D. 1, and be referred to the Committee on Ways and Means.



Signed by all members of the Committee.

**SCRep. 1917      Energy and Natural Resources on S.B. No. 2654**

The purpose of this bill is to appropriate the sum of \$100,000, or so much as may be necessary for fiscal year 1990-1991, to study the phenomenon of water deriving from lava tubes on the island of Hawaii. The sum appropriated will be expended by the Department of Land and Natural Resources.

The money will be used (1) to investigate the occurrence of this phenomenon along the shorelines of the Kohala, Kona, and Puna districts on the island of Hawaii and in the Makena-Kipahulu area on Maui; (2) to measure and monitor the known flow of fresh water in lava tubes along the Kona/Kohala coast of Hawaii; and (3) to evaluate and test techniques to trace selected lava tubes from the coast into the adjacent hills.

Your Committee received supporting testimony from the Department of Land and Natural Resources and from the University of Hawaii through the Director of the Sea Grant Program, the Joint Institute for Marine and Atmospheric Research, the Center for Ocean Resources Technology, and the Hawaii Institute of Geophysics. Your Committee received no testimony opposing the bill.

The importance of investigating all fresh water resources in the State, especially in the drier areas where land developments are escalating, was stressed by all of the witnesses. Recovering fresh water from lava tube systems, if proven to be practical, will greatly add to the supply of water already developed in arid areas in the counties of Hawaii and Maui and will be of enormous economic significance not only to those counties but to the State of Hawaii generally.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2654 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. 1918      Energy and Natural Resources on S.B. No. 1611**

The purpose of this bill is to amend the laws of the State relating to energy.

Your Committee has amended this short form bill by inserting an authorization for the issuance of special purpose revenue bonds in an amount not to exceed \$18,000,000 for the purpose of assisting Wailuku River Hydroelectric Power Company, Inc., for the establishment of a hydroelectric power plant and related facilities.

Your Committee finds that it is in the public interest to encourage the development of nonfossil fuel projects that make electric energy available to members of the general public by its sale to an electric utility serving the public.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 1611, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1611, S.D. 1, and be recommitted to the Committee on Energy and Natural Resources for further consideration.

Signed by all members of the Committee except Senators Crozier and Holt.

**SCRep. 1919      Corrections on S.B. No. 3300**

The purpose of this bill is to provide tax exemptions for employers who provide work lines for inmates.

Your Committee has amended this short form bill by adding a new section to chapter 235, Hawaii Revised Statutes, which provides an income tax credit for employers who employ inmates of correctional facilities.

The amount of the credit is equal to forty percent of the inmate's wages up to \$6,000. Procedures for filing for and claiming the tax are similar to other income tax credits provided to Hawaii's taxpayers.

Your Committee finds that this income tax credit will encourage employers to hire qualified inmates, and will thus facilitate rehabilitation.

Your Committee on Corrections is in accord with the intent and purpose of S.B. No. 3300, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 3300, S.D. 1, and be recommitted to the Committee on Corrections for further consideration.

Signed by all members of the Committee.

**SCRep. 1920      Housing and Hawaiian Programs on S.B. No. 3104**

The purpose of this bill is to provide a vehicle to implement a proposal to the legislature to resolve controversies relating to the native Hawaiian public trust under Article XII, sections 4, 5, and 6 of the Constitution of the State of Hawaii.

An unspecified appropriation for fiscal year 1990-1991 is provided to carry out this purpose.

Your Committee has amended this bill by deleting the contents and inserting substantive material relating to settlement of the issue and making a specific appropriation to the Office of Hawaiian Affairs (OHA). As amended, this bill does the following:

- (1) Clarifies which lands comprise the public land trust under chapter 10, Hawaii Revised Statutes;
- (2) Clarifies what constitutes revenues derived from the public land trust which shall be the basis of determining the amount payable to OHA;
- (3) Provides a process to determine the actual amounts payable to OHA under the clarified standards;
- (4) Provides a process for payment of sums to OHA consistent with restrictions and limitations under the existing federal and state laws, regulations, rules, bond, and contractual obligations;
- (5) Requires the Department of Budget and Finance and OHA to determine the actual amount equivalent to twenty percent of the revenues payable to OHA;
- (6) Requires the Department of Land and Natural Resources, the Office of State Planning, and OHA to identify parcels of public land which may be conveyed to OHA;
- (7) Appropriates \$7.2 million to OHA ; and
- (8) Appropriates \$500,000 for land surveys, public information meetings, transportation, and to otherwise carry out the purposes of this bill.

Your Committee notes that this bill does not impair the rights of holders of indebtedness outstanding as of the effective date of this bill, and that this bill is not intended to replace or affect the claims of native Hawaiians and Hawaiians to reparations from the federal government.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3104, S.D. 1, and be recommitted to the Committee on Housing and Hawaiian Programs for further consideration.

Signed by all members of the Committee.

**SCRep. 1921      Health on S.B. No. 2112**

The purpose of this bill is to repeal Section 322-5 which authorizes the use of prisoners to remove nuisances.

Your Committee finds that Section 322-5 does not consider the health, safety, and well-being of prisoners. The removal of nuisances and causes of sicknesses should be handled by trained personnel. This law is clearly antiquated and is inconsistent with modern penal rehabilitation practices.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2112 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1922      Health on S.B. No. 2192**

The purpose of this bill is to exempt certain medical services from the general excise tax.

Providing quality medical services at an affordable price to the people of Hawaii continues to be a priority of your Committee. Government can assist in lowering medical costs by either providing a tax credit to consumers or reducing taxes to health care providers who presumably pass that savings on to consumers. Your Committee finds that the latter approach is more beneficial to the consumer because the savings is realized at the time the service is rendered, as compared to a tax credit which is realized annually.

Your Committee received testimony in favor of this bill from the Intercontinental Medical Services, Inc. and Harold H. Ajirogi. Testimony opposing this measure was received from the Department of Taxation.

Testimony indicated that Hawaii is the only state in which a gross income tax is levied on medical care. Your Committee noted that the Department of Taxation did not refute this claim, and believes that passage of this bill will allow Hawaii to join the rest of the union in exempting medical services from state general excise tax provisions.

Your Committee has amended the bill by adding "nursing homes" and "ambulance services" to the list of medical services exempt from the general excise tax.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2192, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1923      Health on S.B. No. 2426**

The purpose of this bill is to appropriate \$60,000 to assess the need for methadone treatment and counseling services by the Drug Addiction Services of Hawaii (DASH) on the neighbor islands.

The intravenous use of illegal drugs continues to be a serious problem in Hawaii. Currently, methadone treatment and counseling services to assist intravenous drug users are only provided on Oahu, although the problem exists state-wide. Your Committee believes that treatment and services should be available on the neighbor islands, but finds that essential data necessary to prudently address this problem is lacking.

This bill will provide the funds to collect such data to ultimately provide methadone treatment and counseling services for the neighbor islands.

Your Committee has amended the bill by deleting DASH as the provider of services.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2426, S.D. 1, and be referred to the Committee on Ways and Means.

**SCRep. 1924      Health on S.B. No. 2822**

The purpose of this bill is to appropriate funds to supplement the federally funded Special Supplemental Food Program for Women, Infants, and Children (WIC).

The WIC program targets high risk pregnant and nursing women, infants and children under five years of age. The program provides food coupons for specific foods and nutrition education. It is estimated that there are 43,000 eligible WIC individuals in Hawaii. In 1986, a study by the Food and Research Action Center showed Hawaii ranking last in the nation in serving only 20 percent of eligible individuals.

Testimony indicated that Hawaii is presently receiving its maximum allotment of federal funds for this program. Your Committee finds that supplemental funding by the State is essential; therefore, your Committee has amended the bill by appropriating \$650,000 for the next fiscal year.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2822, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2822, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1925      Health on S.B. No. 1630**

The purpose of this short form bill is to provide legislation relating to hospitals.

Your Committee has amended the bill to authorize the autonomous operation of Hilo Hospital. This pilot project would foster community involvement in healthcare services and allow for hospital policy determinations to be made by those who must carry them out. Your Committee believes that decentralization would enhance administrative accountability and ultimately provide a more caring and personal healthcare system.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1630, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1630, S.D. 1, and be recommitted to the Committee on Health for further consideration.

Signed by all members of the Committee.

**SCRep. 1926      Housing and Hawaiian Programs on S.B. No. 3098**

The purpose of this bill is to authorize the Housing Finance and Development Corporation to issue up to \$100,000,000 in revenue bonds to finance or refinance the development or acquisition of for-sale housing projects.

Your Committee received strong supporting testimony from the Department of Budget and Finance and the Housing Finance and Development Corporation (HFDC) on this administration bill. The Department of Budget and Finance indicated that existing funds in the Homes and Dwelling Units Revolving Funds are likely to be insufficient to meet anticipated demand because of HFDC's accelerated development schedule. The Department also indicated that developers are likely to seek State assistance in the form of low-interest interim construction financing.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3098 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. 1927      Housing and Hawaiian Programs on S.B. No. 3505**

The purpose of this bill is to appropriate \$150,000 for fiscal year 1990-1991 to finance: (1) a study of how innovative housing construction methods and energy-efficient building designs taking advantage of new technology and alternative energy devices can promote affordable housing development; and (2) housing fairs in the four counties and informational materials promoting these methods and designs. The sum appropriated would be expended by the Housing Finance and Development Corporation.

Your Committee received supporting testimony from the Housing Finance and Development Corporation and the Department of Business and Economic Development. The Corporation requested that the sum appropriated be increased to \$300,000.

Your Committee finds that, given the increasing demand for affordable housing in this State, a study of innovative housing construction methods and designs capable of lowering housing costs is both appropriate and timely. However, your Committee has not amended the bill to increase the sum to be appropriated.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3505 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. 1928      Human Services on S.B. No. 1656**

The purpose of this bill as received was to effectuate the title of this Act. The purpose of this bill as amended is to establish a child protective services team program within the department of human services.

Your Committee has amended this bill as follows:

- (1) By deleting the entire existing contents of the bill;
- (2) By adding a new part to chapter 346, Hawaii Revised Statutes, to establish the child protective services team program in the department of human services to provide child protective services in any community that has a higher than average proportion of cases of child abuse and neglect and whose members are unable to access crisis and long-term services easily because of their distance from such services;
- (3) By adding a blank appropriation section, the sum to be expended by the department of human services for fiscal year 1990-1991, to carry out the purpose of the Act; and
- (4) By changing the effective date from upon approval to July 1, 1990.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1656, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1656, S.D. 1, and be recommitted to the Committee on Human Services for further consideration.

Signed by all members of the Committee except Senators Aki and Cobb.

**SCRep. 1929      Higher Education on S.B. No. 2530**

The purpose of this bill is to provide funds to meet the employers' need for technicians who can effectively utilize high technology tools, equipment, and processes.

Your Committee has received testimony on the rapidly changing technology occurring in the operation of the automobile which have left graduates trained under the more traditional programs inadequately schooled to repair the new electronic systems. It was pointed out that training of the new generation of automotive technicians will involve moving rapidly from the fundamentals of electricity to increased knowledge of electronics.

Your Committee has amended the purpose of this bill to provide that funding shall be for mid-level technician training in automotive technology.

The basic goal of the technician training program, hence, will be to train students in advanced automotive systems to meet a clearly identified industry-wide need. The program will focus on staff development, curriculum development, support courses, and equipment requirements.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2530, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1930      Agriculture on S.B. No. 2430**

The purpose of this bill is to appropriate funds for the construction and necessary equipment of a slaughter facility on Molokai.

Your Committee finds that there has been a revitalization of the livestock industry in the past few years and the need for a slaughterhouse facility on Molokai has become apparent.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2430, 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 Reed.

**SCRep. 1931      Agriculture on S.B. No. 2782**

The purpose of this bill is to appropriate \$100,000 out of the State's general fund for fiscal year 1990-1991, for the promotion of Hawaiian grown papayas in Japan; provided that the funds be matched at a four-to-one ratio by the private sector.

Your Committee finds that Hawaii's papaya industry, the sole importer of papayas into Japan, currently exports 22% of its annual production to Japan. Recently, the Japan International Development Organization has unveiled its plans to possibly import papayas from the Philippines.

Your Committee further finds that it would be in the best interest of the State to promote the quality of Hawaiian papayas in order to maintain its market share in Japan.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2782, and recommends it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1932      Agriculture on S.B. No. 3031**

The purpose of this bill is to appropriate \$60,000 out of the State's general fund for fiscal year 1990-1991, to provide supplemental funding for the College of Tropical Agriculture and Human Services' monoclonal antibody service facility at the University of Hawaii.

Your Committee finds that the monoclonal antibody service facility has functioned as a powerful and practical tool for disease detection and has already provided the means to detect diseases in tomatoes and anthuriums.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3031 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. 1933      Agriculture on S.B. No. 2474**

The purpose of this bill is to appropriate \$150,000 out of the State's general fund for fiscal year 1990-1991, to bring telephone and electrical utilities into Phase II of the Molokai Agricultural Park.

Your Committee finds that the Molokai Agricultural Park has played a key role in the growth of diversified agriculture on Molokai. The Park has provided jobs to many who were left unemployed by the phasing out of pineapple as the island's primary industry. By providing necessary utilities, the Park will be able to expand and provide more job opportunities.

Your Committee has amended the bill by making the expending agency the County of Maui. Since the County is the master lessor and the manager of the Agricultural Park, your Committee finds that the County would be the more appropriate expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2474, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1934      Agriculture on S.B. No. 2504**

The purpose of this bill is to appropriate \$40,000 out of the State's general fund for fiscal year 1990-1991, for research on the chemical resistance of aphids on watermelons.

Your Committee finds that research on the chemical resistance of aphids on watermelons is necessary to control the detrimental effects of these insects as well as reduce the effects of repeated sprayings of pesticides on other insects which are beneficial to crop growth.

Your Committee has amended the bill by increasing the amount of the appropriation to \$50,000.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2504, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1935      Agriculture on S.B. No. 2505**

The purpose of this bill is to amend Section 237-4, Hawaii Revised Statutes (HRS), to include in its definition of sales at wholesale, sales made to licensed producers and cooperative associations as described in Section 237-5, HRS; provided that a minimum of 50% of the equipment's total use and supplies are used for the growing of agricultural or aquacultural products.

Your Committee finds this measure would extend the 0.5% general excise wholesale tax rate to purchases made by producers of equipment and all materials, whether or not those materials are incorporated into the final product, as long as more than half of the use of the materials and equipment is for the production of agricultural or aquacultural products.

Your Committee received supporting testimony from the Hawaiian Sugar Planters' Association and the Hawaii Farm Bureau Federation. Testimony in opposition of the bill was received from the Department of Taxation.

Your Committee has amended the bill by inserting on page 3, line 13 of the bill, after the word "part", the phrase "of the feed lot operator's service to a licensed producer of poultry or animals". This phrase was inadvertently left out of the Hawaii Revised Statutes when Act 204, Session Laws of Hawaii 1971, amended the section.

Without these words, your Committee finds the affected clause makes no sense. With the phrase restored, the 0.5% general excise wholesale tax rate is applicable only to the segregated cost of feed when the feed is furnished as part of the feed lot operator's service.

Pursuant to this amendment, the Department of Taxation was in support of only this portion of the bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2505, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1936      Agriculture on S.B. No. 2678**

The purpose of this bill is to authorize the State to acquire the Hawaii Kai sewage treatment plant by negotiation or condemnation and to subsequently turn the plant over to the city and county of Honolulu for the operation and maintenance of the plant. The bill also directs that the funds for such acquisition be derived from the water pollution control revolving fund and assures the city and county of Honolulu financial assistance from the fund should the department of health find that the plant requires modification or upgrading to meet state and federal water pollution control standards.

Your Committee finds that the Hawaii Kai sewage treatment plant's recent upset has caused the acquisition of the plant to be a high priority for this State in order to protect the health and welfare of those citizens who are served by the plant and Hawaii's precious water resources. The plant has had a history of maintenance problems and the State can no longer tolerate further upsets which threaten public health and the environment. Your Committee believes that the only means of assuring proper maintenance of the sewage treatment plant is to provide for government acquisition, operation, and maintenance.

In testimony before your Committee, the director of health agreed that the acquisition and assumption of responsibility for the operation and maintenance of the Hawaii Kai facility by the city and county of Honolulu would be in the public interest since the city has better resources to assure effective operation and maintenance than the current owners. Your Committee also received testimony from the chairperson of the Honolulu city council's public works committee who expressed concern over the financial feasibility of the operation and management of the plant. Your Committee is sympathetic to the council's concern and emphasizes that it is the intent of the legislature that the city not be burdened financially and that the costs be borne by the water pollution control fund.

After due consideration, your Committee finds that the term "plant" as used in this bill may be limiting, and has, therefore, amended this bill by changing the term "plant" to "facility". It is the intent of your Committee that the acquisition authorized by this bill be complete and include not only the sewage treatment plant but all sewage lines and other facilities that are part of the entire sewage treatment system for Hawaii Kai.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2678, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2678, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1937      Agriculture on S.B. No. 2679**

The purpose of this bill is to appropriate \$18,000 for the High Technology Development Corporation to conduct a study to assess the different methods and technologies available for the transporting of agricultural products in a timely and efficient manner between the islands of the State.

Your Committee finds that such a system would enhance the mobility and capability of the State's agricultural industries and believes that a study that includes: (1) an analysis of the need for the system; (2) the design of the system; (3) research on the availability of vehicles for such use; (4) the market for an express service; and (5) the cost of an express service would provide a more detailed and comprehensive understanding of the prospective undertaking.

Your Committee has amended the bill by replacing the Department of Business and Economic Development with the Department of Transportation as the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2679, S.D. No. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1938      Agriculture on S.B. No. 2785**

The purpose of this bill is to appropriate funds to find alternatives to the use of the chemical EBDC.

EBDC, manufactured as mancozeb, is used by the papaya industry to combat disease-fungi. Manufacturers of mancozeb have recently, voluntarily refused to sell their product to the papaya industry. Without the use of mancozeb, the papaya industry will be adversely affected because there does not appear to be any suitable substitute on the market.

Several alternatives are available to the papaya industry. They can contest the manufacturer's decision but will need evidence that the manufacturer's ban is unwarranted. This evidence can come only through further research. The University of Hawaii's college of tropical agriculture can provide this research which may be funded by the Governor's Agriculture Coordinating Committee (GACC). If the papaya industry fails to convince the manufacturer, or if the GACC does not fund the research, this bill can provide the funds to conduct research related to the manufacturer, as well as to investigate other alternatives to the use of EBDC.

Since this bill is of a contingent nature, your Committee has amended the bill by changing the amount appropriated to \$1.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2785, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2785, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1939      Agriculture on S.B. No. 2790**

The purpose of this bill is to appropriate funds for the development of new varieties of disease resistant papayas.

Your Committee finds that in order for Hawaii's papaya industry to maintain a high level of quality and yield, research must be done to produce new varieties of disease resistant papayas.

Testimony in favor of the bill was received from the Chairman of the Governor's Agricultural Coordinating Committee, the Chairman of the Research and Development Committee of the Papaya Administrative Committee, and the Dean of the College of Tropical Agriculture and Human Services of the University of Hawaii.

Your Committee has amended the bill by inserting \$30,000 as the appropriated amount to be expended.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2790, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2790, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1940      Judiciary on S.B. No. 3144**

The purpose of this bill is to repeal the June 30, 1993, sunset date of Act 381.

Your Committee received testimony in support of the bill from the Department of Human Services, the Committee on Persons with Disabilities and the American Association of Retired Persons. In affording permanency to the Adult Protective Services Act, the Department of Human Services can effectively implement the mandates of the Act. Further, the repealing of the Act will result in no legislation pertaining to adult abuse, neglect or exploitation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3144 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. 1941      Judiciary on S.B. No. 2569**

The purpose of this bill is to appropriate monies out of the general revenues of the State of Hawaii to upgrade the Honolulu Police Department's Telecommunications System which is presently so antiquated and obsolete that the safety of the public and the police officers themselves is compromised.

Testimony in support of the bill was received by the Attorney General, the Honolulu Police Department, and the union for police officers, SHOPO. Testimony confirmed that radio channels are so congested that dispatchers and officers must wait too long to make their calls. Radio coverage in deep valleys and densely built high-rise areas is poor, and worsens as more highrises and valley development increase. Officers on the same radio channel cannot hear each other. Dispatchers for the Kaneohe and Wahiawa/Waianae Districts are limited to manual transmitter selection, introducing factors of overwork and resulting human error. Lost or stolen portable/mobile radios are of such a low level of technology that they can be used to disrupt public safety communication. Identification of a unit is restricted to that unit's verbal call sign. Non-interfering frequencies on the present VHF band allocated by the FCC is insufficient. Supporting testimony revealed that the foregoing problems have resulted in a decreasing ability to provide adequate public safety and safety to police officers. This has caused increased stress on the part of the officers and dispatchers, resulting in further delayed response and error.

Supporting testimony established that a Mobile Data Terminal System and an Enhanced Trunking Radio System will solve the foregoing problems by relieving traffic congestion on voice channels, reducing dispatcher workload, enabling faster response in securing data information by field officers, improving radio coverage in valley and high-rise areas,

increasing communications between units through the elimination of simultaneous transmissions, eliminating manual selection of transmitter sites, providing automatic identification of all officers operating in the system, allowing supervisory control of all portable and mobile radios, and offering flexible restructuring of new radio channels for emergencies and future growth.

Supporting testimony indicated that the two required systems will cost approximately \$22 million over the course of five years. However, the first year will be limited to an expenditure of \$500,000, to conduct a study of the two necessary systems. The City Council for the City and County of Honolulu is intending to budget \$250,000 toward the study.

Your Committee on Judiciary concludes that because this legislative session is focusing on a supplementary budget, it should not appropriate monies for expenditures beyond said budget. Therefore, while your Committee is in accord with the intent of the bill, it intends to limit the amounts appropriated therein to the amounts necessary for Fiscal Year 1990-1991. Since the City Council intends to budget \$250,000 toward the \$500,000 necessary to carry out the development of the improved system for the first year, your Committee is of the opinion that a proper appropriation would be matching funds of \$250,000. Your Committee has amended the bill to reflect this limitation on funding.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2569, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2569, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1942      Judiciary on S.B. No. 3016**

The purpose of this bill is to appropriate funds from the general revenues of the State of Hawaii to satisfy claims for legislative relief, judgments against the State, settlements and miscellaneous claims.

Testimony in support of this bill was presented by the State Attorney General which included brief descriptions of each case and a statement that all cases had the necessary supporting documentation.

The Attorney General's initial request for funds amounted to \$2,001,106.24. However, in its testimony, \$525,000.00 was deleted due to the inadvertent inclusion of two claims. Further, the additional sum of \$92,185.48 was requested for further claims arising after its initial request. Accordingly, the sum total of the Attorney General's current request is \$1,568,294.10.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 3016, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1943      Judiciary on S.B. No. 3215**

The purpose of this bill is to appropriate monies out of the general fund revenues of the State of Hawaii to establish and maintain a drug prosecution unit within the Department of the Prosecuting Attorney for the County of Maui for Fiscal Year 1990-1991.

Testimony in support of the bill was received by the Prosecuting Attorney for the County of Maui. He indicated that marijuana cultivation, distribution and possession has, and continues to be a problem, and that the use and availability of cocaine, "crack" and "ice" are so prevalent that its use in the workplace is common, especially in the resort areas of the island. The Prosecutor further testified that those under the influence of drugs are regularly involved in criminal activity, and that instances of children suffering physical and sexual abuse by parents or relatives with drug problems are commonly seen. The Prosecutor testified that all members of the community are detrimentally affected, directly and/or indirectly from the drug problem, which is not only inherent in the County of Maui, but statewide.

The Maui Prosecutor testified that his office would like to take a proactive, rather than a reactive approach to the problem. In order to do this, he testified that his office requires the ability to determine and attack the full scope of the supply side of the problem, as well as to handle all possession cases, thus addressing the demand side of the problem. He indicated that while Hawaii has some of the best drug laws in the United States, his office lacks the manpower to adequately enforce them.

The Maui Prosecutor testified that the monies requested will enable his office to hire three deputy prosecutors to exclusively try drug cases, and two additional prosecutors to screen cases and implement the asset forfeiture program. He indicated that with this aggressive approach, the program can work towards self-sufficiency, utilizing the monies realized by asset forfeiture. He testified that if the ultimate goal of the project is realized, all phases of the system, including corrections, will realize tremendous savings. The Maui Prosecutor projected that it would cost \$845,596.00 to set-up and operate the drug prosecution unit for Fiscal Year 1990-1991.

Your Committee amends S.B. No. 3215 by inserting the appropriation amount of \$845,596.00 into the blank provided therefor in Section 1.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3215, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.



**SCRep. 1944      Judiciary on S.B. No. 3217**

The purpose of this bill is to appropriate monies out of the general fund revenues of the State of Hawaii to establish and maintain a drug prosecution unit within the Department of the Prosecuting Attorney for the County of Kauai for Fiscal Year 1990-1991.

Testimony in support of the bill was received from the Prosecuting Attorney for the County of Kauai. He revealed that, using federal funds since 1988, the Prosecutor's Office has had one specialized deputy prosecutor and a secretary who have solely addressed the prosecution of drug cases. He indicated that these positions have enabled the office to be extremely successful in increasing convictions, decreasing dismissals, decreasing response time during investigations, improving police capabilities, and shortening case processing. However, he testified that due to a cap on federal funding, his office has no assurance that it can continue beyond 1991, and that even with funding at present levels, the unit is incapable of dealing with the increasing caseload. He stated that the requested funding is crucial to the survival of the drug prosecution unit. The Kauai Prosecutor projected that it will cost \$296,683 to fund the drug prosecution unit for Fiscal Year 1990-1991, which will include three deputy prosecutors.

Your Committee amends S.B. No. 3217 by inserting the appropriation amount of \$296,683 into the blank provided therefor in Section 1.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3217, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1945      Judiciary on S.B. No. 3218**

The purpose of this bill is to appropriate monies out of the general fund revenues of the State of Hawaii to establish and maintain a drug prosecution unit within the Department of the Prosecuting Attorney for the County of Hawaii for Fiscal year 1990-1991.

Testimony in support of the bill was received from the Prosecuting Attorney for the County of Hawaii. He stated that the Big Island has been identified as the marijuana growing capital of the nation, with more being destroyed by law enforcement than anywhere in the nation. Where the county once prosecuted grams of hashish, it is finding hashish factories. Notwithstanding the increased efforts of law enforcement and prosecutors to eradicate the problem, the business success of the marijuana industry has concurrently led to a steadily increasing influx of harder drugs such as cocaine and heroin into the Big Island. Because of the wealth of the drug violators, the prosecutor's office is at a disadvantage due to its limited resources. The Hawaii Prosecutor testified that the extensive number of cases, which involve numerous pretrial and post trial motions, has created an unbearable workload for prosecutors assigned to drug cases.

The Hawaii Prosecutor has proposed the creation of a drug prosecution unit comprised of four teams with unique functions. The first team, a "screening/conferral team", consisting of two deputy prosecutors and support staff, will work closely with police units, advising officers on search and arrest warrants, giving legal advice on investigations and the development of legally sound cases for acceptance for prosecution. The second team, a "trial team", consisting of three deputy prosecutors and support staff, will prepare cases for prosecution and trial. The third team, an "asset forfeiture team", consisting of two deputy prosecutors and support staff, will locate forfeitable assets, generating revenues and creating an unprofitable environment for offenders. The fourth team, the "intelligence/analysis team", made up of a data processing systems analyst, a computer operator and a researcher, as well as support staff, will gather and share intelligence with law enforcement agencies, using computers to compile and analyze drug possession and distribution information to determine the scope of the problem on the Big Island.

The Hawaii Prosecutor acknowledged that while the requested budget for his proposed drug prosecution unit is a large investment of money, he testified that it was necessary due to the geographical size and nature of the island, compounded by the size of the drug problem itself, which do not allow the county to pool resources as other counties.

Your Committee on Judiciary amends S.B. No. 3218 by inserting the appropriation amount of \$2,421,693 into the blank provided therefore in section 1.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3218, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1946      Judiciary on S.B. No. 3358**

The purpose of the bill is to establish and fund an intrafamily sexual assault program within each adult probation unit of Second, Third and Fifth Circuits.

Your Committee heard testimony in support of the bill from the Judiciary. It stated that sexual assault between family members is a serious and significant problem. The specialized focus of the program is to benefit the offenders as well as the families involved.

The Committee amends S.B. 3358 by inserting the appropriation amount of \$1,267,857.27 into the blank provided therefor in Section 2.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 3358, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1947      Judiciary on S.B. No. 2282**

The purpose of this bill is to permit the Family Court Judges to fine a minor, under any circumstances, who has been adjudicated for a law violation.

Your Committee heard testimony in support of the bill from the Family Court. The bill would allow the Family Court flexibility to utilize fines as a dispositional alternative for law violating youth.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2282 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1948      Judiciary on S.B. No. 2283**

The purpose of this bill is to clarify the requirement of the court presence of any individual whose consent is required, unless expressly waived, before the decree of adoption may be entered.

Your Committee received support for the bill from the Family Court. The bill restores the original intent of only requiring the physical presence of the subject of adoption, whose consent is required. This accords with current Family Court Practice.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2283 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1949      Judiciary on S.B. No. 3019**

The purpose of this bill is to sunset the Hawaii Criminal Justice Commission in order to provide for more efficient management and delivery of crime prevention, research and other related programs of the Department of the Attorney General.

Testimony in support of the bill was received by the Attorney General. He stated that in 1977, the Hawaii Criminal Justice Commission, originally the Hawaii Commission On Crime, was established to provide a mechanism for public involvement in addressing criminal justice issues in the state.

While the Commission, in the past, served an important function by providing a forum for community input into governmental activities, its independent status as a "citizens' commission", has undermined its effectiveness and the delivery of programs. The source of the problem can be traced to the inability of a department to provide administrative oversight due to the independent agency status and weakness inherent in a citizens' commission structure.

Despite clear objectives and goals set out by the Legislature, the Hawaii Commission On Crime set its own course, which resulted in controversy. In response to growing controversy, the 1980 Legislature, after much debate, streamlined its statutory functions to make clear that research was intended, not criminal investigations, and re-named it the Hawaii Crime Commission. In spite of legislative efforts, the Commission's credibility had been irreparably damaged. In addition, because the composition of the Commission included lay people, very important intelligence information for research could not be gathered.

In 1985, the Commission was re-established as The Hawaii Criminal Justice Commission and its functions were again streamlined with the emphasis placed on development of public education and crime prevention programs, which were well received. However, the Commission was again criticized for the shift in programs without any legislative approval. As a result, the 1989 Legislature enacted Act 332, SLH 1989, which established the crime research function within the Department of the Attorney General. Act 332 also provided for the continued existence of the Commission, but transferred its staff to the department. Staff support for the Commission was provided as needed by the department's personnel. As constituted, the Commission's staff, with its experience in preparing comprehensive reports concerning criminal justice issues, has the capability to fulfill the crime research function for the department as well as continue its program in crime prevention and public education.

Your Committee is in agreement with the Attorney General that the sunset of the Hawaii Criminal Justice Commission will enable the department to re-organize its staff and resources for a more efficient management and coordination of crime prevention, education and criminal justice related programs. Moreover, the Attorney General is empowered to conduct important crime research on an in-depth basis by establishing citizen and government agency task forces as needed to study specific crime issues.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3019 and recommends that it pass Second Reading in its original form and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1950      Judiciary on S.B. No. 3091**

The purpose of this bill is to amend Section 37-77, Hawaii Revised Statutes, to transfer responsibility for processing all claims for legislative relief to the Attorney General. The bill further provides for alternative referral to the Comptroller, submission of additional claims during the legislative session, and transmission of an explanation, in lieu of substantiating data and documents, for legislative review.

Your Committee received testimony from the Department of Budget and Finance. It stated that as the agency which is presently responsible for processing claims for legislative relief, its role was perfunctory in that authority to conduct reviews or make recommendations regarding disposition of claims is solely vested in the Attorney General.

For the purposes of clarity and specificity, your Committee amended page 2, line 21 of the bill by deleting the period and adding the phrase "for each claim" after the word "explanation".

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 3091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3091, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1951      Culture, Arts and Historic Preservation on S.B. No. 2341**

The purpose of this bill is to appropriate funds for the commissioning of one or more statues of Alexander Joy Cartwright.

Mr. Cartwright, a former resident of Hawaii who once served as the fire chief of Honolulu and is buried at Oahu Cemetery, is enshrined in the baseball Hall of Fame and is credited as the inventor of baseball.

Your Committee received testimony in favor of this bill from the State Foundation on Culture and the Arts.

Your Committee finds that the commissioning of one or more statues is appropriate and will serve as a fitting reminder of Mr. Cartwright's contribution to the people and culture of America.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2341 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. 1952      Culture, Arts and Historic Preservation on S.B. No. 2710**

The purpose of this bill is to appropriate funds to the Hawaii Youth Symphony Association.

Specifically, this bill provides \$25,000 as a supplemental appropriation to cover the unanticipated and rising cost of operations. The Hawaii Youth Symphony Association provides talented young musicians the opportunity to be exposed to, receive training in, and perform symphonic orchestral music. This year, the Hawaii Youth Symphony Association is servicing approximately 400 young people ages six through eighteen from more than fifty public and private schools in the State.

Testimony in support of this measure was received from the State Foundation on Culture and the Arts and the Hawaii Youth Symphony Association.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2710 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. 1953      Culture, Arts and Historic Preservation on S.B. No. 2978**

The purpose of this bill is to establish a commission to celebrate the quincentenary of Christopher Columbus' arrival in the new world and to provide an appropriation for implementation of the celebration.

The bill creates a temporary commission within the Office of the Governor responsible for planning and coordinating various celebratory and educational program activities in 1992-1993 to commemorate this historic event. To date, twenty-two states and many cities have established similar commissions and more are expected to join in.

Testimony in support of this measure was received from the Hawaii Committee for the Humanities, the City and County of Honolulu Commission on Culture and the Arts, and the Hawaii Museums Association.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2978 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. 1954      Culture, Arts and Historic Preservation on S.B. No. 2980**

The purpose of this bill is to appropriate \$500,000 for the construction and maintenance of a "Plantation Village" at the Waipahu Cultural Garden Park, provided that funds are matched dollar-for-dollar with community and private sector monies.

The Plantation Village is planned as a multi-cultural, action-oriented, hands-on learning center that will teach present and future generations about the plantation life-style and provide an understanding of the diverse cultures found in Hawaii.

In 1989, the Legislature appropriated \$500,000 to the Waipahu Cultural Garden Park for first year funding of this project. Since then, over \$1,300,000 has been raised from the private sector, demonstrating overwhelming community support for the completion of the village. This bill will provide the funding needed to complete construction and maintain the project.

Your Committee received testimony in favor of this bill from the State Foundation on Culture and the Arts, Friends of Waipahu Cultural Garden Park, and the Hawaii Museums Association.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2980 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. 1955      Culture, Arts and Historic Preservation on S.B. No. 2984**

The purpose of this bill is to appropriate \$260,000 to the State Foundation on Culture and the Arts for the restaging in Honolulu, Hawaii of the Folklife Festival held in Washington, D.C.

Hawaii was the featured state at the 23rd annual Festival of American Folklife, held on the National Mall in Washington, D.C. in July, 1989. The festival featured 140 artists and craftsmen from the State of Hawaii. Over one million visitors attended this two-week event of performances, demonstrations, and narrative discussions on Hawaii's rich folk traditions.

Your Committee received testimony in support of this bill from the State Foundation on Culture and the Arts and the Department of Business and Economic Development.

This bill will enable the State Foundation on Culture and the Arts to stage a four-day event that will include an educational component designed specifically for school tours by school children and representation from three other program areas of the 1989 Washington, D.C. festival -- Carribean, American Indian, and French-American cultures. Your Committee continues to support events in Hawaii that preserve and perpetuate Hawaii's culture and is also supportive of activities incorporating the contributions of other cultures representative of contemporary American society.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2984 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. 1956      Housing and Hawaiian Programs on S.B. No. 2184**

The purpose of this bill is to amend section 201E-205, Hawaii Revised Statutes, to clarify that: (1) the existing exemption from general excise taxes for newly constructed or moderately or substantially rehabilitated housing projects applies only to the extent of amounts received from the particular project approved and certified for exemption by the Housing Finance and Development Corporation, and not to the entire business of the developer involved; and (2) moderate rehabilitation does not include routine or minor repairs or improvements.

Your Committee received supporting testimony from the Department of Taxation and the Tax Foundation of Hawaii. Your Committee also determined that the bill meets with the approval of the Housing Finance and Development Corporation.

Your Committee finds that the amendments to section 201E-205, Hawaii Revised Statutes, are consistent with the original intent of the legislature in enacting this specific general excise tax exemption.

Your Committee has amended the bill by substituting the words "eligible gross income" for the word "amounts" on page 1, line 13 of the bill. This is a clarifying amendment which has no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2184, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1957      Housing and Hawaiian Programs on S.B. No. 2451**

The purpose of this bill is to amend sections 237-24 and 235-55.7, Hawaii Revised Statutes, to: (1) exempt rental income received on long-term residential accommodations (six months or more) from the general excise tax; and (2) repeal the renter's income tax credit, respectively. The exemption of rental income from the general excise tax is consistent with the recommendations of the current Tax Review Commission.

Your Committee received supporting testimony from the Tax Review Commission and the Tax Foundation of Hawaii, and opposing testimony from the Department of Taxation. The Tax Review Commission noted that the concept of tax equity has two dimensions: (1) "vertical" equity, which holds that people in unequal circumstances should be taxed on the basis of their ability to pay; and (2) "horizontal" equity, which calls for the equal treatment of equals. The current general excise tax on residential rental income violates horizontal equity because similarly situated taxpayers are treated differently on the basis of whether they rent or own their home. The renter's income tax credit does not address this problem because it addresses vertical equity, providing low-income tax relief; it does not promote the equal treatment of equals. Under our tax system, people are taxed on the basis of wealth, income, and consumption. In Hawaii, consumption is taxed under the general excise tax law. To be fair, a consumption-based tax should be evenly applied across all commodities so that people with similar consumption patterns are treated alike. The rental value of housing is consumption, but so is the imputed value of owner-occupied housing; whether they rent or own, people are "consumers" of housing. A tax tends to be more equitable and efficient when close substitutes are treated evenly. Horizontal equity indicates that in order to treat renters and owners alike, the base should either be broadened to include the imputed consumption value of home ownership, or be narrowed to exclude residential rental income. Since the Commission felt that inclusion of an imputed consumption value was an unlikely option, it recommended the granting of an exemption for residential rental income. This would also resolve an existing enforcement problem with underreported rental receipts. The Commission noted that the granting of this exemption would eliminate the current basis for the renter's income tax credit, but pointed out that there is no reason to tie low-income relief to a tax on rents. Those who currently benefit from the renter's tax credit could continue to receive the same benefit through a renter's credit tied to property taxes, as in other states, or a credit simply granted under the same conditions as current law without tying it to anything.

The Department of Taxation opposed the bill on the grounds that: (1) elimination of the rental income tax would not guarantee that this benefit would be passed on to renters in the form of rent reductions; (2) the current renter's tax credit would not significantly diminish the disparity in tax equity between renters and homeowners; and (3) elimination of the rental income tax would result in a revenue loss.

Your Committee finds that a significant majority of Hawaii residents are renters and not homeowners. Your Committee further finds that the excise tax on rental income is both inequitable and regressive. While there is no guarantee that landlords will pass on an elimination of the tax to renters (who indirectly pay the tax), the current tax contributes to the upward pressure on rental fees and elimination of the tax would reduce this pressure.

Your Committee has amended the bill to clarify that: (1) the general excise tax exemption is available for rental income from both accommodations rented or leased under agreements with terms of 180 days or more and accommodations rented or leased with terms of less than 180 days or with indefinite terms, as long as the same renter has already occupied the accommodation for 180 days or more; and (2) the tax exemption is not available for rental income received as ground rents on leasehold property. Your Committee also amended section 5 of the bill to specify that the repeal of the renter's income tax credit will apply to taxable years beginning after December 31, 1991. Your Committee has also made three technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2451, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1958      Housing and Hawaiian Programs on S.B. No. 2905**

The purpose of this bill is to amend part VI of chapter 359, Hawaii Revised Statutes, to: (1) eliminate the current exclusion from the Hawaii Housing Authority rent supplement program of persons receiving public assistance or federal supplemental security income assistance; (2) increase the maximum amount of rent supplements payable from \$160 per month to an unspecified amount; and (3) appropriate \$125,000 in additional funds for the rent supplement program.

Your Committee received supporting testimony from the Hawaii Housing Authority, the Affordable Housing Alliance, the Commission on Persons with Disabilities, the Hawaii Centers for Independent Living, and the Executive Office of Aging. The Hawaii Housing Authority recommended the deletion of the provisions allowing public assistance recipients to participate in the rent supplement program and the proposed increase in maximum monthly rent supplement payments due to financial considerations.

Your Committee finds that, due to the increasing shortage of affordable housing in Hawaii, changes to the rent supplement program are appropriate in order to give relief to persons with the greatest need. Persons receiving federal supplemental security income assistance, such as low-income elderly persons and persons with disabilities, should be included in the rent supplement program.

Your Committee has amended the bill by:

- (1) Deleting the provisions which would have allowed public assistance recipients to participate in the rent supplement program;
- (2) Deleting the provisions proposing an increase in the maximum monthly rent supplement payment;
- (3) Increasing the amount to be appropriated from \$125,000 to \$300,000; and
- (4) Adding a provision to amend section 359-121, Hawaii Revised Statutes, to eliminate the 40-year limit on the length of contracts with housing owners under the rent supplement program.

Your Committee has also made a number of grammatical and technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purposes of S.B. No. 2905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2905, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1959      Housing and Hawaiian Programs on S.B. No. 3093**

The purpose of this bill is to increase the amount which can be advanced to the Homes Revolving Fund by \$50 million.

Current law allows the Director of Finance, with the approval of the Governor, to advance \$120 million from moneys in the general fund to the Homes Revolving Fund. This bill increases that amount to \$170 million. The Housing Finance and Development Corporation (HFDC) will fund the total appropriation by issuing revenue bonds, short-term project notes, or other evidences of indebtedness sufficient to yield that amount.

The bill also authorizes the moneys in the Homes Revolving Fund to be used as advances of capital for the rental housing system administered by HFDC.

Your Committee heard supporting testimony from the Department of Budget and Finance and Ann Thornton representing the Founders Group-Kokua Council for Senior Citizens, and finds that increasing the amount in the Homes Revolving Fund, and expanding the use thereof to include development of rental housing, will help facilitate Hawaii's housing goals without placing an undue burden on the taxpayers.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3093, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1960      Housing and Hawaiian Programs on S.B. No. 3118**

The purpose of this bill is to amend section 235-55.7(c), Hawaii Revised Statutes, to allow resident individuals who have no income or no taxable income to claim the renter's income tax credit, as long as they meet the other eligibility requirements for the credit. The bill would allow individuals such as senior citizens living on social security or pension benefits to apply for the tax credit.

Your Committee received supporting testimony from the Department of Taxation, the Tax Foundation of Hawaii, and the Founders Group, Kokua Council.

Your Committee finds that this bill is consistent with the original intent of the Legislature in enacting the renter's income tax credit. The bill will correct an inequity in existing tax law.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3118 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. 1961      Agriculture on S.B. No. 2360**

The purpose of this bill is to amend Chapter 342H, Hawaii Revised Statutes, by adding a new section to Part II which would establish a state revolving fund for the purpose of receiving federal and state funds, relating to solid waste disposal projects.

Your Committee finds that this bill would authorize the Director of Health to issue grants, loans, and advances from the revolving fund to county or state agencies for the planning, design, and construction of solid waste disposal projects and other projects related to solid waste collection and disposal.

Your Committee received testimony in support of the bill from the City and County of Honolulu and the County of Maui.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2360 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. 1962      Agriculture on S.B. No. 2361**

The purpose of this bill is to authorize the Director of Finance to issue \$100,000,000 in general obligation bonds and then appropriate the same amount for fiscal year 1990-1991, for capital improvement projects on water reclamation facilities under the State water pollution control revolving fund.

Your Committee finds this bill necessary in allowing the counties to operate their own wastewater treatment facilities and to help ensure that the facilities are well maintained.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2361 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. 1963      Agriculture on S.B. No. 2252**

The purpose of this bill is to amend Section 155-9, Hawaii Revised Statutes (HRS), by raising the limits on agricultural loans from \$100,000 to \$500,000 for farm ownership and improvement loans (Class A), farm operating loans (Class C), and loans for new farmer programs (Class F).

Your Committee finds an increase to certain agricultural loan ceilings are in order to keep up with the rising cost of land and inflation.

Pursuant to testimony offered by the Chairperson of the Department of Agriculture, your Committee has amended the bill by accepting the recommendations of the Department to increase the loan ceiling to \$200,000 for Class "A" and "C" loans and to keep the loan ceiling for Class "F" loans at its current level.

Your Committee has also adopted the Department's proposal to amend Section 155-11(c), HRS, to include the provision that no loan authorized by this Chapter shall exceed 80% of the security offered. This proposed amendment to Section 155-11(c) should provide a reasonable level of assurance for the State to recover on any loan defaults.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2252, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 2252, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 1964      Agriculture on S.B. No. 2508**

The purpose of this bill is to appropriate \$100,000 out of the State's general fund for fiscal year 1990-1991, to provide funds to be matched by the private sector on a dollar-for-dollar basis for the promotion of Hawaiian coffee.

Your Committee finds that the promotion of Hawaiian coffee is currently being done as a branded product by individual Kona coffee roasters. In the past, monies appropriated for coffee promotion have been used primarily for the Kona Coffee Festival. However, even though \$100,000 has been annually appropriated for this purpose, your Committee finds that only a maximum of \$40,000 has actually been expended for these purposes in the past two years.

In consideration of these findings, your Committee has amended the bill by changing the proposed appropriation to \$50,000 for the promotion of Hawaiian coffee.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2508, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 2508, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 1965      Agriculture on S.B. No. 2687**

The purpose of this bill is to appropriate \$100,000,000 for fiscal year 1990-1991 to the water pollution control revolving fund to provide financial assistance to governmental agencies for the planning, design, and construction of treatment works.

Your Committee finds that the purpose of the water pollution control revolving fund is to make grants, loans, or a combination of both, to municipalities for the construction of wastewater treatment facilities and for other wastewater reclamation and waste management projects to prevent or control the discharge of untreated or inadequately treated sewage or other waste into any state waters. Congress has authorized approximately \$63 million to the State of Hawaii for such grants from fiscal year 1989 through fiscal year 1994. In addition, the legislature, in 1989, appropriated \$50 million in state funds for the highest priority projects scheduled to be implemented in fiscal year 1990-1991. Your Committee finds that additional moneys are required in the fund in order to finance other high priority projects.

After due consideration, your Committee has amended the bill by adding a provision declaring the legislature's intent that funds required for the acquisition of the Hawaii Kai sewage treatment facility be derived from the amount appropriated in this Act as a grant to the city and county of Honolulu from the water pollution control revolving fund. Your Committee finds that the condition of the Hawaii Kai sewage treatment facility is such that emergency action by the State is warranted for its acquisition and the assumption of its management by the city and county of Honolulu and that the department of health should accord the highest priority for the use of funds from the water pollution control revolving fund toward these ends.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2687, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1966      Agriculture on S.B. No. 2031**

The purpose of this bill is to amend Sections 291C-161, 339-8, and 708-829, Hawaii Revised Statutes, by establishing fines of at least \$50 but no more than \$500 for littering in each of the aforementioned sections.

Your Committee finds that the growing problem of litter is affecting the natural beauty of the State and that an appropriate way to deter future acts of littering would be to impose fines for criminal littering.

Your Committee has amended the bill by deleting the substance of the bill and substituting provisions which:

- (1) Increase the minimum fine imposed in Section 291C-132 to not less than \$100 for each offense of littering from a motor vehicle;
- (2) Increase the number of hours for picking up litter as a penalty for littering from vehicles for both first and subsequent offenses in Section 291C-132;
- (3) Amend Section 339-8 to allow the counties to retain all, rather than one-half, of the revenues collected from fines for litter violations; and
- (4) Amend Section 708-829 to make the mandatory penalty for each offense of criminal littering a fine of at least \$100 but not more than \$500 and community service involving litter pickup.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2031, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2031, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1967      Agriculture on S.B. No. 2390**

The purpose of this bill is to authorize the Director of Finance to authorize the issuance of \$50,000,000 in general obligation bonds and then appropriate the same amount for fiscal year 1990-1991, for the planning, design, and construction of solid waste collection and disposal projects.

Your Committee finds there is a growing need for the planning, design, and construction of additional solid waste collection and disposal projects in order to keep up with the needs of the State's growing population.

Your Committee has amended the bill by deleting the reference to a State solid waste revolving fund on lines 6 and 7 of the bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2390, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1968      Agriculture on S.B. No. 3015**

The purpose of this bill is to reestablish until June 6, 1991, the Molokai Irrigation System Water Users Advisory Board to advise and serve as a liaison between the Department of Agriculture and the users of the system.

Your Committee finds that the reestablishment of the Board is necessary because of the conflicting provisions of Acts 179 and 306, Session Laws of Hawaii, 1987. Act 179 (subsequently designated as §175-2.5, Hawaii Revised Statutes (HRS)), originally established the Board to serve until June 6, 1991. Conversely, Act 306 authorized the repeal of Chapter 175, HRS, effective July 1, 1989, thus shortening the life of the Board.

Your Committee further finds that it was the original intent of the Legislature to maintain the Board's existence until June 6, 1991.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3015, 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. 1969      Judiciary on S.B. No. 3367**

The purpose of this short form bill is to effectuate the title of the act.

Your Committee finds that there is a need for a more coordinated approach to controlling substance abuse in the State of Hawaii. Activities relating to prevention, treatment, education, and law enforcement should be integrated.

Your Committee has amended the bill to address these needs. As amended, the bill establishes in the Office of the Governor for administrative purposes a substance abuse coordinating council to meet at least quarterly for the purpose of coordinating and promoting the development and implementation of a state substance abuse program. The bill contains



an appropriation of \$\_\_\_\_\_ for fiscal year 19\_\_-19\_\_ to be spent by the Office of the Governor to carry out the purposes of the Act.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 3367, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 3367, S.D. 1 and be recommitted to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Senators Aki and Nakasato.

**SCRep. 1970      Ways and Means on S.B. No. 2372**

The purpose of this bill is to authorize the issuance of general obligation bonds to finance project appropriations contained in Acts of the legislature for which the means of funding are designated as general obligation bond funds and reimbursable general obligation bond funds and to provide a declaration of findings with respect to those authorizations as mandated by the State Constitution.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2372 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1971      Ways and Means on S.B. No. 3114**

The purpose of this bill is to conform the Hawaii income tax law to all of the provisions of the Internal Revenue Code, as amended, operative for state tax purposes. The bill amends section 235-2.3(a), Hawaii Revised Statutes, by changing the date references to make the Internal Revenue Code applicable for state income tax purposes as it was amended on December 31, 1989, for tax years beginning after December 31, 1989. Although many of the changes have little or no impact on Hawaii law, adopting the amendments to those sections operative for state law assures continued state conformity with federal income tax law and minimizes the taxpayer's burdens in complying with the income tax law.

The bill also amends section 235-7.5, Hawaii Revised Statutes (certain unearned income of minor children taxed as if parent's income), by amending subsection (g) to clarify that the concept of a child "having no gross income" only applies for the purpose of electing to include minor children's unearned income on the tax return of the parents and eliminating the return of the child. For purposes other than the specific situations to which paragraph (1) of that subsection applies, a child shall be treated as having no gross income.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3114, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1972      Ways and Means on S.B. No. 2294**

The purpose of this bill is to make offers-in-compromise of state taxes available for public inspection.

Recently, the office of information practices released an opinion which ruled that offers-in-compromise are not subject to public disclosure. Under federal tax law, offers-in-compromise are subject to public scrutiny. Your Committee feels that offers-in-compromise for state taxes should be subject to public scrutiny just like offers-in-compromise for federal taxes.

Your Committee has made technical, nonsubstantive amendments to correct typographical errors in the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2294, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1973      Ways and Means on S.B. No. 2376**

The purpose of this bill is to provide a tax credit to satisfy the constitutional requirement under Article VII, section 6, of the Hawaii State Constitution, that the legislature provide a tax refund or tax credit to the taxpayers of the State whenever the state general fund balance at the close of each of two successive fiscal years exceeds five per cent of general fund revenues for each of the two fiscal years.

This bill provides an unspecified tax credit to each resident taxpayer who files an individual income tax return, regardless of adjusted gross income; but does not include persons confined in correctional facilities for the entire taxable years.

Your Committee has made a technical nonsubstantive amendment in section 2(c).

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2376, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1974      Ways and Means on S.B. No. 3115**

The purpose of this bill is to provide for the appointment of an administrative rules officer, and administrative rules specialists as necessary, to direct the adoption of administrative rules and the issuance of other memoranda relating to the taxes administered by the department of taxation.

The department of taxation has hired temporary attorneys to fulfill these duties, and desires to institute permanent positions which are necessary due to the current backlog in this area. The designation of an administrative rules officer and specialists under the director of taxation will assure that the administration of the State's tax laws and policy is set forth in a systematic and orderly manner.

Your Committee has amended the bill by amending section 103-3, Hawaii Revised Statutes, which restricts the hiring of attorneys, to allow the department, if it deems necessary, to hire attorneys for these positions.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3115, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1975      Ways and Means on S.B. No. 3116**

The purpose of this bill is to adopt the Model S Corporation State Income Tax Act.

The adoption of this model act is an attempt to standardize the income tax treatment of S corporations. Your Committee feels this standardization will help to provide greater consistency among states in the treatment of S corporations, making taxpayer compliance simpler.

Your Committee feels changes to Hawaii's S corporation income tax laws will generate revenues for the State because the new law would provide an incentive for nonresident shareholders of S corporations to file their returns with the State.

Your Committee has made the following technical, nonsubstantive amendments:

- (1) Adopting the recommendation of the department of taxation by amending section 1 of the bill by inserting the words "form or" before the word "rule" on page 11, lines 5 and 9 on the bill as received so that both of these sentences read in part "...as the department may by form or rule prescribe.";
- (2) Amending section 1 of the bill by deleting the words "from the nonresident shareholder" on page 12, line 4, on the bill as received therefore ending the sentence after "...penalties."; and
- (3) Amending 235-97(a) to delete a reference to section 235-94.5, Hawaii Revised Statutes, which is being repealed.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3116, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1976      Ways and Means on S.B. No. 3119**

The purpose of this bill is to make technical amendments for the consistent application of the tobacco tax on tobacco products as they are distributed throughout the State.

The tobacco tax is imposed upon a wholesaler or dealer at the rate of forty per cent of the wholesale price of the tobacco products sold. The imposition of the tobacco tax can be illustrated by the following example. Wholesaler "A" makes wholesale sales of cigarettes to wholesaler "B" at \$8.00 per carton during the month. Wholesaler "B" then sells the cigarettes to retailer "C" at \$9.00 per carton. For wholesaler "A", the tobacco tax due is \$3.20 per carton (40% X \$8.00). Wholesaler "B" computes the tax at \$3.60, (40% X \$9.00) less the \$3.20 paid by wholesaler "A", or \$.40 per carton sold. The total tobacco tax per carton due from wholesaler "A" and "B" is \$3.60 (\$3.20 + \$.40). The tax is applicable on the wholesale price of the cigarettes sold to retailer "C".

The amendment in this bill is intended to clarify that tobacco products may be taxed more than once; provided that the amount subject to the tax on each sale not include amounts previously taxed under the tobacco tax, as in the example of wholesalers "A" and "B".

Your Committee has made technical, nonsubstantive amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3119, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1977      Ways and Means on S.B. No. 3121**

The purpose of this bill is to provide a means of assessing people responsible for the collection, accounting, and payment to the State of income taxes withheld in trust by employers when the person or persons wilfully fail to perform the duty.

In some corporations, a person who is not an officer may be delegated the duty to withhold income taxes and if they wilfully fail to perform this duty, cannot be held liable under the current tax law. This bill would allow the State to reach these people in a corporation.

Your Committee was concerned about whether people with ministerial duties in the withholding process would be held liable. Your Committee has amended this bill to indicate that only people with the major responsibilities in the execution of this duty would be liable.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3121, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1978      Ways and Means on S.B. No. 3122**

The purpose of this bill is to allow certification of persons who are totally disabled by qualified, duly licensed out-of-state physicians or commissioned medical officers in the United States Army, Navy, Marine Corps, or Public Health Service for state tax purposes.

Persons who are totally disabled are able to claim a \$7,000 personal exemption for income tax purposes, and are taxed at a rate of one-half of one per cent instead of the usual four per cent rate for general excise tax purposes. However, in order to take advantage of these tax benefits, a person's total disability must be certified by a qualified physician. Currently, certification is limited to physicians who are licensed in Hawaii.

This bill amends the law to allow military and out-of-state physicians licensed in their state of residence to perform certifications, and reduces the burden on taxpayers to obtain certifications solely from physicians licensed in Hawaii.

Your Committee finds that prior to the 1988 amendment which limits certification to physicians licensed in Hawaii, certifications could be performed by military medical personnel and appropriately licensed persons on the mainland. Your Committee further finds that although the number of certifications denied has been small, the law should be amended to allow certifications as was the practice prior to 1988.

Your Committee has made technical, nonsubstantive amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3122, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1979      Human Services on S.B. No. 2269**

The purpose of this bill is to appropriate funds to assist the Institute of Human Services in computerizing its office operations.

The Institute of Human Services and the Mental Health Coalition testified in support of the bill. The Coalition testified that the Institute for Human Services is frequently the only place where homeless mentally ill people can find shelter. Computerization of its operations will allow the Institute to more efficiently manage the tremendous amount of information that must be processed for these desperately needed services.

Your Committee believes that the Institute provides a vital social service and should not be hindered by recordkeeping logjams.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2269 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. 1980      Human Services on S.B. No. 2563**

The purpose of this bill is to appropriate funds for the care of seriously ill and disabled persons under the Department of Human Services' Nursing Home Without Walls program.

Your Committee has heard testimony in support of the bill from the Department of Human Services. The department stated that it supports home and community-based care as an important part of the continuum of long-term care services available to the people of Hawaii and this appropriation request is in keeping with that philosophy. Further, it provides the state with an opportunity to maximize the use of federal matching funds at a time when they are sorely needed to assure the adequacy of services to severely or chronically ill and disabled persons statewide.

The Hawaii Centers for Independent Living, the Hawaii State Federation Chapters of the National Association of Retired Federal Employees, the American Association of Retired Persons, the Commission on Persons With Disabilities, and the Hawaii Long Term Care Association also testified in support of the bill.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2563 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. 1981      Human Services on S.B. No. 2574**

The purpose of this bill is to appropriate \$250,000 to the Kauai Office of Elderly Affairs.

Your Committee finds that Kauai is facing an increased need due to rising costs of elderly services. This bill will allow Kauai to continue to provide various services such as transportation, senior center, home-delivered meals and in-home care to Kauai's senior citizens.

Your Committee received favorable testimony from Kauai Economic Opportunity Inc., Kauai County Council, and Kauai's Office of Elderly Affairs.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2574 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 Koki.

**SCRep. 1982      Human Services on S.B. No. 2594**

The purpose of this bill is to appropriate \$1,235,000 for shelters and programs that assist the homeless.

Hawaii's homelessness problem is reaching epidemic proportions. A recent survey placed the number of homeless at 13,000 persons, many of whom are hard working individuals displaced by Hawaii's tight and expensive housing market.

Presently there is a gap between the number of shelter beds available each night and the number of persons needing a place to sleep. This bill will provide needed funds to build, acquire or expand shelters, and to provide continuity of services with appropriate staff and programs to support the homeless as they move toward more permanent housing.

Your Committee received favorable testimony from the Department of Health, the Office of Hawaiian Affairs, the Department of Human Services, the Diocese of Honolulu, Homeless Aloha Inc., and the Maili Housing Project.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2594 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. 1983      Human Services on S.B. No. 2911**

The purpose of this bill is to appropriate \$1,500,000 for fiscal year 1990-1991, to establish a two year, statewide family support center demonstration project which will include a family literacy program.

Your Committee finds that the two year project will provide badly needed family support services such as parental training, family planning, and educational services to single parent families, especially those headed by a woman.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2911 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 Koki.

**SCRep. 1984      Human Services on S.B. No. 3147**

The purpose of this bill is to amend the standard for the payment of personal care services by the Department of Human Services from a ceiling of sixty-five percent to a ceiling of seventy-five percent of the annual Medicaid cost for comparable care in intermediate care or skilled nursing facilities in order to maintain these services at an appropriate level of home care.

Your Committee believes it should be emphasized that these services, provided by the Community Long Term Care Branch of the Department of Human Services through its Nursing Home Without Walls program, are rendered in the homes of patients, thus avoiding the costs to the State, and the stress to patients, of institutionalization.

Your Committee received testimony in support of this bill from the Director of the Department of Human Services and from the Director and Chairperson of the Commission on Persons With Disabilities.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3147 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. 1985 Human Services on S.B. No. 3189**

The purpose of this bill is to appropriate \$337,000 for fiscal year 1990-1991, for the home based care and therapeutic foster care services programs of Hale Opio Kauai.

Your Committee finds that Hale Opio Kauai provides essential and necessary services to the people of Kauai. The programs operated by Hale Opio Kauai help in the reduction of family violence, child abuse, and juvenile delinquency.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3189 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. 1986 Human Services on S.B. No. 3340**

The purpose of this bill is to appropriate \$100,000 for fiscal year 1990-1991, to establish a demonstration project to offer financial management services to at risk elders.

Your Committee finds that there are many cases in which elderly people who are unable to manage their assets properly fall victim to financial exploitation by scurrilous individuals.

Your Committee further finds that by offering financial management services to at risk elders, the problem may be reduced or even eradicated.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3340 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. 1987 Human Services on S.B. No. 3438**

The purpose of this bill is to appropriate funds for a preventive demonstration project of one year titled: Let's Take Charge: A Women's AGenda, under the aegis of the Executive Office on Aging.

Demographic figures of a rapidly aging society demonstrate various social phenomena, which though not new, are massively distributed among our aging citizenry. Half of all fully employed women, and eighty percent of retirement aged women, have no retirement or pension programs or benefits. A more telling aspect is that seventy percent of all elderly are women, producing the "feminization of poverty" at a new depth.

This pilot program is designed to work with women to help them plan for their senior years, to contend with the financial, emotional, and social problems encountered by the vast majority in the years following age fifty. Mainland experience with such programs have resulted in a marked improvement in the woman's capacity to avoid or ameliorate the harshness of the average person's situation.

Your Committee has received testimony strongly supporting this pilot program from the Executive Office on Aging, the Honolulu County Committee on the Status of Women, the Commission on the Status of Women, the Hawaii Women's Political Caucus, American Association of University Women, and the Women's Studies Program of the University of Hawaii at Manoa.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3438 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. 1988 Human Services on S.B. No. 3439**

The purpose of this bill is to appropriate \$75,000 for fiscal year 1990-1991, for the development and implementation of a statewide long term care data program.

Your Committee finds a long term care data program is necessary in order to establish a long term care data base that would identify the type of long term care needed in the State and to provide a place where long term care providers would be able to gather and input long term care information.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3439 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. 1989 Human Services on S.B. No. 2562**

The purpose of this bill is to provide for two full-time sex abuse supervisors, one in Kona and one in Hilo, on the island of Hawaii.

Your Committee has received testimony in support of the bill from the Department of Human Services and various branches of Child and Family Service. The Department of Human Services stated that there has been a rise in the

number of child sex abuse reports from eleven in 1980 to eighty in 1988. The department further noted that timely counseling services are critical in helping children and their families deal with the crisis.

Your Committee has amended the bill by changing the appropriation from "grant-in-aid" to "purchase of service" to correctly identify it.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2562, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1990      Human Services on S.B. No. 2755**

The purpose of this bill is to appropriate \$368,620 to the Kauai Young Women's Christian Association (YWCA).

The YWCA has a long history of service to Hawaii, fulfilling various needs of its members and the community. On Kauai, the YWCA, among other things, provides a shelter for victims of domestic abuse, administers a counseling program on domestic violence, and administers Ke Ola Hou, a community based direct service project for strengthening the family unit. These programs fulfill an important need in the community and are supported by the Department of Human Services.

Your Committee has amended the bill by correcting a typographical error on page 2, line 4, and by changing the expending agency to the judiciary.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2755, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1991      Human Services on S.B. No. 2794**

The purpose of this bill is to provide funds for fiscal year 1990-1991 to be expended by the Department of Human Services as supplemental reimbursements to all institutional providers of medical care based on a rate of payment established by the Department.

Your Committee finds that supplemental payments are necessary due to a shortfall between Medicare and Medicaid payments from the federal government and the rising costs of services provided by medical facilities. Therefore, your Committee finds that this appropriation is necessary to protect the health and welfare of many of Hawaii's people.

Your Committee has amended this bill by limiting the reimbursements to Medicaid participating providers of medical care. Medicare generally falls under the purview of the Committee on Health. In addition, as a technical amendment your Committee has deleted Section 2 of the bill which set forth section 346-59, Hawaii Revised Statutes, but made no substantive changes thereto.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2794, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1992      Human Services on S.B. No. 2885**

The purpose of this bill is to amend section 346-14, Hawaii Revised Statutes, and appropriate \$563,720 to extend health care services to children ages one to five living in families with incomes up to 33% over the federal poverty level.

Your Committee finds there is a significant amount of families which fall into the intermediate category where federal Medicaid assistance is not available. Under this bill, the State would provide coverage to those children.

Your Committee has amended the bill by changing the maximum age a child covered under this section may obtain medical coverage to eight years of age.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2885, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1993      Human Services on S.B. No. 2904**

The purpose of this bill is to establish a rent deposit loan pilot project administered by the Hawaii Housing Authority.

Your Committee finds that the bill would create a pilot project that would loan monies to low income homeless individuals who have minimal assets. The monies loaned shall be used solely for rent deposits and first month's rent for these individuals.

Your Committee has amended the bill by changing the repeal date of the program to June 30, 1992.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2904, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1994 Human Services on S.B. No. 2909**

The purpose of this bill is to appropriate funds for programs which would provide a comprehensive approach to family caregiving in Hawaii.

Your Committee finds such a comprehensive care program includes a respite care system that will provide training and recruitment, referral services, assessments of the needs of caregivers, and a hotline for emergencies and reports of abuse.

Furthermore, your Committee finds that it is in the best interest of the State to support the efforts of families who provide home care to family members with chronic illnesses or disabilities. Family caregivers provide care with the kind of love and dedication only they can provide, and in this respect, maintain a built-in quality assurance.

Relatedly, care by family members is far less costly to the families and to the State when compared to the staggering costs of institutionalization.

Your Committee has amended the bill by:

- (1) Replacing on page 3, lines 11-12, the phrase "moneys to families providing home care to a family member who is developmentally disabled," and replacing it with "services and training to families and caregivers who provide home care to individuals with developmental disabilities and mental illness,";
- (2) Replacing on page 3, line 16, the word "suffering" with "with a";
- (3) Replacing on page 3, line 19, the phrase "or terminally" with "disabled or";
- (4) Adding a paragraph "(5)" to section 2 of the bill which reads "Developmentally disabled child or adult.";
- (6) Deleting section 5 of the bill and replacing it with a new section which reads:

"There is appropriated out of the general revenues of the State of Hawaii the sum of \$130,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the implementation of the senior companion program.

The sum appropriated shall be expended by the department of human services for the purposes of this Act."

- (7) Changing the total amount appropriated in section 6 of the bill from \$1,100,000 to \$654,000; and
- (8) Deleting the substance of paragraph "(4)" of section 6 and replacing it with

"Implementation of a statewide elder abuse program and neglect public awareness project which focuses on respite workers and others.

Total:	\$54,000
	<u>\$634,000</u>

The sums appropriated shall appropriated be expended by the department of Executive Office on Aging for the purposes of this Act."

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2909, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2909, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1995 Human Services on S.B. No. 3143**

The purpose of this bill is to amend chapter 346, Hawaii Revised Statutes (HRS), by repealing part IX of chapter 346, HRS, and enacting a new part establishing a Job Opportunities and Basic Skills (JOBS) Program, a mandatory work program for certain applicants and recipients of Aid to Families with Dependent Children (AFDC).

Your Committee finds the purpose of the JOBS program is to encourage, assist, and require certain AFDC applicants and recipients to fulfill their responsibility of supporting their children by preparing for, accepting, and retaining employment.

Your Committee has amended the bill by:

- (1) Substituting the phrase "with the involvement and approval of" for the phrase "in consultation with" on page 5, line 5;

- (2) Replacing the word "assistance" with the word "involvement" on page 5, line 16;
- (3) Replacing the word "may" with the word "shall" on page 6, line 17; and
- (4) Deleting the entire subsection (b) on page 7, lines 11-13 and subsequently realphabetizing the remaining subsections of the section.

Your Committee finds that these amendments will further enhance the effectiveness of the bill and consequently produce a more equitable and productive arrangement between the Department of Human Services and the participant.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3143, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1996      Human Services on S.B. No. 3149**

The purpose of this bill is to establish a revolving fund to receive and disburse income derived pursuant to the Randolph-Sheppard Act.

The Randolph-Sheppard Act allows blind and visually handicapped vendors to receive income from various sources including vending machines situated on government properties. The revolving fund established by this bill is necessary to serve as the authority by which income received pursuant to the Randolph-Sheppard Act, may be utilized for vendors.

The bill allows the proceeds of the fund to be used to establish and maintain a benefits package for blind vendors; maintain and repair and purchase vendor's equipment; and provide other services for blind and visually handicapped vendors.

Your Committee has amended the bill by: (1) changing subsection (c)(2) of the proposed section to allow the fund to receive interest earned on certificates of deposit, or other interest bearing accounts and proceeds from news vending concessions at the Honolulu International airport; and (2) making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3149, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1997      Human Services on S.B. No. 3188**

The purpose of this bill is to appropriate \$45,430 for two food service positions at Kauai Economic Opportunity Inc. (KEO).

KEO, among its many services, provides home-delivered meals to senior citizens and Headstart Program participants. Presently, KEO is unable to keep up with the increased demand placed on its three-quarter time cook, and half-time nutritionist.

This bill which provides two full-time cook positions will allow KEO to adequately and effectively serve the Kauai community with needed hot meals.

Your Committee has amended the bill by changing the expending agency to the Department of Labor, Office of Community Services.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3188, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 1998      Human Services on S.B. No. 3193**

The purpose of this bill is to appropriate \$62,500 for four mini-buses for Kauai Economic Opportunity Inc.

The vans will be used for the Language Arts Multiculture Program (LAMP) Child Care, Head Start, and Food Services. The vans will transport LAMP students, deliver meals for the Food Service Program, and be used for excursion for the Child Care, Head Start, and LAMP programs.

Your Committee has amended the bill by changing the expending agency to the Department of Labor and Industrial Relations, Office of Community Services.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3193, S.D. 1, and be referred to the Committee on Ways and Means.



Signed by all members of the Committee.

**SCRep. 1999      Human Services on S.B. No. 3241**

The purpose of this bill is to provide funds for programs dealing with the problem of child sexual abuse.

The individuals and agencies testifying before your Committee on this bill were all in agreement that child sexual abuse is on the increase. More cases are reported each year and a large percentage of these are eventually confirmed. Programs and services currently available to families facing the problem of child sexual abuse are unable to meet the rising need due primarily to underfunding.

Testimony in support of the bill was given by the Department of Human Services (DHS), Child and Family Service, Friends of the Children's Advocacy Center, Catholic Charities, and the Oahu Children's Protective Services Advisory Council. DHS recommended that it be named the expending agency in place of the Department of Health. Your Committee believes this appropriate and has amended the bill accordingly. Other technical, non-substantive amendments have also been made.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3241, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2000      Human Services on S.B. No. 3339**

The purpose of this bill is to appropriate \$760,000 for shelters for victims of family violence on Oahu and Molokai.

Domestic violence is a critical problem in Hawaii today. With the increase in the number of reported cases, there is a need for adequate and safe places to protect victims and provide timely intervention.

Currently, there are no family violence shelters on Molokai and Oahu's shelter has periodically been filled to capacity. This bill will address the need for shelters and support services on Oahu and Molokai.

Your Committee received strong support for the bill from the Departments of Human Services and Health, Child and Family Service, Molokai General Hospital, and the Victim Witness Kokua Services.

Your Committee has amended the bill by changing the expending agency to the Department of Human Services which is better suited to achieve the purposes of this bill, and by increasing the appropriation to \$2,200,000 for the construction and operation of the two shelters. Your Committee finds that the increase in the appropriation is warranted due to rising property, construction, and furnishing-related costs.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3339, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2001      Human Services on S.B. No. 3394**

The purpose of this bill is to provide employment incentives for persons on welfare.

Presently, incentives for persons on welfare to find work are extremely limited. A working welfare recipient's assistance allowance is decreased, on a dollar-for-dollar basis, by an amount equal to the person's earnings. When a person's net income surpasses the "standard of assistance" (which is two-thirds of the poverty level), all public assistance benefits, including medicaid and child care allowances, are terminated.

This bill would allow the wage-earner to keep a percentage of earnings while retaining the full assistance allowance as long as net income does not exceed the poverty level.

Your Committee has amended the bill by changing proposed subsection (h) to allow the the Department of Human Services to implement a budgeting method patterned after one used by the state of Utah, and which is consistent with the department's proposed implementation of a Basic Skills Training Program. Your Committee has also amended the effective date to October 1, 1990.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3394, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2002      Human Services on S.B. No. 3440**

The purpose of this bill is to appropriate funds to support and encourage the development of adult day care and adult day health centers.

This bill provides grants to: (1) renovate and improve existing senior centers, meal sites for nutrition programs, and facilities for adult day care and adult day health programs; and (2) increase the number of facilities providing adult day care and adult day health programs by renovating existing facilities.

Your Committee received testimony in support of this measure from the Department of Health, Department of Human Services, Executive Office on Aging, Elderly Affairs Division of the City and County of Honolulu, and the American Association of Retired Persons.

Testimony indicated that adult day care and adult day health programs and services are currently provided at approximately 130 facilities statewide. Many existing facilities have indicated a need and desire to expand their services, and new organizations must be encouraged to establish programs in areas where a demand for services exist. Your Committee finds that this measure provides a vehicle to meet the growing need for neighborhood services such as adult day care and adult day health.

Your Committee has amended this bill by clearly relating adult day care programs to the Department of Human Services and adult day health programs to the Department of Health.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3440, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2003      Government Operations on S.B. No. 3311**

The purpose of this bill is to appropriate \$5,200,000 in fiscal year 1990-1991, for the improvement of fire protection facilities in the Counties of Hawaii, Maui, Kauai, and the City and County of Honolulu.

Your Committee finds that improvements to these facilities are necessary in order to upgrade existing substandard facilities.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 3311 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. 2004      Government Operations on S.B. No. 3435**

The purpose of this bill is to appropriate \$1 for fiscal year 1990-1991, for the planning and site selection of a veteran's cemetery in West Hawaii.

Your Committee finds that at the present time, the only veterans' cemetery on the Big Island is located in Hilo. A veterans' cemetery located in West Hawaii would allow the relatives of departed veterans to be closer to their loved ones' final resting place.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 3435 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. 2005      Government Operations on S.B. No. 2180**

The purpose of this bill is to appropriate funds to purchase and install energy efficient fluorescent lights in selected State office buildings.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Business and Economic Development, and the Oahu Rainforest Action Group.

Testimony indicated that fluorescent bulbs have a longer life span and use less energy than conventional incandescent bulbs. Your Committee finds that the installation and use of these lights will result in a substantial reduction in energy and labor costs to the State.

Your Committee has amended this bill by appropriating \$1 for this project. Your Committee believes that the amount to be appropriated should be determined by your Committee on Ways and Means. The bill has been further amended with the insertion of "or fixtures" on page 2, line 8 for purposes of clarity.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2180, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2006      Government Operations on S.B. No. 2333**

The purpose of this bill is to appropriate \$600,000 for fiscal year 1990-1991, for the planning, design, and construction of a center for veterans of foreign wars on the island of Hawaii.

Your Committee finds that a center for the use of veterans of foreign wars on the big island is necessary.

Your Committee has amended the bill by amending the phrase "center for veterans of foreign wars" on lines 4 and 5 to read "veterans of foreign wars center".

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2333, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2007      Government Operations on S.B. No. 2808**

The purpose of this bill is to appropriate funds to install a sewage system at the Ahuimanu Wastewater Treatment Plant in Kahaluu, Oahu.

Your Committee finds that the area of Kahaluu is in need of a sewage system.

Your Committee has amended the bill by inserting the amount of \$10,000,000 and deleting the reference to the Ahuimanu Wastewater Treatment Plant. Your Committee has further amended the bill to provide that the funds appropriated must be matched by the City and County of Honolulu.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2808, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2008      Government Operations on S.B. No. 2992**

The purpose of this bill is to appropriate \$200,000 for the expansion and renovation of the Kauai veteran's cemetery, provided that the appropriation is matched with funds from the county of Kauai.

This appropriation will allow for the expansion of the cemetery by developing an adjacent five acres of land which has already been acquired and set aside for this purpose. This land will provide additional burial space for the next ten years.

Testimony in support of this bill was received from the Department of Defense and the Kauai Veterans' Council.

Your Committee amended this bill by including the lowering of headstones similar to Punchbowl National Cemetery in the renovation and expansion of the Kauai veteran's cemetery, and clarifies that the \$200,000 in matching funds from the county of Kauai can be provided through in-kind services or matching federal funds.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2992, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2009      Government Operations on S.B. No. 2817**

The purpose of this bill is to provide special motor vehicle license plates for residents of Hawaii who are former prisoners of war, Pearl Harbor survivors, and recipients of the Purple Heart.

Your Committee received testimony from the Department of Finance of the City and County of Honolulu, which has no objections to this bill. Testimony in support of the bill was received from the Department of Defense of the State of Hawaii, the Advisory Board on Veterans' Services of the State's Office of Veterans Services, the Eagle Forum of Hawaii, and the Aloha Chapter of the Pearl Harbor Survivors Association. Testimony indicated that Pearl Harbor survivors have been honored in thirty-four states with special license plates, and there is currently a movement to require the remaining states to do likewise.

Your Committee concurs with the testimony and finds that this bill is an excellent means of distinguishing and honoring our veterans, who have made great contributions to our country by ensuring the democratic freedom of its citizens. They deserve the public recognition and acclamation accorded to those who fight to protect our country.

These survivors have given so much and asked for so little. Your Committee strongly believes these heroes should be recognized and honored for their gallant service above and beyond the call of duty.

Your Committee has made cosmetic amendments to certain terminology used in the bill which does not change the meaning or the substance of the bill.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. 2817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2817, S.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

**SCRep. 2010      Government Operations on S.B. No. 3466**

The purpose of this bill is to appropriate funds to assist the City and County of Honolulu in financing the repairs to homes in the Aina Haina hillside area.

Furthermore, the bill would release the State from any liability for any claim of loss to real or personal property, or personal injury or death as a result of any action relating to the provisions of the bill.

Your Committee finds that the Aina Haina hillside area is suffering from soil movement caused by surface and subsurface water leaks. Adequate drainage by means of installing necessary and appropriate drainage systems should remedy the problem.

Your Committee has amended the bill by:

- (1) Appropriating \$2,000,000 to finance the improvements;
- (2) Changing the date on page 1, line 10, from "1988-1989" to "1990-1991";
- (3) Replacing the phrase "repairs for homes" with "construction of improvements" on page 1, line 12; and
- (4) Adding the phrase "land acquisition" after the word "planning" on page 1, line 13.

Your Committee finds that these amendments will afford the bill more flexibility in saving the Aina Haina hillside area.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 3466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3466, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2011      Culture, Arts and Historic Preservation on S.B. No. 2611**

The purpose of this bill is to appropriate funds to support the creation of a weekly one-half hour news show called "Pacific Report" by Hawaii Public Television focusing on issues and events in the Pacific region.

Specifically, the bill authorizes an appropriation to the Hawaii Public Broadcasting Authority of up to \$1,000,000 for the implementation of this project, and requires that the appropriation be matched dollar-for-dollar with monies provided by the Authority.

Testimony in support of this measure was received from U.S. Senator Daniel K. Inouye, the Hawaii Public Broadcasting Authority, and the Screen Actors Guild.

Your Committee believes that Hawaii has the potential to establish itself as a communications leader in the Pacific region and that there is a growing need for coverage of Asia-Pacific events. The development of this program will be a positive step in bringing Hawaii into the global arena of news and business, providing jobs for Hawaii's people, promoting international business in Hawaii, and increasing local awareness and involvement in Pacific affairs.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2611 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. 2012      Culture, Arts and Historic Preservation on S.B. No. 2708**

The purpose of this bill is to appropriate \$326,180 for fiscal year 1990-1991 to be expended by the Department of Commerce and Consumer Affairs for a series of four one-half hour special programs entitled "FACETS: Profiles in Science," produced by Hawaii Public Television.

The programs are intended to increase awareness of science in the community, promote science literacy and interest, and convey to viewers the connection between science, nature, and daily human life.

Your Committee finds that this project is consistent with public policies relating to culture and the arts and will generate new jobs in the television industry.

Your Committee has amended this bill by providing for deposit of the money into the Hawaii Public Broadcasting Authority Revolving Fund.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2708, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2708, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2013      Culture, Arts and Historic Preservation on S.B. No. 3418**

The purpose of this bill is to appropriate \$101,970 for fiscal year 1990-1991 to be expended by the Department of Accounting and General Services as operating expenses for the Mookini Luakini Heiau.

Your Committee finds that the Mookini Luakini Heiau is of historical significance to Hawaii and that expenditures of public funds for operating expenses is appropriate. However, your Committee also finds that the Heiau is under the aegis of the Mookini Luakini Foundation and that the property is owned by the Department of Land and Natural Resources. Therefore, your Committee has amended this bill by changing it to a grant-in-aid to the Mookini Luakini Foundation to be expended by the Department of Land and Natural Resources.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3418, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2014      Culture, Arts and Historic Preservation on S.B. No. 3436**

The purpose of this bill is to appropriate \$50,000 for fiscal year 1990-1991 to be expended by the Department of Land and Natural Resources to repair the stonewall fronting the Hulihee Palace grounds.

Testimony from the Chairperson of the Board of Land and Natural Resources indicated that the stonewall fronting the Palace is of historic significance, but that it would be more appropriate to direct these funds, through the Department, to the Daughters of Hawaii as a grant-in-aid. The Daughters are a private, nonprofit organization responsible for the management, operation, and maintenance of the Palace. Your Committee has adopted this recommendation and amended the bill accordingly.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3436, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2015      Higher Education on S.B. No. 2970**

The purpose of this bill is to appropriate various amounts to supplement existing appropriations for various programmatic additions and physical improvements at Honolulu Community College.

Your Committee has received testimony from the Chancellor for Community Colleges supporting the intent of this bill.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2970 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 Nakasato.

**SCRep. 2016      Higher Education on S.B. No. 2612**

The purpose of this bill is to provide all non-certified special education teachers currently employed by the Department of Education with full tuition waivers under the College of Education's special education program. The bill also provides that, for a period of not less than five years, all students majoring in special education will be entitled to a fifty per cent tuition waiver.

Your Committee has been notified that, of the current 1,045 full-time employees in special education today, there are 111 non-certified teachers working within the system.

Your Committee has received testimony from the Interim Vice President for Academic Affairs of the University of Hawaii stating that the College of Education can already grant tuition waivers under Section 304-14.8, Hawaii Revised Statutes, for students in programs in shortage areas.

Although the State Planning Council on Developmental Disabilities testified in support of the bill, it noted that the bill may not solve the problem of teacher shortage as the University of Hawaii's Special Education Department is able to accept only a limited number of students into the program.

Given the above information, your Committee has amended the bill by deleting all reference to tuition waivers. The bill was further amended to require the Department of Education to provide all non-certified special education teachers currently employed by the department in that capacity with an opportunity to be certified under an outreach teacher certification program.

Your Committee believes that passage of this bill, together with SB 2628, which contains, among other things, funds for necessary personnel to provide outreach services, will go a long way toward improving the State's educational system.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2612, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2017 Higher Education on S.B. No. 2624**

The purpose of this bill is to appropriate funds to establish a Hawaiian Language Center at Maui Community College.

The Chancellor of the Community Colleges testified in support of the bill, noting that because of the significant Hawaiian population on Maui, there is a potential demand for the services and programs of such a center. The Office of Hawaiian Affairs also testified in support, maintaining that both the community and the State have a responsibility to promote and maintain the Hawaiian language as it is one of the two official languages of this state.

Given the comprehensive nature of the Hawaiian studies programs at Maui Community College, the Chancellor of the Community Colleges recommended that the words "and culture" be inserted in section 2 of the bill between "language" and "center" to allow better coordination of the activities of the proposed center with the existing instructional program in Hawaiian studies. Your Committee concurs with the recommendation and has amended the bill accordingly.

Your Committee has further amended the bill by setting out a purpose section to clarify the intent of the Legislature in establishing a Hawaiian language and culture center at Maui Community College.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2624, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2018 Higher Education on S.B. No. 2626**

The purpose of this bill is to expand the school/university partnership school success project to schools on Oahu and the neighbor islands.

The Interim Vice President for Academic Affairs of the University of Hawaii testified in support of the bill, noting the overwhelming success of the program as a pilot project in the Windward District. The pilot project demonstrated that critical issues in our schools can and were successfully addressed and the University has received requests from other schools wishing to participate in the program.

Your Committee has amended the bill by inserting a purpose section to clarify the intent of the Legislature.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2626, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2019 Higher Education on S.B. No. 2629**

The purpose of this bill is to appropriate funds to establish a Hawaiian Language Center at Kauai Community College.

The Chancellor of the Community Colleges testified in support of the bill, noting that because of the significant Hawaiian population on Kauai there is a potential demand for the services and programs of such a center. The Office of Hawaiian Affairs also testified in support, maintaining that both the community and the State have a responsibility to promote and maintain the Hawaiian language as it is one of the two official languages of this state. Your Committee also notes that because of Kauai's unique relationship to Niihau, establishment of such a center would serve to strengthen their ties.

Given the comprehensive nature of the Hawaiian studies programs at Kauai Community College, the Chancellor of the Community Colleges recommended that the words "and culture" be inserted in section 2 of the bill between "language" and "center" to allow better coordination of the activities of the proposed center with the existing instructional program in Hawaiian studies. Your Committee concurs with the recommendation and has amended the bill accordingly.

Your Committee has further amended the bill by setting out a purpose section to clarify the intent of the Legislature in establishing a Hawaiian language and culture center at Kauai Community College.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2629, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2020 Higher Education on S.B. No. 2638**

The purpose of this bill is to appropriate funds for the development of a program to identify, recruit, and support outstanding cooperating teachers in the department of education.

The Interim Vice President for University Relations of the University of Hawaii at Manoa, the Superintendent of Education, and the President of the Hawaii State Teachers Association testified in support of the bill.

Your Committee recognizes the acute problem of a teacher shortage in Hawaii and believes that it in the best interests of the State to provide for a more comprehensive approach to this problem. Your Committee has therefore amended the purpose of this bill by deleting the original language and inserting new language to provide that funds shall be appropriated for infrastructure, personnel and outreach services, and to develop flexible, innovative and creative strategies to augment teacher certification.

Your Committee has further amended the bill to provide that \$404,613, instead of the previous \$103,544 amount, shall be appropriated to carry out the purposes of the bill.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2638, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2021 Higher Education on S.B. No. 2902**

The purpose of this bill is to establish a master of social work program on the neighbor islands.

The program will be provided to one group of students at a time sequentially on the neighbor islands, first at one location, then expanding to another neighbor island.

Your Committee received testimony in support of this bill from the Department of Human Services, Department of Corrections, and the National Association of Social Workers, Inc.

Testimony indicated that the current shortage of social workers in the five major State departments which employ social workers is estimated to be about 21 percent or 238 positions. In addition, there appears to be a comparable number of vacancies in the State's non-profit agencies. Your Committee finds that positive steps must be taken to address this critical problem, and believes that with adequate support, the University system can take the necessary steps to produce more graduates qualified to meet the State's growing need for social workers.

Your Committee has amended the measure by adding clarifying language which:

- (1) Requires the University of Hawaii School of Social Work to coordinate the MSW neighbor island program in cooperation with the University of Hawaii-Hilo and the community colleges;
- (2) Provides for two neighbor islands to be served at any one time; and
- (3) Provides for establishment of the program on Maui, the Big Island, and Kauai by 1991, and continuation of the program on a rotating basis.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2902, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2022 Higher Education on S.B. No. 3141**

The purpose of this bill is to increase the University of Hawaii Research and Training Revolving Fund.

Research represents a major responsibility of the University of Hawaii. Through their research and scholarly activities, University faculty members are able to gain new knowledge and to transmit that knowledge effectively to their students.

It is important that the University remain competitive in research and scholarship by providing appropriate reinvestments of overhead in personnel and equipment, in incentives to established researchers, and in seed money to assist younger faculty to seek Federal support for their research.

The Research and Training Revolving Fund encourages faculty to pursue the initial stages of research on promising projects and to develop sound proposals for extramural funding. University records indicate that faculty who have received seed money support from the Fund were successful in obtaining 109 awards totaling \$13.6 million from extramural sources in 1988-89. The Fund also supports faculty presentations of research results at national and international meetings, not only exposing faculty to the latest developments in their fields, but also establishing their credibility as scholars and enhancing the reputation of the University as a first class institution.

An increase in the Fund will enhance flexibility to purchase critical equipment and initiate new research efforts, permit the University to provide additional support for needed research and training infrastructure and to begin creating common facilities that can be used by a number of research units, and greatly enhance the chances of supporting innovative research and training projects by other faculty members.

Your Committee has amended the bill by requiring the Board of Regents to report back to the Legislature in 1991 regarding the effect of the increase in the Fund.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3141, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2023     Tourism, Recreation and Planning on S.B. No. 2405**

The purpose of this bill is to authorize the director of finance to issue \$1,126,000 in general obligation bonds and to appropriate the proceeds of the bond issue for fiscal year 1990-1991 for the design and construction of a general purpose boat launch ramp and back-up facilities at the Kahaluu flood control project. The funds appropriated would be expended by the Department of Transportation.

Your Committee finds that the facilities to be financed by this measure are necessary to relieve overdemand on the Heeia Kea boat ramp and provide ready access to the northern part of the bay. The Committee finds that the expenditure of public funds for this purpose is appropriate and in the public interest.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2405 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. 2024     Tourism, Recreation and Planning on S.B. No. 2524**

The purpose of this bill is to appropriate \$100,000 for fiscal year 1990-1991 to plan and design a boat ramp at Kapa'a County Beach Park, North Kohala. The funds appropriated will be expended by the Department of Transportation.

Your Committee received supporting testimony from the State Department of Transportation and the County of Hawaii. The Department of Transportation will cooperate with the U.S. Army Corps of Engineers in conducting a feasibility study for the boat launch ramp facility.

Your Committee finds that the facilities to be financed by this measure are needed and that the expenditure of public funds for this purpose is appropriate and in the public interest.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2524 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. 2025     Tourism, Recreation and Planning on S.B. No. 2526**

The purpose of this bill is to enhance recreational opportunities through development of a regional recreation plan for the Mahukona coastal area, North Kohala, island of Hawaii. Specifically, the bill provides for the appropriation of \$75,000 for fiscal year 1990-1991 for the development of a regional recreational plan by the Department of Land and Natural Resources in cooperation with other key state and county agencies.

Your Committee received supporting testimony from the State Department of Transportation and the Board of Land and Natural Resources.

Your Committee finds that the bill will serve to integrate existing land and offshore recreational opportunities and contribute to the beauty and public use and enjoyment of this area.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2526 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. 2026     Tourism, Recreation and Planning on S.B. No. 2633**

The purpose of this bill is to provide urgently needed improvements at Inaba park, Konawaena school, Island of Hawaii. Specifically, the bill provides for the appropriation of \$250,000 for fiscal year 1990-1991 for the planning, design, and construction of bathroom facilities at the park, for field resurfacing, and for dugout and batting cage improvements. The funds appropriated will be expended by the Department of Accounting and General Services.

Your Committee finds that making these improvements at Inaba park will greatly enhance recreational opportunities for residents living in the vicinity of this area. The bill will accomplish this important objective.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2633 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. 2027     Tourism, Recreation and Planning on S.B. No. 2665**

The purpose of this bill is to provide increased recreational opportunities for the young people of Kauai. Specifically, the bill provides for the appropriation of \$100,000 for fiscal year 1990-1991 for the design and construction of two skateboard ramps, one in west Kauai and the other in east Kauai. The funds appropriated will be expended by the Department of Accounting and General Services.



Your Committee finds that providing these facilities will give the young people of Kauai a safe and legal place to gather and enjoy the sport of their choice, and may help them avoid other perhaps less desirable locations and activities. The bill will accomplish these important objectives.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2665 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted,

Signed by all members of the Committee.

**SCRep. 2028     Tourism, Recreation and Planning on S.B. No. 2670**

The purpose of this bill is to provide for Waha Park improvements on Kauai. Specifically, the bill provides for the appropriation of \$125,000 for fiscal year 1990-1991 for acquiring two acres and for planning, designing, constructing, and equipping two fields at Waha Park. The funds appropriated will be expended by the County of Kauai, which will be required to make a matching contribution.

Your Committee finds that these park improvements will greatly enhance recreational opportunities and the quality of life on Kauai. The bill will accomplish these important objectives.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2670 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. 2029     Tourism, Recreation and Planning on S.B. No. 2752**

The purpose of this bill is to provide for much-needed improvements for Waimea pool which is adjacent to Waimea High School on Kauai. Specifically, the bill provides for the appropriation of \$245,000 for fiscal year 1990-1991 for the design and construction of Waimea pool improvements. The sum appropriated will be expended by the County of Kauai and will pay for fifty percent of total improvement costs. The County of Kauai will be responsible for the remaining fifty percent of costs.

Your Committee finds that improvements at Waimea pool are urgently needed and that expenditure of the funds to be appropriated by this bill are in the public interest.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2752 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. 2030     Tourism, Recreation and Planning on S.B. No. 2775**

The purpose of this bill is to provide for the development of a comprehensive regional plan for the Hana district of Maui. Specifically, the bill provides for the appropriation of \$150,000 for fiscal year 1990-1991 for this purpose. The funds appropriated will be expended by the Office of State Planning.

Your Committee received supporting testimony from the Office of State Planning.

Your Committee finds that development of a comprehensive regional plan for the Hana district will enhance public and private decision-making and ultimately improve the quality of life for residents in this area. The bill will accomplish these important objectives.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2775 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. 2031     Tourism, Recreation and Planning on S.B. No. 2973**

The purpose of this bill is to provide for beautification of Waikiki and the surrounding area. Specifically, the bill provides for the appropriation of \$2,000,000 for fiscal year 1990-1991 for the beautification of Kapiolani Park, Kuhio Beach Park, Waikiki miniparks, Ala Moana Park, Ala Wai Boulevard, Ala Wai Canal, and Ala Wai promenade. The sum appropriated will be expended by the City and County of Honolulu and will pay for eighty per cent of total beautification project costs. The City and County of Honolulu will be responsible for the remaining twenty percent of costs.

Your Committee received supporting testimony from the State Department of Transportation, the City and County of Honolulu, the Waikiki Improvement Association, and Outrigger Hotels Hawaii.

Your Committee finds that the beautification of Waikiki and the surrounding area will promote tourism and the enjoyment of this area by both tourists and local residents.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2973 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. 2032     Tourism, Recreation and Planning on S.B. No. 2974**

The purpose of this bill is to protect, preserve, and enhance public beaches in this State. Specifically, the bill provides for the appropriation of \$2,000,000 for the restoration or widening of public beaches through offshore sand recovery processes. The bill further provides that restoration work on Waikiki and Ala Moana beaches will be done first as a demonstration project. The sum appropriated will be expended by the Department of Transportation.

Your Committee received supporting testimony from the State Department of Transportation, the City and County of Honolulu, the Waikiki Improvement Association, the Environmental Center at University of Hawaii, and Outrigger Hotels Hawaii.

Your Committee finds that beach erosion is a serious problem for the State's recreation beaches, particularly those beaches fronting popular beach parks used by residents and visitors alike. Restoration or widening of public beaches throughout the State is urgently needed. Your Committee further finds that the bill, by providing for offshore sand recovery demonstration projects to be conducted first at Waikiki and Ala Moana beaches, will be an important first step towards establishment of an environmentally benign and cost effective system for periodic replenishment of our precious beach resources.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2974 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. 2033     Tourism, Recreation and Planning on S.B. No. 3002**

The purpose of this bill is to enhance recreational opportunities in the Akoakoa Point-Pololu area on the island of Hawaii. Specifically, the bill provides for the appropriation of \$3,000,000 for fiscal year 1990-1991 for the acquisition of lands necessary to establish a state park in this area.

Your Committee received supporting testimony from the Board of Land and Natural Resources, which is gearing up to conduct appraisals of private lands in the project area.

Your Committee finds that establishment of a park in the Akoakoa Point-Pololu area is consistent with the West Hawai'i regional plan and will provide significant recreational benefits to residents living in the vicinity of this area as well as to visitors. The bill will accomplish this important objective.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3002 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. 2034     Tourism, Recreation and Planning on S.B. No. 2301**

The purpose of this bill is to protect, preserve, and enhance a valuable recreational resource, Ala Moana Beach, for both local residents and visitors. Specifically, the bill provides for the appropriation of a sum to be identified to study the feasibility and appropriateness of dredging sand from under the waters adjacent to Ala Moana Beach in order to replenish the beach. If such dredging proves to be feasible and appropriate, the bill authorizes the Department of Transportation to undertake this project with the remaining funds appropriated, taking reasonable and appropriate steps to minimize any negative environmental impacts. If dredging proves unfeasible or inappropriate, the bill authorizes the Department of Transportation to replenish Ala Moana Beach with sand from some other source.

Your Committee received supporting testimony from the State Department of Transportation, the City and County of Honolulu, and the Environmental Center of the University of Hawaii. The City and County of Honolulu, however, opposed dredging offshore of Ala Moana Beach saying that it would be preferable to fill the channel with clean coral from Barbers Point and cover this with large grain sand from some other area. The Waikiki Improvement Association supported the bill in concept, but stated a preference for S.B. No. 2974 which provides for a sand recovery demonstration project to be conducted first at Waikiki and Ala Moana Beaches.

Your Committee finds that the replenishment of Ala Moana Beach is urgently needed and that the funds appropriated by this bill will be a wise recreational investment for the State.

Upon due consideration, your Committee has amended section 3 of the bill to clarify the purposes for which the funds being appropriated may be expended. Your Committee has also made two grammatical amendments which have no substantive effect.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2301, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2035     Tourism, Recreation and Planning on S.B. No. 2621**

The purpose of this bill is make infrastructure improvements at the old Kona airport. Specifically, the bill provides for the appropriation of \$1,500,000 for fiscal year 1990-1991 for infrastructure improvements, including infrastructure improvements for a gymnasium. Of the sum appropriated, \$700,000 will be expended by the Department of Land and Natural Resources and \$800,000 will be expended by the County of Hawaii for the gymnasium.

Your Committee received supporting testimony from the County of Hawaii and the Board of Land and Natural Resources. The Board recommended that section 1 of the bill be amended by substituting "park and recreational facility development" for "infrastructure improvements" and by changing the cost categories from "plans and design" to "design and construction."

Your Committee has made amendments to section 1 of the bill to address the Board of Land and Natural Resources concerns. Your Committee has also made amendments to section 2 of the bill to clarify the division of funds between the Department of Land and Natural Resources and the County of Hawaii. Finally, your Committee has made a technical amendment to section 3 of the bill which has no substantive effect.

Your Committee finds that these improvements at old Kona airport will greatly enhance recreational opportunities for local residents and visitors to the island of Hawaii.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2621, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Chang.

**SCRep. 2036 Housing and Hawaiian Programs on S.B. No. 2273**

The purpose of this bill is to amend section 10-12, Hawaii Revised Statutes, to eliminate the requirement that the employment of officers and employees of the Office of Hawaiian Affairs be "subject to the approval of the board" of trustees, Office of Hawaiian Affairs.

Your Committee received supporting testimony from the Office of Hawaiian Affairs, explaining that the bill is consistent with the Board of Trustees' desire to delegate specific personnel decisions to the administrator, with the board acting to ensure that a well-conceived personnel system has been developed and is implemented.

Your Committee finds that the bill will result in more effective internal management practices at the Office of Hawaiian Affairs.

Your Committee has made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2273, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2037 Housing and Hawaiian Programs on S.B. No. 2275**

The purpose of this bill is to appropriate \$67,176 for fiscal year 1990-1991 to fund salary increases for the administrator and deputy administrator of the Office of Hawaiian Affairs and for officers and employees of the Office of Hawaiian Affairs excluded from collective bargaining.

Your Committee received supporting testimony from the Office of Hawaiian Affairs.

Your Committee finds that this bill is appropriate, since salary increases for officers and employees of the Office of Hawaiian Affairs were not included in Act 197, Session Laws of Hawaii 1989, which included salary increases for other state officers and employees excluded from collective bargaining.

Your Committee has made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2275, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2275, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2038 Housing and Hawaiian Programs on S.B. No. 3120**

The purpose of this bill is to amend section 235-5.5, Hawaii Revised Statutes, to modify the procedures for recapture of taxes on distributions from individual housing accounts (IHA) used to purchase residential real property. Current law requires that, upon sale of the property, the entire amount of the distribution is to be included as gross income for individual income tax purposes in the year of the sale and that the taxpayer pay a penalty equal to 10% of the distribution. The bill would provide that, for residential real property purchased after December 31, 1989 with a distribution from an IHA, the individual must include one-tenth of the total distribution as gross income for individual income tax purposes in the year of the distribution and one-tenth in each of the nine tax years thereafter. The bill would further provide that, if the individual sells the property before the end of the ten-year recapture period, an amount equal to the amount of the distribution from the IHA not previously reported must be included as gross income for income tax

purposes in the year of the sale and that the taxpayer pay a penalty equal to 10% of the total distribution. The bill would also allow an individual who purchased residential real property before January 1, 1990 with a distribution from an IHA to make an election by January 1, 1991 to use the new recapture procedures, rather than follow the procedures in current law. The bill also exempts from the tax recapture provisions, properties "transferred by will or by operation of law" in addition to properties "sold due to death or total disability" as provided in current law. The bill would apply to taxable years beginning after December 31, 1988.

Your Committee received supporting testimony from the Department of Taxation on this administration bill. The Department explained that the current recapture procedures with a large one-time increase in gross income and a 10% penalty, result in a substantial burden on taxpayers who wish to sell their properties. The bill would allow affected taxpayers to avoid this burden, as long as they hold the property for at least ten years and make periodic tax recapture payments during that time.

Your Committee finds that modifications to the current individual housing account program to reduce the tax burden on individuals wishing to sell their properties are appropriate and consistent with other policies in effect regarding state-assisted housing purchases.

Your Committee has amended the bill to clarify that the ten percent penalty does not apply to an individual who sells the residential property after having reported the total distribution as gross income during the ten year period provided in the bill. Your Committee has also amended the bill to make it applicable to taxable years beginning after December 31, 1989, rather than after December 31, 1988. Your Committee has also made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3120, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

#### **SCRep. 2039 Government Operations on S.B. No. 3481**

The purpose of this bill is to reappropriate \$700,000 for the construction of a Kauai Veterans' Center.

In 1989, \$700,000 was appropriated by the Legislature to the Department of Accounting and General Services for the construction of this facility. These funds have been administratively approved for transfer to the Department of Defense for expenditure. Since receiving administrative authority to expend the \$700,000, the Department of Defense has begun to take the initial steps to develop the proposed veterans' center.

Testimony by the Department of Defense indicated that a \$50,000 contract to design the veterans' center is currently being negotiated with the expectation for a contract execution date of March 1, 1990. Accordingly, your Committee has amended the bill by deleting the appropriation of \$50,000 for design funds.

In addition, your Committee has further amended this bill by including the appropriation of \$200,000 contained in S.B. No. 3185 to supplement existing funding for the Kauai veterans' center's sewer and water projects.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 3481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3481, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

#### **SCRep. 2040 Higher Education on S.B. No. 2648**

The purpose of this bill is to establish a tuition waiver program for students who, because of their participation in officially sanctioned extracurricular activities, must forego or limit their employment opportunities.

The Director of Planning and Policy of the University of Hawaii testified that currently the University is able to utilize some tuition waivers for students participating in extracurricular activities. The University has carefully considered the matter of additional waivers and welcomes an increase in its authorized level. Additional waivers would be used to support the recruitment and retention of financially needy students and underrepresented minority students, as well as enable the University to assist more students who participate in extracurricular activities.

In light of the testimony of the Director of Planning and Policy at the University of Hawaii, your Committee has amended the purpose of this bill by deleting the original purpose and setting forth a new one. The new purpose of the bill is to increase the percentage of tuition waivers the University is authorized to grant.

Your Committee has further amended the bill to provide for a maximum of 17 per cent (presently 15 per cent) of the total full-time enrollment for tuition waivers.

Your Committee has further amended the bill by deleting all references and an appropriation for the previously proposed tuition waivers for extracurricular activities.

Your Committee has made other technical, nonsubstantive amendments to the bill.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2648, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2041 Culture, Arts and Historic Preservation on S.B. No. 2695**

The purpose of this bill is to authorize the Hawaii Public Broadcasting Authority to create temporary positions exempt from civil service and compensation laws, funded through the Hawaii Public Broadcasting revolving fund.

Testimony in support of this measure was presented by the Hawaii Public Broadcasting Authority and the Screen Actors Guild. Testimony indicated that in the last two years, the Hawaii Public Broadcasting Authority has become a major producer of public television programs for broadcast to local, national, and international audiences. The work load associated with producing these programs often exceeds the capabilities of the Authority's limited permanent staff.

Your Committee finds that in order for the Authority to continue its mission, it must be granted the power to hire temporary workers.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2695 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. 2042 Culture, Arts and Historic Preservation on S.B. No. 3009**

The purpose of this bill is to appropriate \$300,000 to the State Foundation on Culture and the Arts for a film narrative to document the history and traditions of hula on the island of Hawaii.

Testimony in support of this bill was received from the State Foundation on Culture and the Arts.

Your Committee recognizes the need for culturally accurate and professionally executed documentary films on the ancient art of hula and chant. This bill will provide necessary funds to record this cultural history on film for the enjoyment and education of present and future generations of hula masters, hula schools, performers, and the general public.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3009 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. 2043 Culture, Arts and Historic Preservation on S.B. No. 3317**

The purpose of this bill is to appropriate funds for the State Foundation on Culture and the Arts to commission a sculpture of Mother Marianne Cope from Molokai.

Born in 1838, Mother Marianne Cope spent much of her life dedicated to helping Hansen's disease sufferers in Hawaii. She is especially worthy of recognition not only for her humanitarian efforts, but also for helping to change the negative attitude of many people toward Hansen's disease sufferers.

Testimony in support of this bill was received from the State Foundation on Culture and the Arts.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3317 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. 2044 Culture, Arts and Historic Preservation on S.B. No. 3371**

The purpose of this bill is to appropriate \$8,000,000 for fiscal year 1990-1991, for the restoration and renovation of the Hawaii Theatre.

Your Committee finds that the Hawaii Theatre is a historically significant site and that funds for the construction, equipment, and furnishing costs associated with the renovation and restoration of the Hawaii Theatre into a multi-purpose arts and cultural center in Honolulu would be in the best interest of the artistic and cultural enhancement of the State.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3371 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. 2045 Culture, Arts and Historic Preservation on S.B. No. 3373**

The purpose of this bill is to fund the preparation, study and production of an exhibit of Hawaiian quilts and covers entitled "Reflections of Love", by a recognized authority on the subject of Hawaiian folk art of quilting and consultant to the Department of Anthropology of the Bishop Museum: Elizabeth A. Akana.

This exhibit will be curated by the Lyman House Memorial Museum of Hilo.

Your Committee received testimony from the Department of Accounting and General Services, Bishop Museum, the Lyman House Memorial Museum, Ms. Akana, the Mission Houses Museum, U.S. Senator Spark Matsunaga, the Windward Newcomers Club, Kapiolani Medical Center for Women and Children, the Hawaiian Craftsmen, the Department of Education's Educational Television division, and Mary Bitterman.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3373 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. 2046    Agriculture on S.B. No. 2784**

The purpose of this bill is to establish and appropriate funds for a comprehensive statewide rabies awareness program.

Your Committee finds the bill implements the recommendations of the Interim Task Force to Study the State of Hawaii's Animal Quarantine System regarding a comprehensive statewide rabies awareness program.

The purpose of the program is to increase the public's awareness of the disease and to conduct a one year population and serological survey.

Your Committee finds there is a need to educate the public on rabies and how it is transmitted, explain the role of the World Health Organization in controlling the disease, and to emphasize the importance of Hawaii's "specified rabies free status".

Regarding the one year pet population and serological survey, your Committee finds this study is necessary in order to obtain necessary scientific information to determine how many dogs, cats, and mongooses are in the State and exactly what types of inherent viruses currently exist that may cross-react with rabies if the virus is ever introduced.

The survey would also include a one year follow-up survey of animals that have gone through the animal quarantine system.

Your Committee finds this survey is necessary to determine a number of unanswered questions about the State's pet population and to provide essential baseline data for future use in evaluating the State's animal quarantine system.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2784 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 Fernandes Salling and Hagino.

**SCRep. 2047    Agriculture on S.B. No. 3006**

The purpose of this bill is to appropriate \$418,000 for fiscal year 1990-1991, for personnel and operating costs of the West Hawaii forestry and wildlife program.

Your Committee finds the bill provides for three professional and technical staff positions, four permanent field crew positions, one permanent clerical position, and covers vehicular and operating costs of the program.

Your Committee finds that funding for the program is necessary in order for the program to properly manage the growing amount of State-owned forest land.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3006 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 Fernandes Salling.

**SCRep. 2048    Agriculture on S.B. No. 2475**

The purpose of this bill is to exempt agricultural leases from the provisions of section 171-36, Hawaii Revised Statutes, pertaining to lease restrictions for leases issued by the Board of Land and Natural Resources.

Your Committee received testimony in favor of this bill from the Department of Agriculture, which testified that these restrictions made it difficult for farmers to get loans from financial institutions.

Your Committee also received testimony against this bill from the Department of Land and Natural Resources, which testified that this bill, as written, is discriminatory and of questionable constitutional validity. Your Committee concurs with the Department of Land and Natural Resources in order to avoid possible court challenges to the legality of the bill.

Your Committee has amended the bill with the concurrence of both Departments by adding on page 3, line 6, after "assignee;", "further that in the event of foreclosure or sale, the premium, if any, shall be assessed only after the encumbrances of record and any other advances, which were made by the holder of security interest is paid." Your Committee has further amended the bill by deleting the proposed amendment on page 4, lines 19 and 20.

Your Committee made these amendments to address the concerns of the Farmer's Home Administration and the Federal Land Bank with the intent that these amendments would protect their interests upon any sale made by a lessee who holds a mortgage with them.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2475, S.D. 1, and be referred to the Committee on Energy and Natural Resources.

Signed by all members of the Committee.

**SCRep. 2049      Agriculture on S.B. No. 2792**

The purpose of this bill is to appropriate funds for fiscal year 1990-1991, to establish an international wine conference in Hawaii in 1991.

Your Committee finds that there is an increasing amount of interest in wines around the world and believes there is great economic potential in the establishment of an annual international wine conference in Hawaii.

Your Committee has amended the bill by appropriating \$5,000 for a feasibility study on hosting an international wine conference in Hawaii, rather than appropriating funds for the establishment of the conference. Your Committee has further amended the bill to accommodate the review of the study's findings by moving the proposed establishment date of the conference to 1992.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2792, as amended herein, and recommends it pass Second Reading in the form attached hereto as S.B. No. 2792, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2050      Agriculture on S.B. No. 2823**

The purpose of this bill is to appropriate funds for the Department of Land and Natural Resources to develop and implement a tree planting and reforest station on public property.

Your Committee finds such a station would be in the best interest of the State in its efforts to promote urban forestry throughout the State.

Your Committee has amended the bill by replacing the phrase "reforest station" on line 18, with "reforestation", thus clarifying the intent of the bill to develop and implement the process of tree planting and reforestation rather than establishing a reforest station on public property.

Your Committee has amended the bill further by inserting \$50,000 as the amount to be appropriated.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2823, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 2051      Agriculture on S.B. No. 3465**

The purpose of this bill is to appropriate \$18,000 for fiscal year 1990-1991, for the purchase of a seed harvester.

Your Committee finds that a seed harvester purchased by the State and loaned to the USDA's Plant Material Center's Soil Conservation Service would make available desirable seeds to farmers in the State for replanting.

Your Committee has amended the bill by replacing the University of Hawaii's College of Tropical Agriculture and Human Services with the Governor's Agricultural Coordinating Committee (GACC) as the expending agency and directing the GACC to contract out the seed harvester to the University of Hawaii's College of Tropical Agriculture and Human Services.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3465, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 2052      Agriculture on S.B. No. 2757**

The purpose of this bill is to appropriate \$300,000 to study the causes of taro rot.

Taro rot has plagued Hawaiian farmers since 1920's. Hard rot or "guava seed" and soft rot have substantially hindered the taro industry. An industry which produced 6.8 million pounds of taro in 1988.

Your Committee finds that the taro rot problem has been studied by the Kauai research station of the University of Hawaii's College of Tropical Agriculture and Human Resources. Therefore, it would not seem unreasonable for the

station to furnish research data upon legislative request. The Station has, and will continue its research focusing on the environmental and biotic factors affecting taro. This data should prove useful in eliminating or at least reducing the impact of taro rot.

Since the Governor's Agricultural Coordinating Committee has already awarded \$30,000 for this purpose, and the original request is based on a three year study, your Committee has amended the bill by changing the amount appropriated to \$100,000.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2757, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2053 Business Development and Pacific Relations on S.B. No. 1576**

The purpose of this bill is to effectuate an Act relating to high technology.

Your Committee finds the intent of the bill to be of merit in the development of high technology industries in the State.

Your Committee has amended the bill by inserting substantive provisions into the bill which;

Establishes a findings and purpose section;

Designates sections 206M-1 through 206M-20, Hawaii Revised Statutes (HRS), as part I, and entitling it "PART I. HIGH TECHNOLOGY DEVELOPMENT CORPORATION";

Adds a new part to chapter 206M, HRS, which establishes a Hawaii Software Service Center;

Authorizes the Department of Budget and Finance to copyright all software applications and programs developed for State use;

Amends chapter 103, HRS, to provide that contracts or products shall awarded or purchased preferentially to businesses whose principal place of business is located in the State;

Appropriates \$233,000 to cover start-up and operating costs of the Hawaii Software Center; and

Appropriates \$50,000 for the High Technology Development Corporation and the University of Hawaii to conduct a study and plan for a software development center for the University of Hawaii.

Your Committee finds the amendments would provide a productive environment for the State's growing interest in software development.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 1576, as amended herein, and recommends it pass First Reading in the form attached hereto as S.B. No. 1576, S.D. 1, and be recommitted to the Committee on Business Development and Pacific Relations for further consideration.

Signed by all members of the Committee except Senators Tungpalan, Aki, Holt and George.

**SCRep. 2054 Government Operations on S.B. No. 3303**

The purpose of this bill is to appropriate \$250,000 to make improvements to the existing Waiahole Valley water system and to mandate that the existing water system remain in use and be available for irrigation purposes only.

Your Committee received favorable testimony from several residents of the valley. Your Committee feels strongly that the existing system must be maintained and be available for agricultural purposes. Your Committee concurs with the testimony of the residents, and believes they have an inherent right to use the water.

Your Committee has amended this bill by: (1) reducing the \$250,000 appropriation for improvements to \$200,000; (2) providing an appropriation of \$50,000 for the upkeep and maintenance of the existing Waiahole McCandless water system; (3) changing the expending agency for the appropriations to the housing finance and development corporation; (4) mandating that the water be used for agricultural purposes only; and (5) specifying that the projects are capital improvement projects.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. 3303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 3303, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2055 Health on S.B. No. 2204**

The purpose of this bill is to amend the criteria used in the report conducted by the Legislative Auditor assessing the financial and social impact of any proposed changes to mandatory health insurance coverage.



Specifically, the bill eliminates the evaluation of the impact of indirect costs from the report and requires the Legislative Auditor to include an assessment of the nonfinancial impact of providing or not providing a treatment or service such as morbidity, mortality, quality of care, change in practice patterns, provider competition, and related items.

Testimony in support of this bill was received from the Hawaii Medical Service Association.

Your Committee finds that the language in section 23-51, Hawaii Revised Statutes, relating to the impact assessment report is ambiguous. Testimony indicated that this section could be interpreted to mean that a measure proposing changes to mandatory health insurance coverage could be considered by the Legislature as soon as the concurrent resolutions requesting an assessment study were adopted. Your Committee believes that the original intent of section 23-51, Hawaii Revised Statutes, was to require the Legislative Auditor to complete the assessment report and submit it to the Legislature before any action on the measure could be taken; therefore, your Committee has amended the bill to clarify this ambiguity. Your Committee has also amended the proposed language in paragraph (1)(H) of section 23-52 to broaden the scope of the Auditor's review.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2204, S.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 2056      Health on S.B. No. 2356**

The purpose of this bill is to establish an emergency response trauma program to provide psychological assistance to persons and communities impacted by a catastrophic event.

The program would be placed within the Department of Health, and the Director is required to appoint at least one emergency response team of five professionals in the fields of psychology and psychiatry who are licensed to practice in the State. The bill also gives the Director of Health the discretion to appoint special emergency response teams as the need arises, and provides for funding to establish the program.

Testimony in support of this bill was received from the Department of Health, the Hawaii Psychiatric Society, and the Hawaii Federation of Physicians and Dentists.

Your Committee made several amendments to the bill as follows:

- (1) Expanded the scope of the program to include "traumatic emergencies";
- (2) Deleted references to "on-site" services and assistance;
- (3) Left the number of members on each emergency response team to the discretion of the director;
- (4) Amended the qualifications of persons to serve on the emergency response teams to include mental health professionals with experience in dealing with catastrophic or traumatic emergency events;
- (5) Required the team leader to possess specialized training in trauma care;
- (6) Provided for a representative from each island except Niihau to be included on the team;
- (7) Appropriated \$45,000 for the establishment of the program; and
- (8) Made several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee finds that during periods following a catastrophic event or traumatic emergency, families and communities turn to government for information and direction toward the restoration of order to their lives. Your Committee believes that prompt response to trauma resulting from catastrophic emergencies significantly improves the recovery rate of persons and communities impacted by such events, and that the State must be prepared to respond promptly and appropriately in such emergency situations.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2356, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2057      Health on S.B. No. 2907**

The purpose of this bill is to provide for various programs promoting quality perinatal care.

Specifically, this bill appropriates funds for:

- (1) The establishment of a hotline referral and resource service for pregnant women and women of child-bearing age to inform them about the value and importance of early prenatal care;
- (2) The establishment of a three-year maternal care incentives demonstration project to encourage pregnant women to seek early prenatal care;

- (3) The establishment of a three-year neighbor island comprehensive perinatal care demonstration project;
- (4) The establishment of a medicaid patient delivery supplement project to increase childbirth delivery payments to medicaid patients; and
- (5) The supplement of the federally funded Women, Infants, and Children (WIC) program, enabling pregnant women to obtain adequate food and nutrition during pregnancy.

Testimony in support of this measure was received from several groups and individuals, including the Department of Health, Department of Human Services, Office of Children and Youth, Hawaii State Commission on the Status of Women, Hawaii Nurses Association, Kapiolani Medical Center for Women and Children, Hawaii Right to Life, and several private health care professionals.

Testimony indicated that in 1986, Hawaii ranked 35th in the nation with only 67 percent of women receiving adequate care during pregnancy. Certain ethnic groups receive even less care: fewer than 55 percent of native Hawaiian women and fewer than 59 percent of Filipino women received adequate care. Your Committee finds that early and sustained perinatal care is a proven, cost effective way of reducing health care costs, low birth weight, and infant mortality. Your Committee believes that this bill takes a comprehensive approach to improving the health of pregnant women in Hawaii as a means of ensuring the best outcome for all births.

Your Committee has amended this bill by: 1) deleting references to "prenatal care" and substituting "perinatal care"; 2) broadening the scope of the comprehensive perinatal care project to any area in the State which has a demonstrated need for such services, and providing for at least three such demonstration projects; 3) expanding the provision of aid from the federal Women, Infants, and Children program to breastfeeding women; and 4) allowing certified nurse-midwives to participate in the medicaid patient delivery supplement project. It is your Committee's hope that most or all of the first three demonstration projects will be located on the neighbor islands where the need is acknowledged and recognized.

In addition, your Committee changed the expending agency for the appropriation to expand the WIC program from the Department of Human Services to the Department of Health, and made a technical amendment to correct a typographical error.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2907, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2058      Health on S.B. No. 3077**

The purpose of this bill is to establish a revolving fund within the Department of Health to support recovering alcohol and drug abusers in compliance with the federal Anti-Drug Abuse Act of 1988 (Public Law 100-690).

This bill provides for loans to establish programs to provide housing for recovering alcohol and substance abusers and gives these individuals the opportunity to develop a new lifestyle free of drugs or alcohol.

Your Committee finds that the State must establish this revolving fund in order to be in compliance with Public Law 100-690 and not endanger the approximately \$7,000,000 it receives in federal mental health and substance abuse/anti-drug abuse grants.

Your Committee has amended this bill by making two technical, nonsubstantive amendments on page 2:

- (1) Line 2: change "costs" to "cost"; and
- (2) Line 6: change "provision" to "provisions."

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3077, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2059      Health on S.B. No. 3190**

The purpose of this bill is to appropriate funds to provide additional ambulance services for the County of Kauai.

Your Committee received testimony in strong support of this bill from the Department of Health, the County of Kauai Fire Department, the Kauai Emergency Medical Services Advisory Council, the Kauai County Medical Society, Kauai Medical Group, Inc., Wilcox Memorial Hospital, Wong Care Home, Inc., and the Kauai Division of the Hawaii Fire Fighters Association.

The Department of Health stated that the appropriate level of service can be achieved by adding one unit to the County's present system. Your Committee believes that one additional ambulance unit is sufficient to service the County of Kauai, and has amended the bill accordingly. Your Committee realizes that this amendment leaves the bill inconsistent

with the title, but feels that the need for service is important enough to use this measure as a means of bringing the issue to the attention of your Committee on Ways and Means.

Your Committee made further amendments to this bill by deleting the appropriation amount and changing the expending agency from the County of Kauai to the Department of Health.

Your Committee finds that the County of Kauai is presently experiencing rapid population growth, creating traffic problems and increased congestion on the highways. This growth has caused delays in emergency service response time and an increased number of emergency calls. Your Committee recognizes that additional services in this area are necessary to maintain the continued health and well-being of the citizens of Hawaii, and finds that this bill will provide much-needed emergency medical services on the island of Kauai.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3190, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2060      Health on S.B. No. 3443**

The purpose of this bill is to appropriate \$70,000 for the planning of services for the frail elderly at Maluhia Hospital.

This bill provides planning money for the replication of the innovative and nationally recognized On Lok model of health care services. Founded in San Francisco's Chinatown district, On Lok is one of the nation's most effective programs providing affordable health care services and housing for the frail elderly.

Specifically, the program has three objectives: (1) to rehabilitate participants through a variety of therapeutic services; (2) to maintain participants' health and independence by providing comprehensive medical, social, and nutritional services; and (3) to sustain the highest possible quality of life and control health care costs through the flexible use of resources.

In 1986, the On Lok program received landmark approval by the U.S. Congress which allows it to operate under special Medicare/Medicaid provisions. On Lok has succeeded in developing a capitated, risk-based system that provides maximum flexibility for services at a fixed rate. Once clients are accepted into the program, they are no longer subject to program limitations because of eligibility requirements tied to different funding sources.

On Lok services range from home visits to on-site adult day health care services to medically assisted housing for the community's low-income elderly, with the goal of working with participants to promote maximum independence.

Your Committee received favorable testimony on this measure from the Department of Health, Executive Office on Aging, Hawaii Long Term Care Association, and American Association of Retired Persons.

The need for long term care is rapidly reaching crisis proportions, with the older adult population in Hawaii growing at a staggering rate of two and one-half to three times faster than the rest of the State's population. Your Committee finds that this increased demand on the long term care system calls for innovation in service delivery and financing mechanisms such as those developed in the On Lok program.

Your Committee amended this bill by: (1) deleting the provision requiring On Lok Senior Health Services staff to conduct the assessment for establishment of the program; (2) providing that a portion of the appropriated funds be used for an interim project director's salary; and (3) making several technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3443, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3443, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2061      Agriculture on S.B. No. 2781**

The purpose of this bill is to amend various chapters of the Hawaii Revised Statutes (HRS), to require State agencies award contracts preferentially to vendors offering recycled products.

Your Committee finds the bill;

Adds two new sections to chapter 103, HRS, which require State agencies to award contracts preferentially to vendors offering recycled paper or contractors utilizing recycled steel construction materials; provided that the product does not exceed the lowest bid by 10%;

Adds a new section to chapter 296, HRS, to require that the Department of Education shall award contracts preferentially to vendors offering recycled plastic products; provided that the product does not exceed the lowest bid by 10%;

Adds conforming language to section 46-65, HRS, to require that county agencies award contracts preferentially to vendors offering park and recreation furniture or playground equipment made of recycled plastic products; provided that the product does not exceed the lowest bid by 10%; and

Repeal the existing definitions in section 103-41, HRS, and insert new definitions therefor.

Your Committee finds there is a need to encourage the recycling industry to produce their products. By endorsing their production by preferentially awarding contracts to such vendors, the State will be taking environmentally responsible steps towards a cleaner and more energy efficient society.

Your Committee has amended the bill by reorganizing the contents of the bill into a new part to be appropriately designated within chapter 103, HRS.

Your Committee has amended the bill further by adding an additional requirement to the list of criteria to be met before a preferentially awarded contract is given. This requirement states that contracts shall be awarded to bidders whose product contains the highest percentage of recycled material; provided that the other requirements set forth are met.

Additionally, your Committee has amended the bill by repealing section 103-41, HRS, in its entirety and replacing it with a new definitions' section.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2781, S.D. 1, and be referred to the Committee on Government Operations.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 2062      Government Operations on S.B. No. 2135**

The purpose of this bill is to enact a new chapter to establish a thirteen member advisory commission to serve as a forum for the discussion and resolution of problems associated with the relationship between county, state, and federal governments.

Your Committee believes that a commission is necessary as a forum for considering problems in intergovernmental relations and as a research body to engage in continuous study of the multiple facets of the relationship. The bill also provides for an annual report to the governor, the legislature, and the county governments. An appropriation is made for a blank amount to be determined by the Committee on Ways and Means.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. 2135 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. 2063      Government Operations on S.B. No. 2937**

The purpose of this bill is to repeal section 84-31.5, Hawaii Revised Statutes (HRS), which requires the State Ethics Commission to: 1) maintain a list of persons who examine financial disclosure statements filed with the Ethics Commission; and 2) inform the person whose disclosure statement is examined the name of the person to whom access has been granted.

Chapter 84, HRS, requires certain state officials and employees to file an annual financial interests disclosure statement with the State Ethics Commission. These disclosure statements are public records, and are thus available for public inspection and duplication.

Your Committee received testimony in support of this bill from the State Ethics Commission, the Office of the Attorney General, and Common Cause Hawaii. Testimony indicated that complaints have been received from the public regarding the requirements in section 84-31.5, HRS, since an individual is usually not required to divulge his or her name in order to examine a public government record. In addition, the State Ethics Commission stated that anyone wishing to keep his or her identity private can easily do so by sending another person to review the public disclosure statement on his or her behalf.

Your Committee finds that the repeal of section 84-31.5, HRS, would be consistent with the Uniform Information Practices Act (UIPA), chapter 92F, HRS, whose purpose is to promote public access to public government records while protecting an individual's right to privacy. The UIPA does not require a person to disclose their identity in order to inspect public government records, nor is there a requirement that the government agency notify the person to whom the public record pertains that access to another has been granted.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2937 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2064      Government Operations on S.B. No. 2813**

The purpose of this bill is to appropriate funds for the Office of Veterans Services to create and develop a special medal of commendation to Hawaii's veterans.

Testimony in support of this measure was received from the Office of Veterans Services and the Kauai Veterans' Council.

Your Committee finds that a special commemorative medal is a well deserved and appropriate means of recognizing the unselfish contributions and sacrifices of Hawaii's veterans.

Your Committee has amended the bill as follows:

- (1) Inserted an appropriation of \$1,000,000;
- (2) Provided that the funds be used to hire staff to administer the program; and
- (3) Authorized the Department of Defense to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to implement the provisions of the bill.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2813, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

**SCRep. 2065      Government Operations on S.B. No. 3449**

The purpose of this bill is to establish a temporary veterans' bonus special fund from which cash bonuses will be paid to any veteran who was a resident of the territory or State of Hawaii at the time of service in any branch of the armed forces of the United States.

Currently, there are approximately 120,000 military veterans residing in the State of Hawaii, of which an estimated fifty percent were residents at the time of their service in the military.

Testimony in support of this measure was received from the Office of Veterans Services, Kauai Veterans' Council, Hawaiian Political Action Council of Hawaii, and World War II, Korean Conflict, and Vietnam War veteran Patti Bird.

Your Committee amended this bill as follows:

- (1) Appropriated a cash bonus of \$1,000 per veteran;
- (2) Provided \$5,000,000 for the veterans' bonus special fund;
- (3) Allowed claims for the cash bonus to be accepted until December 31, 1995;
- (4) Provided that the funds be used to hire staff to administer the fund; and
- (5) Authorized the Department of Defense to adopt rules pursuant to chapter 91, HRS, to administer the fund.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 3449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3449, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

**SCRep. 2066      Transportation on S.B. No. 2239**

The purpose of this bill is to appropriate \$373,000 to be expended by the Department of Transportation for a bikeway and walkway along the state-owned portion of Kaneohe Bay Drive.

Your Committee received supporting testimony from the Department of Transportation and finds that this project is consistent with Bikeplan Hawaii, which proposes a bikelane along Kaneohe Bay Drive.

Your Committee has amended this bill by clarifying that the appropriation is for fiscal year 1990-1991.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2239, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2067      Transportation on S.B. No. 2402**

The purpose of this bill is to provide \$50,000 to be expended by the Department of Transportation for a pedestrian crossing at Laiewai Bridge.

The funds would be derived through issuance of general obligation bonds.

Your Committee received supporting testimony from the Department of Transportation and finds that this project is necessary to eliminate an unsafe and dangerous condition for Laie residents and others who use the bridge.

Your Committee has amended this bill by increasing the appropriation to \$120,000, of which \$20,000 shall be for design and \$100,000 for construction.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2402, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2068      Agriculture on S.B. No. 2473**

The purpose of this bill is to amend section 33, Act 316, Session Laws of Hawaii 1989, which provides that \$170,000 of the general fund appropriation for plant pest control (AGR 122), shall be expended for various fruit fly control and eradication projects in fiscal year 1989-90, and provides that the unexpended amount shall lapse if federal funds are received for the projects. The proposed amendment is to delete the provision for lapsing of the unexpended amount if federal funds are received.

Testimony from the Hawaii Fruit Fly Committee in support of the measure stated that the Committee has not requested any funds for the 1990-91 fiscal year, and that, by amending this provision to not lapse the unexpended funds and delayed spending, the various fruit fly control and eradication projects should be able to continue without any new funding. The funding covered by this bill amounts to \$55,000, which was intended for the registration of necessary chemical combinations under the Federal Insecticide, Fungicide, and Rodenticide Act. The testimony also revealed that these funds will lapse even if the lapsing provision is deleted since the funds are appropriated for the fiscal year 1989-90. Your Committee further finds that the funds cannot be carried over to the next fiscal year by merely inserting a proviso that the funds shall not lapse until June 30, 1991.

Your Committee supports the fruit fly control and eradication program and agrees that these funds should be appropriated for the programs indicated. Your Committee has amended this bill by replacing the substantive provision of the bill and substituting therefor an appropriation of \$55,000 for the 1990-1991 fiscal year for various fruit fly control and eradication programs.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2473, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2069      Corrections on S.B. No. 3299**

The purpose of this bill is to appropriate \$17,400 to the Department of Corrections for a grant-in-aid to the Kauai Child and Family Service to continue its existing substance abuse and family counseling program, and to establish a psychological-educational treatment program at the Kauai Community Correctional Center. These two efforts are part of the comprehensive statewide substance abuse strategy developed by the Department of Corrections specifically designed to contest with the spectrum of problems which can arise during the release process from full incarceration. To facilitate the adjustment in halfway homes and to ease persons into full discharge on parole, non-institutional services dealing not only with narcotics, but also with alcohol and familial abuse have been found to be necessary and remarkably successful.

Your Committee received testimony in support of this bill from the Acting Director of the Department of Corrections and the Vice-President for Program Development of Child and Family Service.

Your Committee on Corrections is in accord with the intent and purpose of S.B. No. 3299 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. 2070      Corrections on S.B. No. 2241**

The purpose of this bill is to appropriate funds to permit the Department of Corrections to purchase technical assistance for the planning and execution of joint venture private sector sponsored prison industries.

Your Committee received testimony strongly in support of this appropriation and its object from the Acting Director of the Department of Corrections and from the Special Master of the Department of Corrections.

Your Committee has amended this bill by leaving blank the appropriation to be determined by the Committee on Ways and Means.

Your committee has further amended this bill by adding the following language to page 3, line 17:

"(6) Assist in the implementation of joint venture industries within facilities owned or leased by correctional industries."

Your Committee on Corrections is in accord with the intent and purpose of S.B. No. 2241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2241, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2071      Corrections on S.B. No. 3456**

The purpose of this bill is to appropriate funds to establish a demonstration program to assist low-risk women inmates with young children.

According to Dr. Meda Chesney-Lind of the University of Hawaii Women's Studies Program, 14.9 percent of the women at the state women's correctional facility are incarcerated for violent crimes. The other 85 percent of the women are non-violent offenders or women who could serve their sentences in alternative settings without posing any risk to the community.

Additionally, your Committee finds that San Francisco's Elizabeth Fry Center, which assists women inmates with children in residential settings, has helped 90 percent of its clients find employment within one year of their release, with only a ten percent recidivism rate.

With impressive results such as these, your Committee finds that the establishment of a program similar to the Elizabeth Fry Center is more than warranted. Your Committee has amended the bill by inserting the amount of \$376,200 as the appropriation needed to fund this pilot project.

Your Committee on Corrections is in accord with the intent and purpose of S.B. No. 3456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3456, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**Screp. 2072      Corrections on S.B. No. 3457**

The purpose of this bill is to appropriate funds to improve inmate grievance procedures in the state corrections system.

Presently, the grievance system for state inmates is in disarray. The resulting inmate frustration, tension, and violence, has led to increased numbers of complaints and law suits.

This bill addresses the problem by adopting the recommendations made in a recent department of corrections report. The report suggested hiring a permanent department-level grievance officer and grievance coordinators at each institution, and instituting a training program to properly instruct administrators and staff.

Your Committee has amended the bill by inserting \$284,453 as the amount appropriated for these purposes.

Your Committee on Corrections is in accord with the intent and purpose of S.B. No. 3457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3457, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**Screp. 2073      Legislative Management on S.B. No. 2338**

The purpose of this bill is to establish an independent fiscal policy office in the legislative branch. More specifically, the bill creates an office of the legislative analyst which is to be administered by a commission on planning and fiscal policy composed of eight legislators, including the presiding officers. The commission, with the assistance of the office of the legislative analyst, will provide the legislature with research, evaluation, analyses, and recommendations regarding state revenues and expenditures, the governor's budget, and economic and fiscal policy.

After due consideration, your Committee has amended this bill as follows:

- (1) The purpose clause has been rewritten to note that most states have an independent fiscal policy office in the legislative branch and to emphasize the need for similar independence for Hawaii's legislative branch;
- (2) The provision from section -4 providing that the funds for the support of the analyst's office be provided in the legislative expenses act has been deleted;
- (3) A provision authorizing the legislative analyst to appoint two assistants, one each for the senate and the house of representatives has been added;
- (4) A provision entitling the legislative analyst and the two assistants to participate in any employee benefit program plan or privilege has been added;
- (5) An appropriation section has been added which provides \$                      for fiscal year 1990-1991 for the operations of the office of the legislative analyst, including the payment of salaries for the legislative analyst and the two assistants and the purchase of necessary equipment;
- (6) A section has been added to require the commission on planning and fiscal policy to submit a report to the legislature no later than twenty days prior to the convening of the 1991 regular session on the progress of the establishment of the office of the legislative analyst; and
- (7) Several technical, nonsubstantive amendments have been made for purposes of clarity and style.

It is the intent of your Committee that this bill provide enabling legislation for the initial creation of the commission on planning and fiscal policy and the office of the legislative analyst. Your Committee believes that when established, the

commission on planning and fiscal policy should further define the functional responsibilities and operational requirements for the office of the legislative analyst. Accordingly, your Committee has refrained from including such specifics in the bill and has instead required the commission to report back to the legislature on such matters.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 2338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2338, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2074 Higher Education on S.B. No. 3003**

The purpose of this bill is to authorize the issuance of general obligation bonds and to make an appropriation for plans, design, construction, and equipment for an agricultural sciences building for four agricultural departments at the University of Hawaii at Manoa.

Your Committee received testimony in support of the bill from the various departments involved, the Vice President for Finance and Operations of the University of Hawaii, and the University of Hawaii Professional Assembly, among others.

Specific problems with the present buildings that house the various departments which would move into the new agricultural sciences building include: inadequate laboratory ventilation in the St. John Hall, termite damage which continues to cause leaks and flooding through the roof of Food Technology Laboratories, and crowded and substandard conditions at Henke Hall which require chemicals to be stored in passageways.

Your Committee agrees that there is a critical need for the new building.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3003 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. 2075 Higher Education on S.B. No. 2935**

The purpose of this bill is to authorize tuition waivers for native Hawaiians attending the University of Hawaii.

Education continues to be a top priority of the legislature. The state must provide its young people with a solid educational foundation to compete actively for jobs not only within the state, but on a worldwide level as well. Unfortunately, educational opportunities are not always equitably distributed. Hawaiians comprise 20.6 percent of Hawaii's population, but represent less than 9.5 percent of the University of Hawaii's student body. The state must make a special effort to provide higher education to Hawaiians and bring parity to educational opportunities at the University of Hawaii.

Your Committee finds that before any kind of financial assistance program for Hawaiians is instituted, a thorough study should be conducted to determine the sources of financial aid available to Hawaiians. Therefore, your Committee has amended the bill by designating the University of Hawaii's Office of Student Affairs as chair of a committee to determine the best means of providing financial aid to Hawaiians. The committee will report back to the Legislature next year with findings and recommendations. The appropriation in the bill was also changed to \$50,000 for the purposes of the study.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2935, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2076 Higher Education on S.B. No. 3470**

The purpose of this bill is to appropriate \$359,388 to establish a University Affiliated Program for persons with developmental disabilities.

Your Committee finds that the University of Hawaii has already established a University Affiliated Program. The Program has been successful in its activities in the areas of interdisciplinary training, research/evaluation, services and dissemination of information related to Hawaii's developmentally disabled citizens.

Your Committee has amended the bill by changing the amount appropriated to \$105,000 to supplement the existing program.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3470, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2077 Government Operations on S.B. Nos. 2371, 2378, 2379, 2381, 2382, 2384, 2387, 2388, 2406, 2415, 2515, 2525, 2554, 2622, 2669, 2748, 2749, 2750, 2753, 3411 and 3425**

The purpose of these bills is to fund various projects in the State of Hawaii.



Your Committee received testimony in favor of all of the measures and finds that these projects are appropriate for the affected communities and will benefit and improve the lives of Hawaii's people.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2371, S.B. No. 2378, S.B. No. 2379, S.B. No. 2381, S.B. No. 2382, S.B. No. 2384, S.B. No. 2387, S.B. No. 2388, S.B. No. 2406, S.B. No. 2415, S.B. No. 2515, S.B. No. 2525, S.B. No. 2554, S.B. No. 2622, S.B. No. 2669, S.B. No. 2748, S.B. No. 2749, S.B. No. 2750, S.B. No. 2753, S.B. No. 3411, and S.B. No. 3425, 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. 2078      Consumer Protection and Commerce on S.B. No. 2109**

The purpose of this bill is to establish a permanent, civil service exempt condominium specialist in the Department of Commerce and Consumer Affairs.

The Department supported the bill and asked that it be amended to include an exempt secretary for the condominium specialist.

Testimony in support of the bill was also presented by the Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Hawaii Association of Realtors, and the Hawaii Leaseholders Equity Coalition. Jean Minton, a condominium owner, recommended that the role of the specialist be expanded to include cooperatives. However, your Committee finds that the title of the bill is too narrow for such an amendment. There was no testimony opposing passage of the bill.

In consideration of the testimony from the Department of Commerce and Consumer Affairs, your Committee has expanded the bill to include establishment of the condominium specialist's secretary position.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2109, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2079      Consumer Protection and Commerce on S.B. No. 2592**

The purpose of this bill is to repeal the requirements that: (1) at least one-third of a domestic insurer's board of directors and at least one-third of each board committee be comprised of persons who are not related to the domestic insurer through its holding company system, i.e. persons who are not officers or employees of the insurer or any entity controlling, controlled by, or under common control with the insurer and who are not controlling shareholders; and (2) one board committee be comprised solely of unrelated persons to act as a financial oversight committee, to nominate candidates for director, to evaluate the performance of principal officers of the insurer, and to recommend to the board the selection and compensation of principal officers.

Your Committee received supporting testimony from the Department of Commerce and Consumer Affairs and Pacific Insurance Company, Ltd.

Your Committee finds that existing insurance and corporation laws provide adequate control and regulatory oversight of domestic insurers without the restrictions to be repealed by the bill. Your Committee further finds that the restrictions to be repealed tend to discourage the formation and operation of domestic insurance companies in Hawaii.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. 2592 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 Nakasato.

**SCRep. 2080      Consumer Protection and Commerce on S.B. No. 2838**

The purpose of this bill is to make permanent the provision in the Insurance Code which requires an advisor, appointed by the Insurance Commissioner, to review applications of captive insurance companies to do business in Hawaii.

Section 431:19-102(f) requires the Commissioner to appoint an advisor who shall be paid not more than \$3,500 for reviewing a pure captive application or \$7,500 for reviewing an association captive or risk retention captive insurance company application. The cost of review is paid by the applicant. This review requirement will automatically be repealed on July 1, 1990 without this bill.

Your Committee received supporting testimony from the Insurance Division of the Department of Commerce and Consumer Affairs and finds that the use of independent advisors has been successful. The Insurance Division currently has five highly qualified independent consultants on its list of advisors who are well-versed in the area of captive insurance. This ensures quality and comprehensive reviews, consistency, and cost effectiveness in the captive application review process.

Your Committee further finds that captive applications are increasing, necessitating a permanent pool of advisors to enable the Division to meet its stated goal of a quick thirty-day turnaround.

Your Committee has amended this bill by authorizing the Commissioner to increase advisor fees.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2838, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2081      Consumer Protection and Commerce on S.B. No. 3239**

The purpose of this bill is to amend the Medicare Supplement Law in response to changes in the federal Medicare program.

The Medicare Catastrophic Coverage Act of 1988 was repealed effective January 1, 1990, affecting certain Medicare benefits and requirements for insurers and policies. This bill provides for the necessary conformance by following the Medicare Supplement Insurance Minimum Standards Model Act adopted by the National Association of Insurance Commissioners. It allows the Insurance Division to make other necessary changes by rule.

Your Committee received supporting testimony from the Insurance Commissioner and finds that this bill is necessary to keep Medicare supplement insurance policies in line with federal standards and requirements.

Your Committee has amended this bill by making nonsubstantive technical changes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3239, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2082      Tourism, Recreation and Planning on S.B. No. 2528**

The purpose of this bill is to provide for expansion of the State recreation area at Hapuna Beach on the island of Hawaii. Specifically, the bill provides for the appropriation of \$700,000 for fiscal year 1990-1991 for acquisition of properties contiguous to the recreation area. The funds appropriated would be expended by the Department of Land and Natural Resources.

Your Committee received supporting testimony from the Board of Land and Natural Resources on this measure.

Your Committee finds that there is a critical need for more public recreational parks in the Kona-Kohala area and that expansion of the Hapuna Beach State recreation area will greatly enhance recreational opportunities available to residents and visitors in this area.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2528 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 McMurdo, Nakasato and George.

**SCRep. 2083      Tourism, Recreation and Planning on S.B. No. 2578**

The purpose of this bill is enhance tourism attractions on the island of Kauai. Specifically, the bill provides for the appropriation of \$100,000 for fiscal year 1990-1991 to assist in promoting and advertising the Prince Kuhio Day Celebration, the Captain Cook Festival, and the Na Holo Kai ("the Seafarers") Oahu-to-Kauai Canoe Race and Festival. The sum appropriated will be expended by the County of Kauai through its Office of Economic Development.

Your Committee received supporting testimony from the State Department of Business and Economic Development, the County of Kauai, the Kauai chapter of the Hawaii Visitors Bureau, the Piopu Beach Resort Association, the 1990 Na Holo Kai Race Committee, the Captain Cook Celebration Committee, and other private organizations.

Your Committee finds that these three events showcase the rich history, culture, and beauty that is unique to Kauai and demonstrate Kauai's special spirit of aloha and celebration. These events are major visitor attractions, and supporting their promotion will focus nationwide and international attention not only on Kauai but on the State as a whole.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2578 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 Nakasato.

**SCRep. 2084      Tourism, Recreation and Planning on S.B. No. 2583**

The purpose of this bill is to appropriate a sum to be identified for fiscal year 1990-1991 for implementation of the West Hawaii Regional Plan. The sum appropriated would be expended by the Office of the Governor.

Your Committee received supporting testimony from the Office of State Planning, which indicated that there is a need for additional assessments and studies and for special implementation and action plans.

Your Committee finds that implementation of the West Hawaii Regional Plan will help to maintain the diversity, character, and beauty of this region's unique natural and cultural resources as well as strike the proper balance between economic development and environmental and other concerns.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2583 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 Nakasato.

**SCRep. 2085      Tourism, Recreation and Planning on S.B. No. 3221**

The purpose of this bill is to amend sections 183D-10.5 and 706-643, Hawaii Revised Statutes, to: (1) clarify that fines (and bail forfeitures) resulting from violations of state hunting and wildlife conservation laws are to be deposited into the wildlife revolving fund; (2) provide that moneys collected from the sale of any article required to be purchased from the Department of Land and Natural Resources in order to hunt, such as game stamps, be deposited into the fund, whether or not the person purchasing the article is a prospective hunter; and (3) provide that moneys collected from the sale of any works of art related to the articles identified in item (2) above be deposited into the fund.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Koko Head Skeet Club, the Sportsmen's Council of Hawaii, and other interested citizens and groups.

Your Committee finds that the clarifications to and additional revenue sources for the wildlife revolving fund proposed in the bill are appropriate in that they would result in additional funds being available for wildlife programs, with hunters being the primary source of the funds.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3221 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 Nakasato.

**SCRep. 2086      Tourism, Recreation and Planning on S.B. No. 3384**

The purpose of this bill is to appropriate a sum to be identified for fiscal year 1990-1991 for preparation of an economic development plan for the Ka'u district on the Island of Hawaii. The sum appropriated would be expended by the Office of State Planning.

Your Committee received supporting testimony from the Department of Business and Economic Development and the Office of State Planning.

Your Committee finds that, because of the declining employment base in the Ka'u district, preparation of a comprehensive economic development plan for this district is a high priority.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3384 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 Nakasato.

**SCRep. 2087      Tourism, Recreation and Planning on S.B. No. 2960**

The purpose of this bill is to amend section 266-21.3, Hawaii Revised Statutes, to authorize the Department of Transportation to arrange for the private operation, maintenance, and management of state small boat harbors.

Your Committee received supporting testimony from the Department of Transportation and the Ala Wai Boat Harbor Advisory Committee to the State Boating Branch. The Department of Transportation requested that the bill be amended to authorize the department to make arrangements for the private management of other boating facilities in addition to small boat harbors, such as the new mooring area being developed in Keehi Lagoon.

Your Committee finds that authorizing the Department of Transportation to make private arrangements for the management of small boat harbors and other boating facilities will give the department the flexibility to achieve more efficient management and control of these facilities.

Your Committee has amended the bill to authorize the Department of Transportation to make arrangements for the private management of "other boating facilities" as well as small boat harbors. Your Committee has also made two technical amendments to the bill which have no substantive effect.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2960, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2088      (Majority) Tourism, Recreation and Planning on S.B. No. 2968**

The purpose of this bill is to create a new division of fish and wildlife within the Department of Land and Natural Resources. The new division would be headed by a deputy director of fish and wildlife. The bill would also appropriate an unspecified amount for fiscal year 1990-1991 for establishment of the new division.

Your Committee received supporting testimony from the Sportsmen's Council of Hawaii and Security Equipment Corporation, and opposing testimony from the Board of Land and Natural Resources. The Board explained that it is in the process of reorganizing the current division of forestry and wildlife of the department.

Your Committee finds that the creation of a new division of fish and wildlife headed by a deputy director would result in better management and control over the State's aquatic and wildlife resources. It would also allow the Department of Land and Natural Resources to more effectively address the needs and concerns of the State's hunters, fishermen, and other persons interested in the State's valuable aquatic and wildlife resources.

Your Committee has amended the bill to:

- (1) Change the effective date of establishment of the new division of fish and wildlife from July 1, 1991 to July 1, 1992, in order to give the Department of Land and Natural Resources sufficient time to plan and implement the reorganization required by the bill;
- (2) Insert \$100,000 as the amount to be appropriated, and change the purpose of the appropriation from establishment of the new division of fish and wildlife to development of plans and specifications for establishment of the new division; and
- (3) Make conforming amendments to sections 76-16, 183-3, and 189G-1, Hawaii Revised Statutes.

Your Committee has also made a number of other technical and clarifying amendments to the bill which have no substantive effect.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2968, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2968, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.  
Senator George did not concur.

#### **SCRep. 2089      Tourism, Recreation and Planning on S.B. No. 2969**

The purpose of this bill is to amend chapter 109, Hawaii Revised Statutes, to: (1) change the title of the stadium authority "manager" to "director"; (2) change the title of the stadium authority "deputy manager" to "deputy director" and authorize the appointment of an additional deputy director; and (3) provide that the director and deputy directors will receive the same compensation as department heads and deputy department heads, respectively, under sections 26-52(3) and 26-53(a), Hawaii Revised Statutes.

Your Committee received supporting testimony from the Department of Accounting and General Services. The Department indicated that the additional deputy director position is necessary because of the added workload at the Stadium associated with increased use and increased maintenance and operational requirements. One deputy would focus on operations and the other would handle promotions, marketing and planning.

Your Committee finds that the amendments proposed in the bill are appropriate in view of increasing activities at the Stadium and its status as a substantially self-supporting operation.

Your Committee has made a technical amendment on page 3, line 1 of the bill changing "directors" to "director".

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2969, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

#### **SCRep. 2090      Tourism, Recreation and Planning on S.B. No. 3127**

The purpose of this bill is to provide for the transfer of certain state parks, recreation areas, beaches, and appurtenances relating thereto to the counties and for the transfer of certain county parks, lands and appurtenances relating thereto to the State. The transfer would take effect on January 1, 1991 and would also include a transfer of certain Department of Land and Natural Resources personnel to the counties and an exchange of records, equipment, and other personal property between the State and the counties. The bill states, in section 5, that if any Act passes the Legislature's 1990 Regular Session providing taxing powers to the counties, the delegation of taxing powers would be deemed to fulfill the requirements of Article VIII, section 5, of the Constitution of the State of Hawaii regarding the payment of costs of programs or services mandated to the counties.

Your Committee received supporting testimony from the Board of Land and Natural Resources and the Department of Transportation. The Board suggested that section 2 of the bill be amended to:

- (1) Transfer lifeguard service responsibility to the counties in connection with Makua Beach and Yokohama Bay on Oahu, Makena (beach area) on the Island of Maui, and Hapuna on the Island of Hawaii, rather than transferring these areas to the counties in their entirety; and
- (2) Add a provision similar to subsection (g) of the bill transferring county park personnel to the State where appropriate.

Your Committee finds that it is in the public interest to transfer various parks, recreation areas, and beaches between the State and the counties as proposed in the bill. These transfers will eliminate jurisdictional overlaps, and result in better utilization of resources and enhanced public services.

Your Committee has amended the bill to make the changes suggested by the Board of Land and Natural Resources. Your Committee has also amended the bill to make its effective date contingent upon an act passing the Legislature's 1990 Regular Session providing taxing powers to the counties. Your Committee has also made a number of technical and grammatical amendments to the bill which have no substantive effect.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3127, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2091      Tourism, Recreation and Planning on S.B. No. 3220**

The purpose of this bill is to: (1) require any person engaging in a recreational ocean use business (a business involving customers riding on, using, operating, or being towed by a vessel or thrill craft) to obtain a commercial ocean use permit, and to pay a permit fee and a surcharge based on a percentage of the gross income derived from the business; (2) establish a water safety enforcement special fund into which the permit fees and surcharges on commercial ocean use permits will be deposited; and (3) delete enforcement of shore waters and beach laws and rules as permissible uses of the boating special fund.

Your Committee received supporting testimony from the Department of Transportation and opposing testimony from the Ocean Recreation Council of Hawaii. The Department of Transportation recommended that the bill be amended so that permit fees and surcharges be deposited into the boating special fund rather than a new water safety enforcement special fund.

Your Committee finds that the rapidly expanding use of State waters for commercial recreational purposes has resulted in the need for increased enforcement efforts and necessitated other capital and operating cost expenditures. Your Committee finds it appropriate to require recreational ocean use businesses to obtain permits and pay reasonable fees.

Your Committee has amended the bill by deleting the provision creating a water safety enforcement special fund as recommended by the Department of Transportation. Your Committee has also amended the bill to authorize the Department of Transportation to establish the level of the commercial ocean use permit surcharge, with a maximum surcharge of ten percent of the gross income of the business.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3220, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3220, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2092      Tourism, Recreation and Planning on S.B. No. 3232**

The purpose of this bill is to appropriate a sum to be identified for fiscal year 1990-1991 for the purchase of a new scoreboard for Aloha Stadium. The sum appropriated would be expended by the Department of Accounting and General Services.

Your Committee received supporting testimony from the Department of Accounting and General Services explaining that the existing scoreboard is fifteen years old, deteriorated, and technologically obsolete, and that continuing maintenance as well as renovation costs are exorbitant. The Department estimated that the cost of a new scoreboard would be \$5,000,000.

Your Committee finds that replacement of the old scoreboard at Aloha Stadium is long overdue.

Your Committee has amended section 1 of the bill to include "\$5,000,000" as the sum to be appropriated.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3233, as amended herein, and recommends that it pass Second Reading in the form attached as S.B. No. 3232, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2093      Tourism, Recreation and Planning on S.B. No. 3233**

The purpose of this bill is to: (1) create a Hawaii Sports Authority with jurisdiction over Aloha Stadium, sports promotion and development, and the planning and development of all new state sports facilities; (2) transfer the responsibilities of the current Stadium Authority to the new Hawaii Sports Authority; and (3) appropriate sums to be identified for fiscal year 1990-1991 for purposes of establishing the Hawaii Sports Authority and defraying its expenses in carrying out its responsibilities under this bill.

Your Committee received supporting testimony from the Department of Accounting and General Services and the Stadium Authority. The University of Hawaii requested that the bill be amended to exclude the University's sports

facilities from the purview of the new Hawaii Sports Authority. This position was supported by the Department of Accounting and General Services, the Stadium Authority, and the City and County of Honolulu.

Your Committee finds that creation of a Hawaii Sports Authority with jurisdiction over Aloha Stadium as well as broad responsibilities for promoting and developing sports facilities and programs will enhance management and coordination of existing sports facilities and programs and will provide for increased recreational opportunities for residents and visitors alike.

Your Committee has amended the bill to incorporate the provisions of the bill into chapter 109, Hawaii Revised Statutes, rather than repealing this chapter. These amendments will result in a change in the name of the "Stadium Authority" to the "Hawaii Sports Authority" and expand the authority's powers to include sports promotion and development and the planning and development of new state sports facilities. Your Committee has also amended the bill to:

- (1) Authorize the Hawaii Sports Authority to plan, develop, and construct both water and land-based sports facilities;
- (2) Authorize the Hawaii Sports Authority to transfer sports facilities under its control to other state departments and agencies, and to accept the transfer of sports facilities from other state departments and agencies;
- (3) Authorize the Hawaii Sports Authority to issue revenue bonds; and
- (4) Eliminate University of Hawaii sports facilities from the jurisdiction of the Hawaii Sports Authority.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3233, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Nakasato.

**SCRep. 2094      Tourism, Recreation and Planning on S.B. No. 3235**

The purpose of this bill is to appropriate a sum to be identified for fiscal year 1990-1991 to develop recreational master plans for Kaneohe Bay and Maunalua Bay. The sum appropriated would be expended by the Office of State Planning.

Your Committee received supporting testimony from the Department of Transportation and the Office of State Planning. The Department of Transportation recommended that \$200,000 be appropriated for preparation of the plans. The Office of State Planning expressed some concerns about the scope of the plans, the appropriate lead agency, and cost estimates.

Your Committee finds that preparation of recreational master plans for Kaneohe Bay and Maunalua Bay is both appropriate and timely in view of increasing use of these areas and uncertainties about carrying capacities.

Your Committee has amended section 1 of the bill to include "\$200,000" as the amount to be appropriated.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3235, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2095      Agriculture on S.B. No. 2317**

The purpose of this bill is to appropriate \$1,000,000 for the establishment of a commercial size tropical fruit disinfestation system on the island of Kauai.

Your Committee finds a commercial size tropical fruit disinfestation system is necessary on the island of Kauai to keep up with the growing tropical fruit production on the island.

Your Committee has amended the bill by reducing the sum appropriated from \$1,000,000 to \$500,000 and by specifying that the sum appropriated shall be expended by the Pacific International Center for High Technology Research for the planning, design, and construction of the facility.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2317, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2096      Agriculture on S.B. No. 2673**

The purpose of this bill is to appropriate funds to establish an ombudsman position at the State's animal quarantine station.

Your Committee finds the services provided by an ombudsman position should already be provided by the existing staff as part of their normal activities.

Your Committee has amended the bill by deleting the substance of the bill and substituting therefor provisions which relate to the falsification of health certificates of animals subjected to quarantine.

The amendments include that any veterinarian who intentionally falsifies a health certificate shall be subject to a fine of up to \$5,000 or one year in jail or both, and any other disciplinary actions the Board of Veterinary Examiners deems necessary.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2673, S.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 2097      Agriculture on S.B. No. 3320**

The purpose of this bill is to amend chapter 143, Hawaii Revised Statutes, by adding a new section which prohibits the slaughter of dogs for the purpose of human consumption and provides a cause of action therefor.

Your Committee finds the bill would make the slaughter of dogs illegal and provides a cause of action against the person slaughtering the dog of \$5,000 per dog slaughtered and the cost of attorney's fees.

Your Committee finds the slaughter of dogs for human consumption to be unnecessary in the State.

Your Committee has amended the bill by specifying that a cause of action may only be brought when the dog to be slaughtered is taken without the consent of its owner.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3320, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2098      Agriculture on S.B. No. 3467**

The purpose of this bill is to appropriate funds to improve the State's animal quarantine facility at Halawa.

Your Committee finds the bill would appropriate a total of \$280,131 to:

Establish the equivalent of one full time permanent technician position;

Purchase position related equipment;

Convert eighteen temporary part-time caretaker I positions to permanent full-time caretaker II positions;

Provide for necessary staff training; and

Purchase necessary diagnostic equipment.

Your Committee finds these improvements necessary for the efficient operation of the quarantine facility.

Your Committee has amended the bill to include a total of four permanent full-time technician positions rather than just one position and adjust the appropriated amount accordingly.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3467, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2099      Energy and Natural Resources on S.B. No. 2224**

The purpose of this bill is to appropriate \$50,000 for continued mahimahi research.

In terms of consumption, mahimahi is Hawaii's most popular fish and second most popular seafood. In recent years, research breakthroughs by the University of Hawaii and the Waikiki Aquarium have pointed to the feasibility of establishing commercial farms and stocking Hawaiian waters to enhance our local fishing industry. Researchers, with financial assistance from the Legislature, have developed hatchery methods and new feed pellets, and increased their knowledge of mahimahi physiology, nutrition, disease susceptibility and genetics.

Presently, sixth generation mahimahi are living in specially designed holding tanks and are producing eggs on a daily basis. The goals of the present research, which will be made possible with the funds provided by S.B. No. 2224, are to develop a better feed pellet, improve hatchery dependability, conduct research on the physiology of mahimahi, and determine optimum stocking densities.

At the hearing on this bill, your Committee received supporting testimony from the Waikiki Aquarium and from the Department of Land and Natural Resources. Your Committee received no testimony opposing the bill.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2224 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. 2100      Energy and Natural Resources on S.B. No. 2706**

The purpose of this bill is to extend the provisions of Act 237, Session Laws of Hawaii 1988, through June 30, 1992; to appropriate an additional \$500,000 for the purposes of that Act; and to delete Act 237's provision requiring reimbursement for the cost of surveying a parcel of land acquired through the Act.

Testimony in support of this administration measure was received from the Department of Land and Natural Resources. Act 237 authorized the department to negotiate long-term leases with certain permittees of agricultural lands who have occupied State lands for long periods of time, but because of their short-term tenure, have not been able to secure financing for improvements to their farms. Section 4 of Act 237 requires that a person acquiring a long-term lease through the Act repay the cost of surveying and subdividing the parcel. The department testified that survey costs range from \$1,200 to \$75,000 per parcel and the total cost of surveying all of the parcels qualified under the Act approaches \$500,000. Act 237's repayment requirement is therefore a strong deterrent to the filing of applications for long-term leases by permittees.

Your Committee finds that the repayment requirement hinders Act 237's original intent to allow long-time permittees of the State to convert to long-term leases so as to facilitate the financing of improvements to their farms, and should be deleted. Your Committee also finds that the funds appropriated by this bill are necessary to further the purposes of Act 237.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2706 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. 2101      Energy and Natural Resources on S.B. No. 3413**

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$200,000, or so much thereof as may be necessary for fiscal year 1990-1991, to support the continuation and expansion of the Community Geothermal Technology Program for research into new areas of application of geothermal resources.

Favorable testimony was received from Department of Business and Economic Development, the Hawaii Natural Energy Institute, and the President of Olokele Sugar Company.

N.A. Ludwig of the Oahu Rainforests Action Group, a private citizen, opposed the bill on the basis that the bill supported geothermal development.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3413 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. 2102      Energy and Natural Resources on S.B. No. 3416**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Puna Geothermal Venture in financing geothermal energy projects in Puna, Hawaii.

Your Committee heard testimony supporting this bill from the Department of Business and Economic Development, the Hawaiian Electric Company, Inc., and Ormat/Puna Geothermal Venture.

Your Committee also heard testimony from a representative of the Rainforest, claiming that Ormat does not qualify as a public utility and therefore is not eligible to utilize special purpose revenue bonds. Upon questioning the department, the Committee was informed that Ormat may be eligible.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3416 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. 2103      Energy and Natural Resources on S.B. No. 3421**

The purpose of this bill is to amend Act 263, Session Laws of Hawaii 1987, to authorize the additional issuance of special purpose revenue bonds in the amount of \$5,000,000 to assist Mauna Kea Power Company in the construction and operation of a hydroelectric power plant on the Honolii Stream in the County of Hawaii. The bill would also amend Act 263 to authorize the use of the proceeds from the sale of special purpose revenue bonds to pay off any interim financing obtained to initiate project construction.

Your Committee received supporting testimony from the Department of Business and Economic Development and Mauna Kea Power Company, Inc.



Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3421 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. 2104      Energy and Natural Resources on S.B. No. 3412**

The purpose of this bill is to express the State's commitment to the development of alternative ground transportation fuels and to supplement funding already earmarked for biomethanol research.

Supporting testimony was presented by the Department of Business and Economic Development (DBED), the Pacific International Center for High Technology Research (PICHTR), the Hawaiian Sugar Planters' Association, and the Hawaii Natural Energy Institute.

In 1987, the Legislature appropriated \$2,000,000 in matching funds for this federally supported project. The need now is to add an additional \$2,000,000 which will be matched by \$1,000,000 from the local consortium to bring the state and consortium funding to \$5,000,000. The consortium now consists of the Institute of Gas Technology, R. M. Parsons, Inc., Hawaii Commercial and Sugar Company, Hawaii Natural Energy Institute, and Pacific International Center for High Technology Research.

As testified by Hawaii Natural Energy Institute, from the standpoint of cost-effectiveness, energy and environmental security, the current stage of development of support infrastructure, and benefit to Hawaii's economy and agribusiness, biomethanol appears to be the ideal alternative ground transportation fuel for Hawaii.

The Hawaiian Sugar Planters' Association stated that the utilization of existing or expanded biomass resources will improve land utilization throughout the state while at the same time helping to reduce the effect of global warming by decreasing the use of fossil fuel.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3412 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. 2105      (Majority) Energy and Natural Resources on S.B. No. 2222**

The purpose of this bill is to raise the tax credit for solar or wind energy devices, heat pumps and ice storage systems from 20 percent to 25 percent, effective December 31, 1989.

Your Committee heard testimony in support of the bill from the Department of Business and Economic Development (DBED), Hawaiian Electric Co., Inc., GASCO, and the League of Women Voters. DBED supports the intent of the bill but recommended that the tax credit be increased from the proposed 25 percent to 50 percent to stimulate the use of solar energy and reduce Hawaii's consumption of fossil fuel. GASCO supports the bill with a provision to include tax credits for the purchase of gas water heaters, and the League of Women Voters recommended the inclusion of transient accommodations in the bill.

Your Committee also heard opposing testimony from the Department of Taxation indicating that the installation of alternative energy saving devices should be based on energy conservation savings rather than a tax credit. A recommendation in the Tax Review Commission's report to permit special interest credits to expire as scheduled was also cited.

Your Committee has amended this bill to add efficient gas water heaters, as set forth in ASHRAE Standard 90A, Sec. 7.3.1.2, and solar thermal power generation systems as items to which the tax credit is applicable. The tax credit for solar devices only was increased from twenty-five percent to fifty percent.

Your Committee has also made a few technical amendments with no substantive effect.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2222, S.D. 1, and be referred to the Committee on Ways and Means.

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

**SCRep. 2106      Energy and Natural Resources on S.B. No. 2320**

The purpose of this bill is to establish and fund a statewide low interest loan program and revolving fund for the installation of residential solar water heaters and heat pumps.

Your Committee heard testimony in support of the bill from the Department of Business and Economic Development and the League of Women Voters.

Your Committee has amended this bill to provide low interest loans for solar water heaters only. Technical, non-substantive amendments have also been made for the purpose of consistency.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2320, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2107      Energy and Natural Resources on S.B. No. 2324**

The purpose of this bill is to appropriate funds for the Pacific International Center for High Technology Research (PICHTR) to design and construct a precommercial sized closed-cycle ocean thermal energy conversion (OTEC) plant at Keahole Point on the island of Hawaii.

In response to depleting world energy supplies, the legislature has moved in several directions to make the State energy self-sufficient. In 1988, the legislature invested \$5,000,000 in a seawater system to support a 500kW<sub>e</sub>-1 m.w. OTEC plant. This bill furthers the legislature's goal of energy self-sufficiency by appropriating funds to develop a closed-cycle OTEC plant at Keahole Point.

The bill would allow PICHTR to form a team that would showcase Hawaii's ocean science and engineering community's contribution to the OTEC system. It is contemplated that the team will include: the Hawaiian Electric Company, Makai Ocean Engineering, Inc., R. M. Towill, Inc., Edward K. Noda & Associates, Oceanit Laboratories, Inc., and Hawaiian Dredging and Construction Company.

PICHTR gave testimony supporting the bill as written. The Department of Business and Economic Development (DBED), however, objected to the language in section 3 giving PICHTR's president the authority to determine the manner in which the appropriation would be expended. Your Committee believes that DBED's objection is well taken and has amended the bill by deleting the objectionable language and replacing it with a provision requiring DBED to expend the appropriation through a contract with PICHTR "that will best effectuate the purposes" of the bill.

Your Committee has further amended the bill to more clearly define the type of OTEC plant that is to be designed and constructed.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2324, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2108      Energy and Natural Resources on S.B. No. 2394**

The purpose of this bill is to appropriate an unspecified sum to the Commission on Water Resource Management to conduct an investigation into the source of problems related to water shortages at Hawaiian Home Lands homesteads in Waimea, Hawaii, and Kekaha, Kauai.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands, the Department of Land and Natural Resources, the State Council of Hawaiian Homestead Associations, and the Aged Hawaiians/Humuula Applicants/Kawaihae Homesteaders.

Your Committee finds that a major impediment to the utilization of Hawaiian Home Lands homesteads is the lack of water to develop the lands. The water shortage is especially critical at Puu Opae and Kekaha, Kauai. Your Committee finds that an investigation into the water supply problems at specific Hawaiian Home Lands sites is in order.

Based on testimony from the Department of Hawaiian Home Lands and from the Department of Land and Natural Resources, your Committee finds that in Waimea, Hawaii, there is no need for an investigation into its water supply problems and therefore has deleted this area from the bill. The bill was also amended to include the Puu Opae homestead area in the Kekaha water supply investigation. Your Committee finds that \$100,000 is required to fund the investigation and has amended the bill to reflect this.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2394, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2109      Energy and Natural Resources on S.B. No. 2416**

The purpose of this bill is to appropriate \$800,000 for a study to determine the feasibility of cleaning the Ala Wai Canal.

The Ala Wai Canal is one of a few bodies of water on Oahu that are accessible, calm and protected. It has long been recognized as a valuable resource for water-based recreational activities, especially canoe paddling and kayaking. There are presently about ten canoe clubs actively using the Ala Wai Canal on a daily basis and recent surveys indicate that there will be a steady increase in usage in the future.

It is widely agreed among state and city officials, and representatives of scientific, business and environmental groups, that the Ala Wai Canal has become a health hazard and an eyesore. Representatives of both the city and state recognize

that the Ala Wai Canal project must be a joint commitment and have assured your Committee of fiscal and administrative support.

This bill addresses the feasibility of cleaning the Ala Wai Canal. The feasibility study would determine (1) methods of increasing water flow in the canal; (2) the costs of cleaning the canal, from planning to construction; (3) the environmental impact; (4) methods of preventing litter and other non-point source pollution; (5) a schedule for the project's completion; and (6) the costs of maintaining a clean canal. The bill also requires the preparation of an environmental impact statement.

Your Committee received supporting testimony from the State Departments of Land and Natural Resources, Transportation, and Health; the Sea Grant Extension Service of the University of Hawaii, and the Environmental Center; the City and County of Honolulu Departments of Public Works and Parks and Recreation; Honolulu Councilmember Neil Abercrombie; the McCully/Moiliili Neighborhood Board No. 8 and the Waikiki Neighborhood Board No. 9; the Waikiki Improvement Association; the Ala Wai Boat Harbor Advisory Committee; the Hawaii Yacht Club; the Ocean Recreation Council of Hawaii; the American Association of University Women; and from several individual citizens.

Your Committee has adopted recommendations to amend the bill by requiring the preparation of "plans and design" necessary to clean the Ala Wai Canal, rather than a feasibility study. Your Committee also deleted items (3) and (4) of section 2 of the bill.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2416, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2110      Energy and Natural Resources on S.B. No. 2740**

The purpose of this bill is to further economic development in Hawaii by appropriating \$1,000,000 to the Pacific International Center for High Technology Research (PICHTR) for the expansion of its efforts to promote the transfer of technology to local businesses. Under the bill, PICHTR's activities will include overseeing the undertaking of joint development projects with international entities and the provision of technical assistance to local industry.

Favorable testimony was submitted by PICHTR, which is familiar with the needs of local industry and adept at bringing attention to those needs in its interactions with the academic community.

The Honolulu Poi Company supported the bill and emphasized that the ability of PICHTR to maintain the confidentiality of technical information makes it a very good partner in the development of new commercial products in Hawaii.

While the Department of Business and Economic Development (DBED) concurred with the purpose of the bill, it objected to language giving the President of PICHTR the authority to determine how the funds will be expended. Your Committee has adopted DBED's position and deleted this language from the bill.

Your Committee wishes to point out, nonetheless, that it is the intent of the Legislature to have DBED contract with PICHTR for high technology research to execute the provisions of this bill.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2740, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2111      Energy and Natural Resources on S.B. No. 3287**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$119,000,000 for capital improvement projects relating to furnishing electric energy to the general public.

The bill also extends the statutory authorization to issue such special purpose revenues under part VI of chapter 39A, Hawaii Revised Statutes, from December 31, 1991 to December 31, 1995.

The bonds issued under this bill will provide up to \$60,000,000 to Hawaiian Electric Company on Oahu, \$19,000,000 to Hawaii Electric Light Company on the Big Island, and \$40,000,000 to Maui Electric Company, Ltd., all for essential capital improvement projects which your Committee has determined will facilitate the distribution of electric energy to the general public and are therefore in the public interest.

Your Committee has amended this bill by deleting the word "no" from page 5, line 6 for the purpose of clarification.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3287, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2112      Energy and Natural Resources on S.B. No. 3289**

The purpose of this bill is to allow the Pacific International Center for High Technology Research (PICHTR) to pursue the development of the integrated model utility concept. In cooperation with the Hawaii Natural Energy Institute, activity will focus on evaluating existing energy resource data on the islands of Maui, Lanai, and Molokai to target sites for the model utility and to develop energy resource measurement stations.

Favorable testimony was presented by PICHTR, indicating that it was aware of the excellent prior work that has been done on solar energy. This bill will build on the previous data base and will be site specific. The program outlined in the bill supports the U.S. Renewable Energy Commerce and Trade Committee's effort to develop a demonstration showcase of utility scale for U.S. solar energy equipment which can be evaluated by foreign buyers for purchase and import. The Maui, Lanai, and Molokai utility complex was selected as an ideal location for this demonstration project. PICHTR, the Maui Electric Company, the Maui Economic Development Board and DBED have a proposal that is likely to be accepted by the U.S. Department of Energy. Affirmative action by the Hawaii State Legislature on this appropriation will indicate Hawaii's sincerity in its support of this worthwhile federal program.

The President of Maui Electric Company also supported the bill, stating that it is a key to the State's goal of energy self-sufficiency. Further, the State will serve as a proving ground for the rest of the nation.

Supporting testimony was presented by the Department of Business and Economic Development (DBED). The department pointed out that it has already done much solar energy inventorying and the proposed solar energy study should build on that work. DBED had reservations concerning the following language of the bill: "The president of PICHTR shall determine how the sums shall be amended." Hence, your Committee has amended the bill to delete it. Your Committee wishes to point out, nonetheless, that it is the intent of the Legislature to have DBED contract with PICHTR for high technology research to execute the provisions of this bill.

Your Committee has also made several technical and grammatical amendments which have no substantive effect.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3289, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

#### **SCRep. 2113      Energy and Natural Resources on S.B. No. 3331**

The purpose of this bill is to appropriate \$100,000 to develop a master plan for energy corridors for the island of Hawaii.

Testimony in support of the bill was received from the Department of Business and Economic Development, Office of State Planning, and Hawaiian Electric Co., Inc.

Your Committee has amended this bill by:

- (1) Increasing the appropriation from \$100,000 to \$150,000;
- (2) Designating the Department of Business and Economic Development as the lead agency to develop the master plan; and
- (3) Providing for the expenditure of the appropriation by the Department of Business and Economic Development.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3331, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

#### **SCRep. 2114      Energy and Natural Resources on S.B. No. 3414**

The purpose of this bill is to appropriate \$400,000, for the University of Hawaii, Hawaii Undersea Research Laboratory (HURL) to purchase an ocean floor navigation system and a conducting cable to allow the use of Remotely Operated Vehicles (ROV's) on the ocean floor.

HURL presently has two deep diving submersibles and is expanding its deep sea research capability by building a dedicated mother ship to support its operations. HURL is in the process of requesting \$3,325,000 from the National Oceanic and Atmospheric Administration (NOAA) to support its expanded deep sea research capability. Woods Hole Institute/Massachusetts Institute of Technology is the only other academic institute in the United States with a deep sea research capability.

Your Committee received supporting testimony from HURL, Makai Ocean Engineering, Inc., the Center for Ocean Resources Technology, and the Advanced Projects Division of Dillingham Construction Pacific. In addition, your Committee received strong supporting communications from Senator Daniel K. Inouye and from Representative Daniel K. Akaka. Representative Akaka noted that this appropriation will augment the \$3 million that Congress earmarked for HURL's operations for fiscal year 1990.

The Director of HURL testified that in addition to the items and amounts listed, an additional \$250,000 is needed to establish a fully integrated system. The additional money will be used to purchase, in addition to the mini-ROV currently scheduled to be purchased with federal funds, a heavy ROV that could be used for scientific/rescue/recovery operations on

the ocean floor. This fully integrated system will not only significantly enhance HURL's unique research capabilities, but will also facilitate HURL's ability to get additional funding for other projects. It will also give HURL the capability of investigating expeditiously the more than 100 seamounts in the Hawaiian EEZ. It will make possible fisheries investigations of great significance to Hawaii over a much wider area at a fraction of the cost of a manned submersible expedition.

Your Committee has amended the bill to appropriate \$250,000 for the acquisition of a remotely operated vehicle.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3414, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2115      Energy and Natural Resources on S.B. No. 2321**

The purpose of this bill is to require all new residential units which are constructed after December 31, 1990 to include solar water heating units or heat pumps.

Your Committee heard testimony in support of the bill from the Department of Business and Economic Development (DBED), GASCO, the Plumbing & Mechanical Contractor's Association of Hawaii (PAMCA), the League of Women Voters (LWV), and the State Housing Finance and Development Corporation.

DBED supported the intent of the bill but favored H.B. No. 3299 which mandates solar water heating or heat pumps in new residences and increases the tax credit to 50% for such devices. GASCO would support the bill if gas water heaters were included. PAMCA's concern was the supply, inventory, and pricing problems associated with the date "December 31, 1990" on page 1, line 7 and recommended changing it to June 30, 1991. The LWV supported the bill with its only concern being the exemption of transient accommodations.

Your Committee heard testimony in opposition to the bill from Hawaiian Electric Co., Inc. (HECO) and the Hawaii Housing Authority (HHA). HECO testified that mandatory installation of solar water heaters is undesirable and that the tax credit provided under S.B. 2222 is the best method to increase the use of solar or heat pump units. The HHA initially opposed the bill because of rapidly changing technology, cost effectiveness, and the need for flexibility, but later indicated that it would support the bill if housing projects located in areas of low insulation (limited sunlight) and multiple family buildings designed with insufficient roof area to install solar heating units were exempted from the law.

With due consideration to the recommendations made at the hearing, your committee has amended the bill by qualifying the bill's application to water heaters at new "state subsidized" residential dwellings; by deleting heat pumps from the bill; by extending the building permit issuance date after which buildings must be in compliance with the bill; and by exempting buildings that are located in areas of low insulation or that have inadequate roof area to reasonably operate solar heaters.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2321, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2116      Energy and Natural Resources on S.B. No. 3028**

The purpose of this bill is to amend section 205-4(g), Hawaii Revised Statutes, to allow the Land Use Commission to attach a condition to a boundary amendment decision which would void the boundary amendment when substantial commencement of the approved land use activity does not occur in accordance with representations made by the petitioner.

Testimony was presented by the Office of State Planning, the State Land Use Commission, and the City and County of Honolulu Department of General Planning. The land use statutes currently allow the Commission to impose conditions which will assure substantial compliance with representations made by the petitioner. This measure clarifies the Commission's authority to impose a specific condition to downzone property in the event that the petitioner does not develop the property in a timely manner. Vacant land with the appropriate state and county land use designations is often subjected to undesirable private land speculation and uncertain development schedules. Such speculation and untimely development inflates the value of land, increases development costs, and frustrates federal, state, county, and private coordination of planning efforts, adequate funding, public services, and facilities.

Based on the Land Use Commission's testimony, your Committee has amended the bill by adding a new section 2, which amends section 205-17(a), Hawaii Revised Statutes, to require the Land Use Commission to specifically consider the representations and commitments made by the petitioner in securing a boundary change.

Your Committee believes that required adherence to timely development and use of land, as proposed by this measure, is appropriate for comprehensive land use planning and development in the State.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3028, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2117 Education on S.B. No. 2500**

The purpose of this bill is to appropriate \$382,200 for fiscal year 1990-1991, for twenty-five library assistant positions as part of the first step to deliver high quality library service in our schools.

Your Committee finds that there is a need for these library assistant positions to help librarians better assist teachers and students in our public schools.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2500 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. 2118 Education on S.B. No. 2880**

The purpose of this bill is to appropriate \$896,180 to fund and service ten new training positions and four adjunct faculty positions to complete, and to implement fully, the Cohort Training Program in the Department of Education.

Your Committee received testimony from the Superintendent of Education who stated that this Program, first funded at forty positions during last year's session, was the Department's response to the fact that in the next ten years not less than sixty percent of all principalships in the State's schools will have to be replaced because of normal attrition due to deaths, retirements, and promotions. Implementation of this program will provide fifty persons per year who are eligible and fully trained for appointment to these principalships.

The Superintendent further stated that the Cohort Training Program succeeded because its content and duration of one school year provided the interns assigned, vice-principals, and others both the training and the experience demanded prior to any person's functioning adequately as a principal. This Program content consists in a field based emphasis, strong on-the-job training components, visitations, classroom observations of methods, focused participation and practice, and case study practices. One major method emphasized with each intern provides for the intern to shadow an accomplished principal in his daily rounds, thus providing a positive role model, an on-the-job instructor, and a mentor competent to explain, on the spot, the reasons, theory, and demeanor employed in working with students, faculty, and parents. This method also permits the principal or faculty member to assess his own performance on the spot, thus allowing discussions of degrees of success, alternatives, next moves, and an array of anticipated results.

Your Committee also received testimony strongly supporting this Program and appropriation from the Executive Director of the Hawaii School/University Partnership and the Educational Officer of Unit 6 of the Hawaii Government Employees Association.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2880 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. 2119 Education on S.B. No. 3025**

The purpose of this bill is to establish a storeroom for Department of Education supplies and a revolving fund for receiving proceeds from the storeroom's activities and purchasing new supplies and services needed to operate the storeroom.

Moneys in the fund would be derived from charges to schools for supplies and the cost of issuing supplies, and from transfers from other accounts and funds. Balances in the fund in excess of \$400,000 will lapse into the general fund at the end of the fiscal year.

Currently, revenues derived from sales to schools are immediately deposited into the general fund.

Your Committee received supporting testimony from the Superintendent of Education and finds that this bill will allow the Department to make purchases according to the best economical quantity and accumulate money to make larger purchases.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3025 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. 2120 Education on S.B. No. 3327**

The purpose of this bill is to appropriate \$25,000 for fiscal year 1990-1991 to be expended by the Department of Education to begin implementing the school inspection program.

Act 369, Session laws of Hawaii 1989, established the program, and in response representatives from the Board of Education, state agencies, labor, student organizations, and the general public formed a committee to formulate the program details, which were tested in January of this year.

Your Committee received supporting testimony from the Superintendent of Education and finds that these moneys are needed to allow the inspection team to conduct inspections at the schools in the public school system. The Department of

Education will report to the 1991 legislature on the findings of the team and recommend any changes which may be necessary to improve the physical conditions of the various public school plants.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3327 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. 2121      Education on S.B. No. 2250**

The purpose of this bill is to provide a general excise tax exemption for amounts received from the sale of goods and services by support groups organized to benefit or assist a public school.

The bill requires that to be eligible for the exemption, such sales and services must be part of a fundraising activity put on primarily by volunteers of the support group and that any profits be used solely and exclusively for the particular school's educational program. Activities of a support group would be limited to two consecutive months, and only one fundraising activity would be allowed per twelve-month period. The exemption would apply to gross proceeds of not more than \$10,000.

Your Committee finds that fundraising by a volunteer support group to benefit a particular school's educational program is consistent with efforts to implement school-community-based management. However, your Committee finds that the bill is unclear as to whether a fundraising activity which raises more than \$10,000 would be ineligible for the exemption or whether the ineligibility would apply only to amounts raised in excess of \$10,000. The language of the bill also seems to differentiate between a support group's "activities" and "fundraising activities."

Therefore, your Committee has amended this bill by clarifying that the exemption applies to the first \$10,000 per year raised by a support group in fundraising activities. It is the intention of your Committee that amounts raised by such groups in excess of \$10,000 per year should be taxed, but that groups should be able to do as much fundraising as they want. This amendment also clarifies that this bill relates only to general excise tax exemptions and does not limit the number or kinds of non-fundraising activities a support group may carry out in behalf of a school.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2250, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2122      Education on S.B. No. 2493**

The purpose of this bill is to appropriate a sum to be identified for fiscal year 1990-1991 to fund one high school counselor and one intermediate school counselor for each of the seven Department of Education school districts.

Your Committee received supporting testimony from the Department of Education, the Hawaii State Teachers Association, and a concerned counselor.

Your Committee finds that additional counselors are needed to provide assistance to Hawaii's students. The counseling needs of intermediate schools are already being met according to Department of Education goals of one counselor for each 350 students. Your Committee further finds that, while there is a need for as many as 93 additional elementary school counselors, provision of high school counselors is a higher priority.

Your Committee has amended the bill to provide that the sum to be appropriated is \$450,000 and to provide that these funds will be used to fund eighteen high school counselors, rather than seven high school counselors and seven intermediate school counselors. This appropriation will allow the Department of Education to meet its goal of having a ratio of one high school counselor to each 350 students.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2493, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2123      Education on S.B. No. 2596**

The purpose of this bill is to appropriate \$4,000,000 for fiscal year 1990-1991 to provide supplemental compensation for coaches, with the Department of Education and the exclusive representative for bargaining unit 5 jointly determining the distribution of the sum appropriated in accordance with applicable collective bargaining laws and agreements.

Your Committee received supporting testimony from the Department of Education, the Chairperson of the Honolulu School District High School Principals' Group and principal of Roosevelt High School, the Oahu Interscholastic Association, the Hawaii State Teachers Association, and other interested principals and athletic directors.

Your Committee finds that coaches are dedicated and committed to our youth and sports above and beyond the compensation afforded to them. Current compensation for coaches is inadequate and below the compensation afforded persons in other comparable positions. This situation is resulting in the loss of good coaches. Your Committee finds that action must be taken now to attract and retain qualified coaches.

Your Committee has amended the bill to reduce the amount to be appropriated to \$2,600,000 to reflect the fact that \$1,600,000 is already available to pay additional compensation to coaches. Your Committee has added a new section to the bill to provide that the sum appropriated may be expended upon an agreement being reached between the board of education and the exclusive representative for unit 5, without the need for further submissions to or approval by the legislature or the governor. Your Committee has also made several other amendments to the bill which have no substantive effect.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2596, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2124      Education on S.B. No. 2614**

The purpose of this bill is to provide funds for one hundred percent implementation of the new staffing goals for special education students.

Your Committee has received testimony from the Superintendent of Education stating that in order for the legislature to reach its one hundred percent goal, additional funding and personnel are necessary.

Your Committee has, therefore, amended the bill to increase the level of funding from \$1,823,449 to \$2,903,656 and the number of special education positions from 87 to 152 to carry out the purposes of this Act.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2614, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2125      Education on S.B. No. 2819**

The purpose of this bill is to appropriate \$2,682,430 for fiscal year 1990-1991 to be expended by the Department of Education for additional vice principals in the public schools.

The amount is derived from a formula which would assign a first vice principal to any school with at least 400 students, and additional vice principals for each increment of 400 students thereafter.

Your Committee finds that the formula should be based on schools with enrollments of 500 or more without regard to subsequent increments of student population. Applying this standard, there is a need for 42 additional vice principal positions at a cost of approximately \$1,469,832. Your Committee also finds that there are six schools within ten students of the 500 student enrollment standard. If each of these schools should reach the 500 student mark, the cost of additional vice principals would be an additional \$209,976.

In consideration of the specific numbers which your Committee was able to derive, and anticipating the need for an additional ten vice principals, your Committee has amended this bill by changing the total appropriation to \$1,679,808. Consistent with this amendment, your Committee has deleted the third paragraph of section 1 of the bill and inserted language consistent with the formula used to derive the amended appropriation amount.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2819, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2126      Education on S.B. No. 3305**

The purpose of this bill is to appropriate funds for fiscal year 1990-1991 to be expended by the Department of Education to give room cleaners and adult supervisors a raise from \$4 to \$6 per hour.

Your Committee recognizes that the base salary for room cleaners and adult supervisors in the public schools is too low to ensure a pool of qualified individuals to carry out these important duties. The raise contemplated by this measure would help to ensure that our schools maintain health and safety standards and are good learning environments.

Your Committee has amended this bill by inserting \$1,186,039 as the amount of the appropriation.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3305, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2127      Education on S.B. No. 3024**

The purpose of this bill is to enable the Department of Education to establish a checking account with working capital.



Money in the account would be derived from advances from the state treasury in the form of warrants in amounts and times agreed upon by the Governor or the Director of Finance and the Department of Education.

Your Committee heard supporting testimony from the Superintendent of Education and finds that the authorization provided by this bill is needed for the Department's Vendor Payment System. Currently the Department is authorized to pay its vendors but has no means to establish a checking account or generate working capital except by tapping an appropriation account. Reimbursements from the Department of Accounting and General Services take approximately ten days. This bill will allow the Comptroller to furnish the Department with working capital while waiting for reimbursement of actual expenditures.

Your Committee has amended this bill by making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3024, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2128      Education on S.B. No. 3313**

The purpose of this bill is to appropriate \$3,840,000 for fiscal year 1990-1991 to be expended by the Department of Education for 300 general aide positions to be assigned to the 231 public schools in Hawaii on the basis of need.

These positions will provide schools with manpower needed to deliver campus supervisory, clerical, and other support services. Larger schools will receive more positions than smaller schools.

Your Committee received supporting testimony from the Superintendent of Education, HSTA, school principals, and others, and finds that all of Hawaii's public schools need additional positions to help with activities such as contacting parents of absent children, supervision of JPO daytime campus security, breakfast-lunch supervision, etc. This appropriation will enable the schools to meet their varying responsibilities and needs.

Your Committee has amended this bill by including library and security services in the list of activities which would come under the category of general aide, and by specifying that all positions created by this measure shall be permanent. Your Committee has further amended the bill by changing the amount of the appropriation to \$4,845,000, based upon figures provided by the Department.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3313, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2129      Education on S.B. No. 3326**

The purpose of this bill is to establish an emergency education fund in the Department of Education.

The fund would be administered by the Superintendent of Education and used within the Department to fund shortages in fixed expenditures, hire teachers and other personnel to compensate for increased enrollments, and finance other critical services for which provision has not been made in the executive budget. Moneys in the fund will be derived from public and private sources. Private contributions shall be accounted for in accordance with the wishes of donors.

The bill also provides an appropriation to the Department of \$5 million to start the fund.

Your Committee received enthusiastic support for this bill from the Superintendent of Education, the HSTA, and the Chamber of Commerce, and finds that the Department needs approximately \$5 million in additional funding each year to meet the varying fiscal needs of each school in the public school system. Some need additional funds for more teachers, some need equipment and supplies, and the inability to meet these needs is contrary to the best interests of education in Hawaii and retards implementation of school/community-based management.

Your Committee has amended this bill by consolidating the three sections which would be added to chapter 296 into one section, and by making nonsubstantive clarifying language changes. Your Committee has also indicated that the appropriation shall be expended by the Department of Education and shall be effective July 1, 1990.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3326, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2130      Judiciary on S.B. No. 2288**

The purpose of this bill is to establish a special fund into which will be deposited fines and fees collected from Supreme Court Law Library patrons.

Testimony in support of the bill was received by the Judiciary, who indicated that the special fund will give the Law Library a means to replace lost, unreturned, damaged, missing, stolen and superseded library materials with monies paid by those patrons who contribute to said shortages.

Your Committee on JUDICIARY is in accord with the intent and purpose of S.B. No. 2288, and notes that the legislature has created similar special funds for both the University of Hawaii Libraries and the State of Hawaii general public library. Your Committee recommends that S.B. No. 2288 pass Second Reading in its original form and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2131      Judiciary on S.B. No. 2570**

The purpose of this bill is to appropriate monies for the second phase of redesigning the State Offender-Based Transaction Statistics/Computerized Criminal History program.

Testimony in support of the bill was submitted by the Attorney General. He described the system, which is presently being operated by the Hawaii Criminal Justice Data Center. It was designed to accumulate offender information from all State, City and County criminal justice agencies. The Attorney General revealed that the foregoing agencies are required by statute to regularly put information into the system, but that due to said agencies' failure to do so, the system is suffering problems that impede its full implementation. The end result is that the subject agencies continue to rely heavily on their own systems, creating inefficiency and inadequate information. In 1988, a management study of the system was conducted by the Legislative Auditor.

The Attorney General testified that the Legislative Auditor recommended a two year plan of corrective measures. In 1989, the Legislature appropriated \$600,000 to fund the first phase of the Auditor's plan. The request for additional funds is to address the second year of activities recommended by the Legislative Auditor.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2570 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. 2132      Judiciary on S.B. No. 2938**

The purpose of this bill is to increase the number of exemptions permitted under H.R.S., Section 76-16(9), by adding one law clerk for the Civil Administrative Judge, First Circuit; one law clerk for the Civil Motions Judge, First Circuit; one law clerk for the Criminal Motions Judge, First Circuit; and two law clerks for the Administrative Judge of the District Court, First Circuit. While all of these positions are currently filled and have received funding, the bill seeks to change the law by conferring statutory authority on the judges to fill them.

Supporting testimony was received by the Judiciary who indicated that there is a critical need for all of the additional positions due to the increasing workload.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2938 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. 2133      Judiciary on S.B. No. 2357**

The purpose of this bill is to establish the Judiciary History Center and attach it to the Office of the Administrative Director of the Courts for administrative purposes. The bill further establishes operating expenses for Fiscal Year 1990-1991.

Testimony in support of the bill was received by the Judiciary, the Director of the Judicial History Center, the Department of Education, the Hawaii State Archives, the Young Lawyers Division of the Hawaii State Bar Association, the Historic Hawaii Foundation, the Hawaii Federation of Women Democrats, Hawaii Council on Legal Education for Youth, the Hawaiian-Pacific Chapter of the Special Libraries Association, Friends of the Judiciary History Center, The Friends of Iolani Palace, the Hawaii Museums Association, William S. Richardson, individually, Evelyn Sontog, individually, Samuel Ah Yuen, individually, Jane Silverman, individually, Michelle Ross Ing, individually, the Association of Hawaiian Civic Clubs, and the Hawaii Children's Museum. All of the foregoing emphasized the educational, research and historic value of the Center, which was initiated when then Chief Justice William S. Richardson formed the Ali'iolani Hale Restoration Committee in 1976 to begin restoration of the historic judiciary building. The Judiciary History Center is housed in the restored Ali'iolani Hale court house. For the first ten (10) years of its development, the Judiciary History Center has been relying on grants from federal, state and private sources. Now that the Center is established, it requires funding and a structure that will insure its viability. The Friends of the Judiciary, and the Judiciary itself are of the opinion that to administratively attach the Center to the Judiciary will meet this need, while minimizing the need for funding, as the Judiciary will provide fiscal and other support services.

Your Committee on Judiciary amends S.B. No. 2357 by inserting the requested appropriation amount of \$222,516.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2357, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2134      Judiciary on S.B. No. 2945**

The purpose of this bill is to appropriate monies to the Office of the Lieutenant Governor to replace the current voting system with a new, totally electronic voting system.

Supporting testimony was received by the Lieutenant Governor. He offered a background for the request. He indicated that his office, in response to House Concurrent Resolution 194, passed by the Fifteenth Legislature in 1989, convened a temporary advisory committee to evaluate the use of totally electronic voting systems and to make recommendations regarding the selection of a vendor, as well as propose standards to be adopted by the State in the use of a totally electronic voting system.

The Lieutenant Governor testified that the committee recommended the State of Hawaii replace its current voting system with one that is totally electronic. The committee further determined that it should continue its investigation and evaluation of such a system prior to recommending selection of a vendor. It further recommended that the standards adopted should comply with state election laws and be consistent with the voluntary standards now being developed by the Federal Election Commission.

Your Committee on Judiciary amends the bill by inserting an appropriation amount of \$5,000,000. This figure was furnished by the Lieutenant Governor's Office and represented a conservative estimate of the anticipated cost of purchasing electronic voting systems for the 1992 elections.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2945 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2945, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2135      Judiciary on S.B. No. 3040**

The purpose of this bill is to create a new section in H.R.S., Chapter 601, which provides that a sign language interpreter shall be made available at every judicial function and every courtroom proceeding that is open to the public.

Testimony in support of the bill was received by the Judiciary, Protection and Advocacy Agency of Hawaii, Communication for the Hearing Impaired, and Arthur Frank, individually. All of the aforementioned supported the need for making court proceedings equally accessible to the hearing impaired. The testimony indicated that the complexity of courtroom proceedings are such that the use of family members and friends, who may otherwise assist the hearing impaired persons, is not practical or equitable. Concern was expressed that the broadness of the bill made the provision of sign language interpreters mandatory at all proceedings, when they may not be necessary or required. Amendments were proposed that would limit the provision of sign language interpreters to hearing impaired individuals who are observers or participants in cases involving blood relatives or who are witnesses and parties to the proceedings. Another proposed amendment would require three days notice to the Judiciary before a sign language interpreter can be provided. Testimony by the Judiciary further indicated that it has sufficient funds in its budget earmarked for the provision of sign language interpreters, to cover the cost therefor for the Fiscal Year of 1990-1991.

Your Committee on Judiciary amends S.B. No. 3040, to reflect the recommendations made at the hearing. Specifically, the bill is amended by restricting the provision of sign language interpreters to cases involving blood relatives, and to hearing impaired individuals who are witnesses and parties to the proceedings. Your Committee has further amended S.B. No. 3040 by requiring three day notice to the Judiciary in the event that a sign language interpreter is requested. Additionally, your Committee has removed the appropriation provision from the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3040, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2136      Judiciary on S.B. No. 3216**

The purpose of this bill is to appropriate monies out of the general fund revenues of the State of Hawaii to establish and maintain a drug prosecution unit within the Department of the Prosecuting Attorney for the City and County of Honolulu for Fiscal Year 1990-1991.

Testimony in support of the bill was received by the Prosecuting Attorney for the City and County of Honolulu. He revealed that the Prosecutor's Office has a drug prosecution team of deputy prosecutors in place. However, the Prosecuting Attorney is seeking additional funds due to fiscal restraints imposed by a tight city budget. Additionally, he submitted that the drug problem is so pervasive that it constitutes a state issue requiring unified state support and reporting by the county prosecutors' offices to the Legislature on drug prosecution activities.

The Prosecuting Attorney seeks to increase his drug prosecution team by adding nine deputy prosecutors and ten support staff.

Your Committee amends S.B. No. 3216 by inserting the appropriation amount of \$880,000 into the blank therefor in Section 1.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 3216, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3216, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2137      Judiciary on S.B. No. 2279**

The purpose of this bill is to amend H.R.S., Section 76-16(9), which pertains to the civil service exemption for the circuit court law clerks, by repealing language which provides that clerks shall be employed, in lieu of, and shall have the powers of a court officer and bailiff.

Testimony in support of the bill was received by the Judiciary, who indicated that the language has created confusion and difficulty in situations where a judge, who has been assigned a bailiff requires the services of a law clerk. In these instances, the bailiff cannot be replaced, as he is protected by the civil service system, but the judge requires the services of a law clerk, whose work, the bailiff is unqualified to perform. While these situations are few, the Judiciary testified that the present statutory language has presented difficulties that could easily be resolved by an amendment.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2279 and recommends that it pass Second Reading in its original form and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2138      Judiciary on S.B. No. 2286**

The purpose of this bill is to amend H.R.S., Section 607-4(b), to increase certain District Court fees prescribed therein, due to inflation and increased processing costs.

Testimony in support of the bill was received by the Judiciary, who indicated that the prescribed fees have not increased in twenty (20) years. While the Hawaii Supreme Court has the power to increase these costs as a matter of rule, the Judiciary elected to seek a legislative increase, thereby receiving input through the legislative process.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2286 and recommends that it pass Second Reading in its original form and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2139      Judiciary on S.B. No. 2287**

The purpose of this bill is to amend H.R.S., Section 623-29, to increase filing fees prescribed therein, due to inflation and increased processing costs.

Testimony in support of the bill was received by the Judiciary, who indicated that if the small claims litigant cannot afford the increased fee from five (5) to ten (10) dollars, that the courts can waive this fee altogether.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2287 and recommends that it pass Second Reading in its original form and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2140      Judiciary on S.B. No. 2605**

The purpose of this bill is to amend H.R.S., Section 708-802, relating to the identification, by photograph, of items of property, for all offenses against property, instead of the current restriction to property recovered in burglary, theft and related offenses.

Supporting testimony was received by the Attorney General who indicated that the provision's current application is so restrictive, that property recovered in robbery, fraud and all other offenses enumerated in Chapter 708, must be identified by the property itself in lieu of a photograph. He testified that the inclusion of these offenses into H.R.S., Section 708-802, will enable victims of these particular crimes to quickly repossess their property from the police and concurrently insure the availability of competent evidence at trial.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2605 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2141      Judiciary on S.B. No. 2799**

The purpose of this bill is to increase certain fees and charges relating to the service of summons by deputy sheriffs in the State of Hawaii.

Testimony in support of the bill was received by Dennis Nakata, deputy sheriff in the First Circuit, who indicated that the fees and costs provided by statute do not reflect the increases in costs to serve summons, caused by inflation and operating expenses.

Your Committee on Judiciary amends the bill by: 1) increasing the charge for the service of a criminal summons to \$20; 2) increasing the charge for the service of a civil summons, excepting subpoenas and garnishee summons, to \$15; 3) increasing the charge for the service of subpoenas and garnishee summons to \$10; and 4) increasing the charge for mileage incurred by process servers to 35 cents per mile.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2799, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2799, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2142      Human Services on S.B. No. 2617**

The purpose of this bill is to amend section 346-29, Hawaii Revised Statutes, to require the Department of Human Services to set the community spouse resource allowance at a minimum of \$60,000 and to disregard a minimum of \$1500 in determining the income needs of the spouse of a person applying for or receiving medical assistance.

Your Committee finds that although the federal Medicare Catastrophic Care Coverage Act was recently repealed, sections pertaining to allowing the states to raise the spousal resource allowance to \$60,000 and to raise the income limit for spouses were retained to allow for the increasing costs of long-term care for the elderly. These costs have impoverished many people who must provide long term care for their spouses.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2617 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. 2143      Human Services on S.B. No. 3023**

The purpose of this bill is to appropriate funds to the criminal injuries compensation fund for the purpose of compensating certain persons or their providers of services who suffer or provide services to those who suffer from criminal injuries.

Your Committee finds the purpose of the bill to be necessary in compensating individuals who have suffered injury due to a criminal act.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3023 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. 2144      Human Services on S.B. No. 3275**

The purpose of this bill is to appropriate a sum to be determined to the Mutual Assistance Association Center (MAAC) so that certain social services can be provided in the Palolo area through MAAC's Anuenue East Oahu Social Services Center.

MAAC is a non-profit, community-based organization operated by and for members of Hawaii's immigrant and Southeast Asian community. Located in Palolo Valley, the center provides bilingual community advocacy, family counseling, and youth education and support services to Lao, Vietnamese, and Cambodian residents. Reduced federal funding, however, has brought the continued viability of the MAAC into question.

Representatives of the MAAC and other individuals testified in favor of the bill and there was no testimony in opposition to it. Your Committee finds that although certain bilingual social services are available in the Kalihi area, the time and complexity involved in traveling from east Honolulu to Kalihi often deters those in need of the services from seeking them at all. Your Committee believes that, given the size of the immigrant community in the Palolo, Kaimuki and Kapahulu areas, there is a clear public need to continue the services being provided by the MAAC in the Palolo area.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3275 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. 2145      Human Services on S.B. No. 3486**

The purpose of this bill is to appropriate \$100,000 for the hiring of personnel and the promotion of educational activities for a multilingual information access line.

Your Committee finds a multilingual information access line would significantly assist in facilitating improvements to methods of reaching and empowering the State's non-English speaking population.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3486 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. 2146 Human Services on S.B. No. 2565**

The purpose of this bill is to appropriate \$215,000 for homebased intensive therapeutic services to families with severely abused or neglected children in West Hawaii.

The service will be provided by Child and Family Service which operates Homebased Services on the Big Island. Homebased Services is an intensive short-term in-home therapeutic and support program aimed at working with "at-risk" and abusive families.

Your Committee finds that although funded as a purchase of service since 1987, during the 1989 session, Homebased Services was inadvertently funded as a one-year grant-in-aid. Your Committee finds it appropriate, based on past practice, to amend the appropriation to reflect that it is to be a purchase of service. This bill will allow Homebased Services to continue its valuable work uninterrupted on the Big Island.

Your Committee received favorable testimony from the Department of Human Services and Child and Family Service officers from Oahu and the Big Island.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2565, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2147 Human Services on S.B. No. 2595**

The purpose of this bill is to appropriate \$208,297 to Child and Family Service to establish a mother-infant support team program to provide services in the Central and Leeward areas of Oahu.

Child abuse and neglect continues to be a major problem in Hawaii. The past four years have not seen any significant decrease in reports or confirmations of child abuse and neglect cases. In 1989 alone there were 117 confirmed cases of abuse.

Kapiolani Medical Center, which operates a program similar to the one funded by this bill, testified that greater attention must be given to the Leeward and Central districts of Oahu. The program established by this bill will not conflict with the Kapiolani Medical Center program as the programs will serve different geographical areas.

Your Committee has amended the bill to change the nature of the appropriation from a grant-in-aid to a purchase of service.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2595, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2148 Human Services on S.B. No. 2910**

The purpose of this bill is to provide funds for the office of children and youth to conduct a two-day seminar for public and private sector foster care providers, foster parents, advocates, and other adults interested in Hawaii's system of foster care.

Your Committee has received testimony in support of the bill from the Department of Human Services and the Office of Children and Youth. The Office of Children and Youth recommended the inclusion of an additional half or whole day seminar with foster children, 12 years and older, for their input, noting that no additional funding would be required.

Your Committee has amended Section 1 of the bill to incorporate the above amendment proposed by the Office of Children and Youth.

Your Committee has further amended Section 1 of the bill to clarify that foster homes are a "possible placement alternative" for children who cannot remain with their biological parents.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2910, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2910, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2149 Human Services on S.B. No. 3022**

The purpose of this bill is to raise the annual maximum compensation of members of the Criminal Injuries Compensation Commission from \$6,600 to \$10,000, and to appropriate the sum of \$15,000 to cover the increase.

Testimony in support of the bill from the commission's administrator indicated that, although the daily compensation rate for commission members was raised last session from \$50 per day to \$100 per day, the annual maximum was not increased. Current projections show that the commission will have to conduct in excess of one hundred hearings in 1990, and that commission members will have reached the existing statutory earnings maximum by the end of April. Your

Committee believes that this measure is needed to allow the commission to continue its work uninterrupted. It has, however, amended the sum appropriated in section 2 to \$10,200, as sufficient for FY 1990-1991.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3022, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

**SCRep. 2150      Human Services on S.B. No. 3338**

The purpose of this bill is to appropriate funds for personnel, office space, supplies and equipment, operating expenses, and home-based crisis intervention services to various departments working in the foster care system.

Your Committee finds that the bill is the result of a collaborative departmental and judicial effort to begin to address some of the many recommendations contained in the Legislative Auditor's Study of Foster Care in Hawaii and has the support of the Office of Children and Youth, the Department of Health, the State Attorney General, and the Department of Human Services.

Your Committee has amended the bill by increasing the appropriation under section 3 of the bill to include funds for office space and by correcting mathematical errors in the appropriated amounts.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3338, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2151      Human Services on S.B. No. 2738**

The purpose of this bill is to develop a statewide plan for the provision of services to control violent behavior.

The Office of State Planning (OSP) testified in support of the intent of the bill, but expressed concern that the language of the bill implied an ongoing role for OSP to coordinate a statewide program. OSP suggested that the bill be amended to limit OSP's role to planning and developing a coordinated plan. Your Committee has amended the bill accordingly.

Your Committee has further amended the bill by decreasing the appropriation amount and changing the expending agencies.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2738, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2738, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Cobb and Koki.

**SCRep. 2152      Human Services on S.B. No. 3199**

The purpose of this bill is to appropriate funds for capital improvements to be made on shelters for the homeless.

Your Committee has received testimony in support of the bill from the Hawaii Housing Authority, the Office of Hawaiian Affairs, the Department of Health, and from many agencies working on the problem of providing emergency and transitional shelters. The testimony brought your Committee up-to-date on expansion requirements as contained in the Chapter 42 forms submitted after the bill was introduced. Your Committee has amended the bill to reflect this more recent data.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3199, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Cobb and Koki.

**SCRep. 2153      Human Services on S.B. No. 3483**

The purpose of this bill is to appropriate \$50,000 for fiscal year 1990-1991 to be expended by the Commission on the Status of Women to prepare and implement programs designed to benefit Hawaii's women and their families in the areas of self-esteem, self-sufficiency, and economic independence.

Your Committee finds that the role of women in our society is rapidly changing and that it is appropriate to provide funding to ameliorate and facilitate anticipated exigencies related to such changes.

Your Committee has amended this bill by changing the amount appropriated to \$30,000.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3483, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Cobb and Koki.

**SCRep. 2154 Higher Education on S.B. No. 3142**

The purpose of this bill is to establish a special fund to financially assist underrepresented ethnic groups to further their education at the University of Hawaii.

Education continues to be a priority of the legislature and, as such, has received generous funding. The legislature understands the value of an education and has acted to provide our young people with the knowledge and skills they need to compete in our dynamic and competitive society. Unfortunately, some never get the chance at a higher education. Your Committee finds that certain ethnic groups are grossly underrepresented at the University of Hawaii. If the legislature is to provide educational opportunities that are equitably distributed among all its people, then it must make a special effort to assist those with special needs.

This bill addresses this concern by allowing and motivating financially disadvantaged students from underrepresented ethnic groups to continue their education at the University of Hawaii.

Your Committee amended this bill by deleting tuition as the source of funding for the Hawaii Opportunity Program in Education special fund. Further, the specified amount and all references to future appropriations were deleted from the bill.

Your Committee has further amended the bill to require the University of Hawaii to develop a plan of action for HOPE with short and long-range goals and to present its plan of action to the Legislature prior to the convening of the 1991 session.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3142, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2155 Higher Education on S.B. No. 3298**

The purpose of this bill is to appropriate \$3,447,000 for fiscal year 1990-1991 to be expended by the University of Hawaii for various projects and positions for Kauai Community College.

The money would be expended as follows:

- (1) \$2 million for the Kauai Community College Theater facility;
- (2) \$150,000 for installation of traffic lights at the entrance of the campus;
- (3) \$30,000 for a personnel officer;
- (4) \$17,000 for a clerk-steno in the office of the Provost; and
- (5) \$50,000 to make the College operational as a HITS operational site.

Your Committee received testimony from the Chancellor for Community Colleges and finds that items (2) through (5) above are not priority items at this point in time. Therefore, your Committee has amended this bill by deleting all but the \$2,000,000 appropriation for the Kauai Community College Theater.

Your Committee notes that the sum of the individual items listed in this bill as introduced is \$2,247,000, not \$3,447,000. Thus, the total reduction approved by your Committee is \$247,000.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3298, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2156 Higher Education on S.B. No. 3482**

The purpose of this bill is to appropriate \$355,628 for the Pacific Ocean Policy Institute (POPI) to coordinate research and activities related to ocean issues:

Your Committee finds that the Pacific Forum, CSIS the Pacific Ocean Policy Institute is a nonprofit public policy institute dedicated to providing a forum for education, research, discussion, and assessment of ocean-related issues and developments of interest to the global community.

Your Committee further finds that POPI would not only fill the gap in the coordination of ocean research and activities resulting from single-agency goal parameters, but would also be effective in establishing Hawaii as a leader in ocean research and technology.

Your Committee received supporting testimony from the University of Hawaii and the Department of Business and Economic Development.



Your Committee has amended the bill by adding language to clarify the bill's intent.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3482, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2157      Higher Education on S.B. No. 3140**

The purpose of this bill is to establish a revolving fund for the University of Hawaii's College of Continuing Education's Conference Center Program.

Your Committee finds that current restrictions with regard to sections 103-22 and 103-43, Hawaii Revised Statutes, prevent the Conference Center from providing full-service capabilities and purchasing flexibilities necessary for efficient logistical services for conferencing. Hence, your Committee agrees that the conference center revolving fund should be established.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3140 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. 2158      Higher Education on S.B. No. 3493**

The purpose of this bill is to fund the Cancer Information Service of the Cancer Research Center of Hawaii at the University of Hawaii at Manoa with an appropriation of \$140,000.

This appropriation is necessary following the Federal Government's abrupt termination of its grant for the operation of this vital service to the public and to practitioners.

The need for preserving this service to the people of the State, in addition to the fact that it is the only professional source of information for patients in the State, is that the strength of the Cancer Information Service program lies in its ability to provide the latest information available on cancer clinical research trials and treatments in Hawaii and across the nation, and to refer patients to highly specialized practitioners. These services are made possible by the Information Service maintaining direct computer links to the National Cancer Institute and the National Library of Medicine in Washington, all, as implemented in language appropriate to each inquirer by the Service's strong staff.

Your Committee has received testimony in support of this bill from the State Director of Health; American Cancer Society; the Director of the Cancer Research Center of Hawaii; Executive Director of the Waikiki Health Center; the President of the Oncology Nursing Society; the Governor's Pacific Health Promotion and Development Center; The Hawaii Medical Library; the President of the Medical Library Group of Hawaii; the Librarian of the School of Public Health, the University of Hawaii; the Chief of Oncology, Tripler Army Medical Center; the President: Make Today Count, Hawaii, Inc.; the Executive Director of the Queen's Cancer Institute, Queen's Hospital; and from four practicing, and one retired, Public Health Nurses, three adjunct Professors and practitioners of Medicine, and four non-medically affiliated patients or citizens.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3493 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. 2159      Higher Education on S.B. No. 2637**

The purpose of this bill is to create an office of program planning to effectively coordinate space and earth science educational programs and facilities of the public and private sectors.

It was pointed out in testimony presented to your Committee by the Superintendent of Education that the Bishop Museum is already implementing a portable planetarium presentation for elementary school students statewide. The Director of the Institute for Astronomy testified that great value can be derived from full coordination of the programs at the individual institutions and in the transfer of information to allow mobilization of community resources toward common goals. He did indicate, however, that broad representation can make a committee unwieldy and that concentration of day-to-day functions may best be handled by much smaller executive committees. He further noted that each of the institutions involved has a distinct mission and serves different constituencies; hence, it is essential that each be able to formulate a program plan that is fully responsive to the respective constituencies and clearly defines the responsibility for implementation.

Upon full consideration of the points raised, your Committee has amended section 1 to reflect that the purpose of the bill is to enhance current formal and informal science education efforts at the University of Hawaii's Institute of Astronomy and the Bernice Pauahi Bishop Museum, and to require the formation of a smaller executive committee headed by Bernice Pauahi Bishop Museum to develop a coordinated space education program. The executive committee will develop a coordinated space education program and report its findings and recommendations to the legislature twenty days prior to the convening of the 1991 legislative session. It is the intent of the legislature to fund such a program upon receipt of the report.

Your Committee has further amended the bill to increase the appropriation to the Bernice Pauahi Bishop Museum from \$75,000 for the next two fiscal years to \$130,000 for fiscal year 1990-1991. Your Committee has also changed the expending agency for this appropriation from the department of business and economic development to the Bernice Pauahi Bishop Museum as a more appropriate expending agency.

Lastly, your Committee has amended the bill by providing an appropriation of \$137,250 to enhance the space science education program at the Institute of Astronomy, and an appropriation of \$145,000 to establish a space education teacher resource facility at the University of Hawaii's Planetary Data Center.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2637, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2160 Higher Education on S.B. No. 3265**

The purpose of this bill is to appropriate \$55,000 to research the infestation of macadamia nuts by the macadamia shothole borer (MSB).

MSB is a new pest in Hawaii and very little is known about the insect. Without the research that this bill provides, no logical plan of attack through biological, chemical, or cultural controls can be devised.

Your Committee has amended the bill to specify the objectives of the investigation.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3265, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2161 Higher Education on S.B. No. 3484**

The purpose of this bill is to appropriate funds for the child care program at the University of Hawaii at Manoa.

Testimony in support of the bill indicated that current services should be augmented with clerical help and a graduate assistantship and that new services should include a parent resource coordinator responsible for developing a network of family day care homes to provide care for children under two years of age.

Your Committee finds that the child care program at the University of Hawaii at Manoa plays an important and vital role in promoting the enrollment and attendance of students who would not otherwise be able to do so. Your Committee further finds that the amount originally appropriated is insufficient and has, therefore, amended the bill to increase the appropriation.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 3484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3484, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2162 Government Operations on S.B. No. 2721**

The purpose of this bill is to appropriate \$500,000 to the Department of Accounting and General Services to provide financial assistance to homeowners in Moanalua Valley whose homes are endangered by land movement.

Testimony received from the City and County of Honolulu Department of Public Works indicated that the City is presently involved in working to resolve the on-going landslide problem in the Ala Lani and Ala Aolani Street area of Moanalua Valley. Your Committee believes that the State has a responsibility to these homeowners, and the funds appropriated in this measure reflect the State's commitment to this responsibility.

Your Committee has amended this bill by providing an additional appropriation of \$500,000 for infrastructure, land acquisition, planning, design, construction, and repair of water, sewer, storm drain lines, and other systems affecting the soil movement of property in the Moanalua Valley area.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2721, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2163 Government Operations on S.B. No. 3163**

The purpose of this bill is to establish a Martin Luther King, Jr., Celebration Commission to coordinate State-sponsored events to observe Martin Luther King Day.

Testimony in support of the bill was received by the Committee from the Director of Personnel Services, the Hawaii State Teachers Association, the Martin Luther King Jr. (Interim) Commission, the YWCA, and the American Friends Service Committee, among many others.

Your Committee believes that a process for continuity in honoring the memory and work of our nations' civil rights leader should be established.

The Director of Personnel Services requested that \$68,000 be appropriated for personnel, equipment, lease rent and operating expenses. Your Committee has amended the bill accordingly.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 3163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3163, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2164      Consumer Protection and Commerce on S.B. No. 2174**

The purpose of this bill is to allow a court to exercise leniency in imposing a sentence for driving without insurance, where extraordinary circumstances are found.

Your Committee received testimony from the Department of Commerce and Consumer Affairs (DCCA), the Judiciary, the Office of the Public Defender and the Hawaii Independent Insurance Agents Association (HIIA).

As introduced, the DCCA opposed the bill because the law already offers violators an opportunity to present a good faith defense and the penalties provided are intended to deter future violators. The HIIA opposed the bill because it believes the proposed change would retard efforts to keep uninsured motorists from driving.

Richard Pollack, the Public Defender, expressed concern at the number of convictions which led to criminal contempt for a missed trial date or insubstantial compliance with a court order. Also, he believes the present combination of a large monetary penalty and the required purchase of a six month policy at a substantially increased premium is a severe measure for a person who originally couldn't afford insurance.

District Court Administrative Judge Soong suggested a need to impose limitations on the discretion to exercise leniency in imposing any penalty.

Your Committee recognizes that the current penalty provisions are more severe for persons who reside in communities without public transportation. Your Committee further recognizes that violators who are financially able to pay the fine and purchase a non-cancelable policy are less severely punished than those whose financial circumstances require that they pay their fines by community service and have their licenses suspended for six months. Finally, your Committee recognizes that the current exculpatory language concerning the drivers "lack of knowledge...of insurance" is subject to a narrow interpretation that imposes an affirmative burden on a non-owner operator to inquire about the insured status of the car.

There is little this Committee can do to mitigate the greater impact that a suspension will have on a violator who lives in a community without public transportation. Any penalty which includes the suspension of a license has a disproportionate consequence for persons without access to public transportation. However, your Committee notes that the current suspension period of six months for failure to obtain a nonrefundable six month policy gives symmetry precedence over equity. A six month suspension period is twice as long as the license suspension for driving under the influence of alcohol. Further, the suspension is only applied to those who cannot afford to purchase a nonrefundable six month insurance policy. Those who can afford the policy, and are therefore more blameworthy for having failed to do so, escape the suspension. Therefore, your Committee believes that the license suspension period for those unable to purchase a nonrefundable six month insurance policy should be reduced from six months to three months.

Your Committee considered amendments to the statute's exculpatory language regarding "lack of knowledge...of insurance", but decided that the current language was sufficient. However, recognizing a possible need to clarify the legislative intent, your Committee uses this report as a means to clearly express that intent. Specifically, we find it is reasonable for a driver who borrows a car to assume that the borrowed vehicle is insured. The reasonableness of this assumption derives from the mandatory provisions of our automobile insurance law. The assumption is, however, rebuttable by proof of knowledge of the uninsured status of the vehicle.

Your Committee was convinced by Judge Soong's argument for limiting the judicial discretion and adopted his specific suggestion that the judges be authorized to substitute community service for the fines. This is already done, since a person cannot be jailed for debt, but the current procedures for substituting community service for a fine would be simplified by a specific grant of judicial discretion. The range of community service alternatives is comparable to the community service penalty under the D.U.I. law.

Your Committee amended this bill, for the foregoing reasons, to:

- (1) Reduce the alternative penalty for those who do not obtain a nonrefundable, six-month no-fault insurance policy from a six month license suspension to a three month license suspension; and
- (2) Authorize the sentencing judge to impose a community service requirement of between 50 and 75 hours for first offenders and between 200 and 275 hours for subsequent offenses.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2174, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2165      Consumer Protection and Commerce on S.B. No. 3117**

The purpose of this bill is to clarify that the exemption from general excise taxes granted to financial corporations applies only to the income earned from dealings in moneyed capital.

Presently, section 241-1, Hawaii Revised Statutes, provides that a financial corporation is subject to the franchise tax imposed by section 241-3 if it is exempted from the provisions of chapter 235 or chapter 237, or both. As amended in 1987, section 235-9 specifically exempts financial corporations; therefore, if a corporation qualifies as a financial corporation, it will be taxable pursuant to the provisions of chapter 241.

Although every entity taxed under chapter 241 is exempt from the payment of the net income tax, not every entity taxed under chapter 241 is completely exempt from the general excise tax imposed by chapter 237 as, for example, a financial corporation which engages in both mortgage lending and mortgage brokering activities.

This bill adds a new paragraph to section 237-23(a) which specifies that only income derived by financial corporations from dealings in moneyed capital will qualify for the general excise tax exemption.

Your Committee has amended this bill by making technical 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. 3117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3117, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2166      Energy and Natural Resources on S.B. No. 3502**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$15,000,000 for the purpose of assisting Elecs Ltd., a Hawaii corporation, to generate new capital to manufacture electric vehicles and related products in Hawaii.

The Department of Business and Economic Development, the Solar Electric Co., Inc. and Elecs Ltd. testified in support of the bill.

Your Committee finds that electric vehicles have the potential to reduce pollution by significantly reducing the use of imported petroleum for transportation fuel in Hawaii. Their development is therefore clearly in the public interest.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3502 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. 2167      Energy and Natural Resources on S.B. No. 2957**

The purpose of this bill is to authorize the Board of Land and Natural Resources to issue revenue bonds for industrial park infrastructure projects.

Act 361, Session Laws of Hawaii, 1988, established a state industrial park system to be administered by the Department of Land and Natural Resources (DLNR). This bill authorizes the Board to issue revenue bonds to fund infrastructure projects and establishes special bond funds for that purpose. Your Committee believes that the authority to issue revenue bonds will facilitate the development of sorely needed industrial parks.

Testimony in support of this measure was received from the DLNR and from the Sand Island Business Association.

Your Committee has amended the bill by adding three new sections authorizing the issuance of \$25,000,000 in revenue bonds for state industrial park projects.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2957, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2168      Energy and Natural Resources on S.B. No. 3247**

The purpose of this bill is to amend chapter 101, Hawaii Revised Statutes, by adding a new section to provide relocation assistance to commercial or industrial lessees or tenants who are displaced from private property acquired by the State or a county by condemnation. The bill would provide these displaced lessees or tenants first priority in leasing public lands in state industrial parks. The bill also appropriates an unspecified sum to the Department of Transportation

to provide funds for relocation costs incurred by lessees and tenants as a result of the condemnation of private property for the expansion of Honolulu International Airport.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Department of Transportation, the Hawaii Transportation Association, and the Airport Industrial Tenants Association.

Your Committee finds that owners of private lands acquired through government condemnation proceedings receive just compensation for their lands. However, commercial and industrial lessees and tenants of the condemned land are often displaced and suffer substantial financial losses without receiving adequate compensation from either the owner of the land or the government. The government also incurs substantial indirect costs, by way of decreased tax revenues, increased unemployment, and increased social services for displaced workers.

Your Committee finds that it is in the public interest to provide appropriate relocation assistance to commercial and industrial businesses dislocated as a result of condemnation proceedings.

Your Committee has amended the bill by specifying \$1 as the amount to be appropriated by section 3 of the bill. Your Committee has also made technical amendments to the bill which have no substantive effect.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2169      Energy and Natural Resources on S.B. No. 3335**

The purpose of this bill is to appropriate \$250,775 for fiscal year 1990-1991 to be expended by the Governor's Agriculture Coordinating Committee for continuing research on biomass production.

The funds are contingent upon contribution of in-kind services as cost sharing by C. Brewer & Co. (\$61,000); the University of Hawaii Soil Science Department (\$25,000) and Energy/Engineering Department (\$7,000); the U.S. Department of Agriculture Forest Service (\$20,000); and Hawaiian Sugar Planters Association Experiment Station (\$40,000).

Your Committee heard supporting testimony on this bill and finds that biomass research will help reduce Hawaii's dependency on imported petroleum products.

Your Committee has amended this bill by changing the expending agency to the Department of Business and Economic Development.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3335, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2170      Business Development and Pacific Relations on S.B. No. 2331**

The purpose of this bill is to establish the Ka'u economic initiative special fund.

Under this bill appropriations equal to the annual appropriations for the promotion of a spaceport in Ka'u would be deposited into the fund and would be used to explore and promote economic growth in Ka'u. Your Committee finds it only fair that all avenues of economic growth and diversification are explored and sees this bill as one way of creating a level playing field.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 2331 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. 2171      (Joint/Majority) Education and Transportation on S.B. No. 2692**

The purpose of this bill is to require that contracts between the State and providers of school bus services include an age limit on the vehicles used.

Current law expressly states that such contracts shall not include an age limitation, although a ten year age limit has been included in the Department of Accounting and General Services' (DAGS) school bus specifications.

Your Committees received supporting testimony from DAGS and the Hawaii School Bus Association and find that including an age limitation in school bus contracts will help to insure the safety of our children and have an added benefit of stimulating competition among contractors. Companies with a supply of old buses will not have an advantage over someone without any buses; both would have to purchase newer vehicles to meet the age limitation requirement.

Your Committees on Education and Transportation are in accord with the intent and purpose of S.B. No. 2692 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.  
Senator Nakasato did not concur.

**SCRep. 2172      (Joint/Majority) Education and Transportation on S.B. No. 3323**

The purpose of this bill is to authorize the Department of Transportation to grant exemptions to the use of motor vehicles other than school vehicles in specific circumstances.

Currently, school vehicle standards are determined by rules. This bill authorizes the Department to grant exemptions upon a finding that compliance is impossible or impractical due to factors beyond the control of a school. The exemptions would be granted on a case by case basis, but only for transportation to and from school-related activities other than transportation to and from school, and only when all parents or guardians of pupils being transported agree to waive the State's liability. The Department would establish rules to implement the exceptions. The bill is scheduled to take effect on January 1, 1991, and be repealed on August 31, 1992.

Your Committees received testimony from state agencies and others and find that this bill will provide greater flexibility to the Department of Education in using other vehicles such as rental tour buses, vans, and U-drive sedans for school-related functions and activities. Your Committees further find that this can be accomplished without jeopardizing our students or unduly inconveniencing our state agencies.

Your Committees have amended this bill by specifying that the exemptions shall be granted to the Department of Education based on criteria developed by the Departments of Education and Transportation, and by emphasizing that exemptions for exceptional or urgent situations, including fulfilling transportation needs of students requiring special education and services, should be done on a case by case bases.

In addition, your Committees deleted the word "school" from line 14 on page 3 because this modifier of "small buses" has precluded the use of vans under current rules, a prohibition which your Committees seek to mitigate by this measure.

Your Committees have also changed the effective date of this bill to "upon its approval" and made some nonsubstantial technical changes for the purposes of clarity and style.

Your Committees on Education and Transportation are in accord with the intent and purpose of S.B. No. 3323, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3323, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.  
Senator Nakasato did not concur.

**SCRep. 2173      Education on S.B. No. 3328**

The purpose of this bill is to provide an additional \$1.4 million to allow the renovation and expansion of the Main Branch of the Hawaii State Library System.

The funds would be derived from general obligation bonds and appropriated to the Department of Education.

Your Committee heard supporting testimony from Bart Kane, the State Librarian, and finds that the total project cost of the renovation/expansion was estimated in December of 1988 to be \$16,284,000. However, since the Library System has been unable to secure a suitable temporary site, and current construction costs are high and rising, the project will now cost in the neighborhood of \$17,684,000. Without the sum appropriated by this measure, the project cannot be carried out and the loss to Hawaii's residents would be great.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3328 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 Koki.

**SCRep. 2174      Education on S.B. No. 2259**

The purpose of this bill is to increase the amount of funds available to each public school when the State's general fund balance shows a substantial surplus.

Chapter 296D, Hawaii Revised Statutes, establishes the school priority fund "to augment regular instruction and other educational services at the discretion of the individual schools." The Superintendent of Education administers the fund based on district enrollments, and school principals must consult with teachers, parents, and students and submit expenditure plans to their district superintendents before the money can actually be spent.

This bill would require amounts ranging from \$15 to \$35 per student to be paid directly to each public school as priority funds if the carry-over of general funds in the treasury from one fiscal year to the next is \$150 million or more. These allotments would be automatic and expended solely at the discretion of the beneficiary school, without district or statewide restriction or intervention.

The "Report on School-by-School Expenditure of School Priority Funds," amended November 13, 1989 and submitted to your Committee by the Superintendent of Education, shows that schools use priority funds primarily for personnel, equipment, and supplies which could not otherwise have been obtained, and for remedial training in basic skills and other needs related to school improvement. Such uses allow schools to address their particular needs and are therefore essential to successful implementation of school-community-based management. Your Committee finds that any increase in funds

for these purposes are consistent with public education policies and should be approved whenever possible and appropriate.

However, your Committee is reluctant at this time to advocate a permanent relationship between the level of the general fund and the amount allocated individual schools. Therefore, your Committee has amended this bill by deleting the proposed amendment to chapter 37 and inserting an appropriation for an additional \$2,567,895 for fiscal year 1990-1991 for the school priority fund, based on \$15 per student in a total enrollment of 171,193.

While \$15 per student may seem to be a small amount, your Committee believes that if allocated to the individual schools on the basis of need as well as enrollment, it will contribute meaningfully to the ability of the schools to implement school-level decision-making.

Your Committee has further amended this bill by deleting all but the first and last sentences of section 296D-4, "Use of resources by schools," and inserting language largely derived from subsection (d) of this bill as introduced, giving each school complete discretion in its use of school priority funds, rather than having to submit plans to district superintendents for approval. Your Committee finds that this amendment will further expedite implementation of school/community-based management.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2259, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2175      Education on S.B. No. 3026**

The purpose of this bill is to establish a statewide after-school program in the public schools to provide affordable and quality services for students enrolled in grades K-6.

This program, known as "A+," would be facilitated by new language added to section 296-49, Hawaii Revised Statutes, enabling the Department of Education to employ civil service exempt persons necessary to carry out the program and obtain criminal history record checks from the Hawaii Criminal Justice Data Center.

The bill also provides an appropriation for fiscal year 1990-1991 to be expended by the Department of Education to conduct the after-school program.

Your Committee finds that there is a compelling public interest in providing after-school care for young children who would otherwise be unsupervised after school hours until their parents get home from work. Your Committee also finds that the State has a duty to provide such after-school care, whether or not including education, to protect these "latchkey" children. The program enabled and funded by this measure is therefore considered to be in the public interest.

However, your Committee is also cognizant of several compelling and unresolved issues relating to state sponsored after-school child care, not the least of which is the stated need of the Office of the Attorney General for more positions to carry out the criminal history checks.

In light of the several unresolved issues, your Committee has amended this bill by adding the Office of the Attorney General as an expending agency and changing the effective date to July 1, 1995. It is the intention of your Committee to: (A) intentionally render this bill defective to force a conference on all outstanding issues in a manner which best reflects the public purpose of this measure, and (B) have all sections of this bill open for reconsideration in conference.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3026, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2176      Agriculture on S.B. No. 2465**

The purpose of this bill is to appropriate \$500,000 for fiscal year 1990-1991, for personnel, laboratory, and field trial costs to facilitate the registration of pesticides for Hawaii's agricultural crops.

Your Committee finds without the registration of these chemicals, many crops will not survive, producing a devastating effect on the industry. Moreover, because registration by the Environmental Protection Agency mandates costly requirements such as residue, field, and other testing, many chemicals have already been pulled off the market by its manufacturers. Since all of Hawaii's crops are classified as "minor" crops, chemical registration is essential to the livelihood of Hawaii's agricultural community.

Your Committee has amended the bill by reducing the amount appropriated from \$500,000 to \$300,000, and requiring the Governor's Agricultural Coordinating Committee contract out the task of performing the provisions of the bill to the Hawaii Sugar Planters' Association.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2465, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2177      Agriculture on S.B. No. 2479**

The purpose of this bill is to add a new part to chapter 142, Hawaii Revised Statutes, which establishes an exemption from the State's quarantine requirement for resident guide, signal, and service dogs of the State.

Furthermore, the bill would appropriate funds for the initial implementation of the program.

Your Committee received supporting testimony from the Department of Agriculture, the Department of Health, the American Council of the Blind, and a number of private citizens.

Your Committee has amended the bill by adding a findings and purpose section; adding a requirement to test the guide, signal, or service dog for a protective rabies virus antibody titer upon reentry into the State; clarifying that the exemption also pertains to a handicapped person's newly graduated guide, signal, or service dog if being transported directly from its training facility to Hawaii; and making certain technical changes which have no substantive effect.

Your Committee finds there is a need for a findings and purpose section to clarify the intent and reasoning of allowing an exemption for resident guide, signal, and service dogs.

Relatedly, your Committee finds the requirement to test the animals upon reentry would further ensure that rabies would not enter into the State.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2479, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2178      Agriculture on S.B. No. 2674**

The purpose of this bill is to establish a framework within which the State and counties can develop a comprehensive and environmentally responsible approach to the management of solid waste in Hawaii. To accomplish this purpose, the bill repeals the current chapter on solid waste and provides for a more comprehensive chapter which clearly outlines the roles and responsibilities of the State and counties and integrates source reduction and recycling components into the solid waste program.

Under the comprehensive program proposed by this bill, each county is responsible for developing a countywide integrated waste management plan which will include programs for the management of solid waste generated within the county and for source reduction and recycling. For the source reduction and recycling program, the county must identify and characterize all solid waste it generates and identify the amount of landfill and transformation capacity it will require for the solid waste which cannot be reduced at the source, recycled, or composted.

Your Committee finds that the problem of solid waste management is a growing one requiring a sensible solution. Being a small island state with precious underground water resources, Hawaii has very limited landfill capacity. To maintain a high quality of life for future generations in Hawaii, the State must resolve the solid waste problem through a strong and comprehensive program which incorporates source reduction and recycling into the present landfill disposal program.

Testimonies favoring the approach taken in this bill were presented by the department of health, the Hawaii Democratic Movement, and the League of Women Voters of Hawaii. Your Committee also received testimony from the city and county of Honolulu expressing reservations over making comprehensive changes to the solid waste management program without further study. While your Committee is empathetic to such concern, your Committee believes that this bill provides various time lines which will give the State and counties sufficient time to prepare the plans and programs required under this measure. More importantly, your Committee believes that it is critical for the State to immediately commit to a reasonable strategy for a comprehensive solid waste management program.

Your Committee has amended the bill following the recommendations of the department of health and the League of Women Voters of Hawaii that the oversight agency be changed to a new branch within the department of health rather than an independent board. Your Committee feels that this change will allow the program to be more efficient and responsive, while at the same time reducing the overall administrative cost. To effectuate this change, the following amendments were made:

- (1) The definition of "board" was deleted and definitions for "department" and "director" were added to section - 2.
- (2) The sections establishing the integrated waste management board (section -11 to section -14) were deleted and a new section entitled "Administration" was added to designate the integrated waste management branch as the administering agency within the department of health.
- (3) The section entitled "Staff" was amended by changing the title to "Attorneys" and by leaving only the language authorizing the department of health to hire independent legal counsel.
- (4) The powers and duties section was amended to delete those powers and duties specifically regarding the board and the provision regarding the submittal of a biennial report to the legislature.



- (5) Subsection (h) from section -107 which required the board to consult with the department of health was deleted from section -107.
- (6) Subsection (c) which required that the board's rules not duplicate or conflict with the rules of the department of health was deleted from section -127.
- (7) The chief of the integrated waste management branch was substituted for the board chairperson as a member of the solid waste cleanup and maintenance advisory committee.
- (8) The provision in section -175 authorizing the board also to make loan guarantees to the operator of a solid waste landfill for corrective action required by the department of health was deleted since this became redundant with the first sentence of section -175.
- (9) References in subsections (c) and (d) regarding application for action by the department of health for the allocation of funds from the solid waste disposal site cleanup and maintenance account were deleted.
- (10) Language in Section 4 was changed to require the department of health to establish an organizational and management structure for an integrated waste management branch and to delete references to the recruitment of the chief executive officer (a position which no longer applies since the board is being deleted).
- (11) Sections 7 and 8 were deleted since the transfer of employees, property, and appropriations will be made between line agencies within the department of health and the department of health has the authority to make such transfers.
- (12) Section 10 was deleted since there is no longer a different entity empowered to adopt rules for solid waste management.
- (13) References to the "board" were substituted by references to "department" or "director" throughout the bill.

Additionally, your Committee has amended the bill as follows:

- (1) In section -64, the date was changed from January 1, 1990 to June 1, 1990.
- (2) In section -93 the date was changed from January 1, 1991, to June 1, 1991.
- (3) In section -122 the date was changed from January 31, 1991 to June 30, 1991.
- (4) In section -175(h) the date was changed from January 1, 1991 to June 1, 1991.
- (5) The blank dollar amounts in section -179 were deleted and language giving the department of health authority to set those amounts was inserted.
- (6) An amount of \$1,000,000 was inserted in the appropriation section.
- (7) Various technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2674, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

**SCRep. 2179      Agriculture on S.B. No. 3108**

The purpose of this bill is to incorporate portions of federal laws relating to environmental emergency response into the State's existing Emergency Response Law.

Your Committee finds the bill incorporates portions of the federal Superfund law, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), and the Superfund Amendments and Reauthorization Act of 1986 (SARA) into chapter 128D, Hawaii Revised Statutes. If enacted, the bill would; increase and clarify the authority of the existing State law; make the State's Superfund law more consistent with the federal statute; and enable the State to more effectively and efficiently administer a Superfund program in Hawaii.

Your Committee received supporting testimony from the Department of Health. The Department stated as part of its testimony that passage of this particular bill was its top priority for the Legislative Session.

Your Committee has amended the bill to reflect some of the concerns raised by the Department of Health, Pacific Resources Incorporated (PRI), and the Hawaii Sugar Planters' Association.

Your Committee has amended the bill further by making amendments for the purposes of style and clarity.

Your Committee finds it necessary to mention that many amendments proposed to the Committee by the private sector were not adopted because of the self-serving nature of the proposals. One such proposal would have exempted any incident occurring prior to the bill's effective date from the provisions of the bill. This "grandfather" clause would make it impossible for the State to take appropriate action. A recent incident which exemplifies the potential ramifications of a "grandfather" clause would be the January 29, 1990 oil spill near Barbers Point in which State officials were not notified.

If enacted, the "grandfather" clause would effectively bar the State from taking any appropriate actions in recovering damages from the incident.

Your Committee has purposely left the provisions on judicial proceedings intact to allow the Committee on Judiciary to amend as it deems appropriate.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3108, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2180      Agriculture on S.B. No. 3468**

The purpose of this bill is to establish an Agriculture Development Authority.

Your Committee finds the Authority would serve as a public corporation with the responsibility to carry out programs to aggressively promote the development of agricultural enterprises and growth of the agricultural industry.

Furthermore, the bill endows the Authority with the powers to monitor the local, national, and international community to advance opportunities for Hawaii agricultural producers and to actively assist producers in studying the marketplace and develop strategies for the promotion and marketing of Hawaii agricultural products. The Authority is further empowered to assist agricultural enterprises by entering into joint ventures and providing financial assistance and other resources.

The Alternative Crops Industry Analysis Number 1 submitted on March 30, 1988, pointed out that intensive use of large agricultural tracts could be facilitated by establishing private agricultural parks through joint ventures. The report also cited the importance of research programs to facilitate the coordination of planting, harvesting, and management activities. The report further recommended the establishment of a public-private corporation to seek private funds for ventures, to channel state money to assist alternative crop producers, to provide industry-wide services, to provide direct marketing assistance for private producers, and to assist in analyzing the potential for growing alternative crops. Your Committee finds that an aggressive leadership has to be provided for diversified agriculture to grow and compete in the larger markets of the nation and the world.

Your Committee received testimony from the Department of Agriculture suggesting several amendments:

- (1) Assigning the Authority to the Department of Agriculture rather than the Office of the Governor;
- (2) Including the Director of Business and Economic Development and the Chairperson of the Governor's Agriculture Coordinating Committee on the Authority's Board of Directors;
- (3) Eliminating duplication of several powers between the Authority and the Department;
- (4) Providing for confidentiality of trade secrets;
- (5) Excluding lands acquired by the Authority from the definition of public lands; and
- (6) Keeping the existing agricultural loan program in the Department of Agriculture.

Your Committee has considered the suggestions of the Department of Agriculture and amended the bill to provide for the protection of confidentiality of trade secrets and excluded lands acquired by the Authority from the definition of public lands in section 171-2. Further, your Committee has amended the bill to provide for a development loan program and to assure that the existing agricultural loan program would not be transferred to the Authority. Your Committee feels the ability to make loans is vital to the success of the Authority to facilitate the development of new agricultural enterprises.

Your Committee rejects the addition of the Director of Business and Economic Development and the Chairperson of the Governor's Agriculture Coordinating Committee as members of the Authority's Board of Directors. The vitality of the Authority's efforts requires innovative perspectives complimented by the special expertise specified to qualify the board members. Your Committee feels that the Director of Business and Economic Development, as an ex officio voting member, will not significantly add to the energy of the Authority. Further, your Committee has repealed chapter 164, Hawaii Revised Statutes, eliminating the Governor's Agriculture Coordinating Committee. This action is taken to eliminate redundancy since the functions of the Committee can now be performed by the Authority. Your Committee has also rejected the administrative placement of the Authority within the Department of Agriculture. The administrative placement of the Authority within the Office of the Governor is to emphasize the State's commitment to the development of agricultural enterprises.

Your Committee has also added an appropriation of \$7,000,000 to carry out the purposes of the bill.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3468, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2181      Transportation on S.B. No. 2166**

The purpose of this bill is to establish a motorcycle operators' education program on the neighbor islands.

Your Committee finds the bill establishes a \$5 surcharge on motorcycle and motor scooter renewal registrations and driver's licenses to generate funds to conduct motorcycle education courses throughout the State, including the neighbor islands. The fees shall be collected by the director of finance of each county and shall be transferred to the state drivers' education fund to be expended by the University of Hawaii community college employment training office for the purposes of this bill.

Your Committee received strong supporting testimony from the Department of Transportation and the Hawaii Street Bikers Association.

Your Committee finds that presently there are no motorcycle education programs offered on the neighbor islands and passage of the bill would remedy the problem. More importantly, the availability and participation in these courses will increase motorcycle safety and reduce motorcycle accidents.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2166 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. 2182      Transportation on S.B. No. 2369**

The purpose of this bill is to issue general obligation bonds in the sum of \$1,000,000, and appropriate the same sum for the design and construction of roadway improvements on Kahekili Highway from Waiehu to Honokohau, Maui.

Your Committee received supporting testimony from the Department of Transportation and the County of Maui and finds this project is necessary to improve a section of the roadway that is sliding into the ocean. The county plans to close the roadway if conditions are not improved.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2369 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. 2183      Transportation on S.B. No. 2927**

The purpose of this bill is to transfer to each county all fines and forfeitures generated by parking and traffic violations collected by the district court in that county.

Your Committee finds the State director of finance shall deposit into the general fund of each county all fines and forfeitures collected by the district court in that county.

Your Committee finds the bill to be one of several bills dealing with the issue of transferring revenues to the counties and therefore should be considered together to ascertain the overall financial and operational impact of the transfer of these revenues.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2927 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. 2184      Transportation on S.B. No. 2991**

The purpose of this bill is to appropriate \$190,000 to provide necessary public transportation for the growing population on the island of Kauai by providing for the purchase of five, 20-25 passenger mini-buses.

Your Committee has received supporting testimony from the County of Kauai, the ILWU Local 142, and other private organizations.

Your Committee finds this project necessary to add to the two bus system currently in operation. This project will also relieve the problem of traffic congestion on Kauai.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2991 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 Menor.

**SCRep. 2185      Transportation on S.B. No. 2994**

The purpose of this bill is to appropriate \$2,000,000, to make necessary road improvements in the Lihue to Kapaa area, including by not limited to; re-routing, coning, restriping, paving, resurfacing, widening, relocation of utility poles, shoulder improvements and any other transportation alternatives to alleviate the traffic congestion in the area.

Your Committee received supporting testimony from the Department of Transportation and County of Kauai and finds the project necessary to mitigate the problem of traffic congestion in the area.

Your Committee finds the present transportation infrastructure on Kauai has failed to keep up with the growing population of the island. With Kauai's de facto population in excess of 60,000 the need for improved roadways has steadily increased.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2994 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. 2186 (Majority) Transportation on S.B. No. 3138**

The purpose of this bill is to authorize the transfer of excess monies from special funds back to the State's general fund.

Your Committee finds the bill gives the Governor, or the Director of Finance, the authority to transfer monies from any special fund, except those under the Department of Transportation restricted by federal law or grant agreements, if the monies within the fund are in excess of its fiscal year requirements.

Furthermore, the bill subjugates the transportation use special fund to a level of a separate account in the airport revenue fund, into which all monies received under contracts made with the State for the sale of merchandise at the airport shall be credited.

Your Committee received strong supporting testimony from the Department of Transportation. The Department stated the provisions of the bill would not jeopardize any of the Department's agreements with respect to receipt of federal funds or outstanding bond obligations.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3138 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 Mizuguchi.  
Senator George did not concur.

**SCRep. 2187 Transportation on S.B. No. 3191**

The purpose of this bill is to appropriate \$3,500,000 to provide necessary improvements to connect Maalo Road with Kuamoo Road.

Your Committee finds it necessary to connect Maalo Road at Kapaia Road north to Kuamoo Road north to Kuamoo Road and to provide other necessary improvements which include but are not limited to: resurfacing, grading, paving, widening and any other improvements to provide an alternative route to the Kapaa-Wailua area to avoid the bottleneck at the Wailua Bridge.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3191 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. 2188 Transportation on S.B. No. 3192**

The purpose of this bill is to appropriate \$300,000 of state funds to be supplemented by federal bridge replacement funds to plan and design a second bridge over the Wailua River.

Your Committee finds this project is necessary to relieve the bottleneck condition that exists at the Wailua Bridge and for traffic safety reasons.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3192 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. 2189 Transportation on S.B. No. 2529**

The purpose of this bill is to appropriate \$2,000,000 to plan, design and construct by-pass lanes on Queen Kaahumanu Highway of the island of Hawaii.

Your Committee finds this project is necessary to mitigate the problems of traffic congestion and traffic safety.

Your Committee has amended the bill to include the widening as well as the installation of by-pass lanes to the highway.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2529, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2190 Transportation on S.B. No. 2613**

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$230,000, for fiscal year 1990-1991, for safety improvements on Kahekili Highway.

Your Committee finds these projects to be necessary to alleviate the serious traffic congestion and dangerous conditions that currently exist on Kahekili Highway.

Your Committee has amended the bill by increasing the amounts appropriated to a total of \$570,000 and expending it as follows:

1. Kahekili Highway and and Ahuimanu Place intersection:
 

Design	\$ 20,000
Construction	\$150,000
Total	\$170,000
2. Kahekili Highway and Ahuimanu Road intersection:
 

Design	\$ 25,000
Construction	\$175,000
Total	\$200,000
3. Kahekili Highway and Ahaolelo Road:
 

Design	\$ 25,000
Construction	\$175,000
Total	\$200,000

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2613, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2613, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2191      Transportation on S.B. No. 2662**

The purpose of this bill is to authorize the issuance of \$1,750,000 in general obligation bonds and appropriate the amount for a grant-in-aid to the Hawaii Wing, Civil Air Patrol for the design and construction to replace hangars and facilities at the Lihue, Honolulu International, and Kahului airports.

Your Committee received favorable testimony from the Hawaii Wing, Civil Air Patrol and finds this project necessary for the Hawaii Wing Civil Air Patrol to promote aeronautical education in Hawaii and to operate properly. The facilities will be used to train cadets in the operation of aircraft and techniques of airborne search and rescue.

Your Committee has amended the bill by adding two additional airports, increasing the amount of the appropriation to \$2,995,000, and inserting specific breakdowns for each project at the following airports:

Lihue Airport (TRN 161)	
Construction	\$ 500,000
Honolulu International Airport (TRN 102)	
Design	\$ 100,000
Construction	\$1,570,000
Keahole Airport (TRN 114)	
Construction	\$ 225,000
Kahului Airport (TRN 131)	
Design	\$ 50,000
Construction	\$ 450,000
Hilo International Airport (TRN 111)	\$ 100,000
Total:	\$2,995,000

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2662, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Menor.

**SCRep. 2192      Transportation on S.B. No. 2720**

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$2,000,000, for the fiscal year 1990-91, for necessary construction on the intersection of Nihi Street and Kamaniki Street on Oahu.

Your Committee finds this project is necessary to alleviate the serious traffic congestion that exists at the intersection.

Your Committee has amended the bill by changing the amount appropriated to \$1 for construction.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2720, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2720, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2193      Transportation on S.B. No. 2733**

The purpose of this bill is to appropriate funds for drainage improvements in the Honouliuli area, Ewa, Oahu.

Your Committee finds this project is necessary to correct the flooding conditions that occur during rainstorms which may have been caused by the improvements to Fort Weaver Road.

Your Committee has amended the bill by inserting \$500,000, as the appropriated amount.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2733, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2733, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2194      Transportation on S.B. No. 2971**

The purpose of this bill is to appropriate funds for road and drainage improvements to Sand Island Access Road.

Your Committee received supporting testimony from the Department of Transportation, the Office of State Planning, the Department of Land and Natural Resources, Matson Navigation Company, and the Sand Island Business Association.

Your Committee finds this project is necessary to prevent the flooding condition that occurs during rainstorms.

Your Committee has amended the bill by inserting \$300,000 for planning and \$1,000,000 for design of the system.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2971, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Menor.

**SCRep. 2195      Transportation on S.B. No. 3029**

The purpose of this bill is to appropriate funds to condemn and purchase the Lihue Plantation Cane Haul Bridge over the Wailua River.

Your Committee finds this project is necessary to mitigate the problems of traffic congestion and traffic safety. This project will also help relieve the bottleneck that is created by the narrow bridge.

Your Committee has amended this bill by providing \$1,780,000 to acquire the bridge.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3029, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2196      Transportation on S.B. No. 3448**

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$250,000, to shoulder up and improve areas alongside Kuhio Highway in the Hanalei District.

Your Committee finds it necessary to correct the flooding that currently exists due to poor drainage in the area. During the rainstorms that frequent the Hanalei area, the residual flooding makes passage impossible. The residents, in effect, become trapped in the valley without access to medical and other emergency services. This project will correct this problem.

Your Committee has amended section 1. of the bill as follows:

"SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000, or so much thereof as may be necessary for fiscal year 1990-1991, to study and correct the flooding conditions of Kuhio Highway in the Hanalei District and or other necessary improvements that include but are not limited to shouldering up and improving areas alongside Kuhio Highway."

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3448, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3448, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Menor.

**SCRep. 2197      Transportation on S.B. No. 3430**

The purpose of this bill is to appropriate \$1,440,000 for planning, design and construction of a by-pass road in Waimea on the island of Hawaii.

Your Committee finds this project is necessary to mitigate traffic congestion and to improve traffic safety.

Your Committee has amended this bill by providing \$1,000,000 for planning, design and construction of a by-pass road in Waimea on the island of Hawaii.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3430, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2198      Health on S.B. No. 1629**

The purpose of this short form bill is to provide legislation relating to public health.

Your Committee has amended the bill by repealing sections 325-8 and 325-9 relating to quarantine of infected persons, which are outdated and of questionable constitutional validity. In their place, a new Part is enacted in chapter 325 to provide a comprehensive procedure for the quarantine of people with communicable diseases. The bill also provides adequate due process rights for affected persons.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1629, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1629, S.D. 1, and be recommitted to the Committee on Health for further consideration.

Signed by all members of the Committee.

**SCRep. 2199      Health on S.B. No. 2318**

The purpose of this bill is to include the illegal distribution of steroids as an offense subject to the forfeiture provisions of the penal code.

Your Committee finds that the previous inclusion of steroids in chapter 329 created penalty provisions for the illegal distribution of steroids, but did not identify or list steroids in any controlled substance schedule. Therefore, the offense is technically outside of the forfeiture provisions that exist for offenses involving other drugs listed under chapter 329. This bill will correct that problem.

Your Committee has amended the bill by correcting the proposed language in subsection 329-45(d) to refer to the "property" of the violator which is forfeited, and not the violator that is forfeited; by repealing section 3 of the bill which repeals the drop dead clause of Act 260, Session Laws of Hawaii, 1988; and by adding statutory language to section 329-55(a)(6) which appears to have been inadvertently deleted. Your Committee notes for the drafting purposes of this bill, the latter version of section 329-55 in the supplement of the Hawaii Revised Statutes should be used, which takes effect on July 1, 1990.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2318, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2200      Health on S.B. No. 3110**

The purpose of this bill is to authorize the department of health to establish and administer special funds for the deposit and expenditure of federal funds for community program services for the developmentally disabled.

Your Committee received favorable testimony in support of this bill from the director of health, the state planning council on developmental disabilities, the commission on persons with disabilities, and the protection and advocacy agency of Hawaii.

Your Committee finds that this bill is necessary to facilitate the implementation of Medicaid community programs, by allowing the department of health to expand services for this population through the pursuit of matching Medicaid funds.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3110 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. 2201      Health on S.B. No. 2162**

The purpose of this bill is to provide funds for the Department of Health to study the potential health hazards of smoking Hawaiian grown marijuana that may contain mercury.

Testimony in support of this measure was received from the Department of Health, who stated that the University of Hawaii's Botany Department and School of Public Health have measured the average level of mercury in Hawaiian grown marijuana to be 400 milligrams of mercury per 1000 grams of marijuana. Using the "provisional tolerable weekly intake" of 0.3 milligrams provided in 1972 by a joint United Nations Food and Agriculture Organization/World Health Organization expert committee on food additives, the University professors estimated that smoking as little as 100 grams of marijuana per week might lead to a greater mercury intake than the 0.3 milligram guideline.

Your Committee amended this bill by inserting an appropriation of \$20,000 for the Department of Health to conduct this study.

Your Committee believes that documentation revealing the health hazards of smoking marijuana containing mercury will help fight the war on drugs by convincing people of the potentially unique hazard of smoking Hawaiian grown marijuana.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2162, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2202      Health on S.B. No. 2171**

The purpose of this bill is to amend chapter 209, Hawaii Revised Statutes, relating to disaster relief and rehabilitation.

Specifically, this bill:

- (1) Declares that unsafe amounts of lead contamination in water catchment systems used for human consumption is a per se state disaster;
- (2) Provides personal loans of up to \$5,000 to the owner or lessee of a building to replace a contaminated water catchment system;
- (3) Authorizes the Department of Health to adopt standards for the construction of new water catchment systems funded or partially funded by the personal loans; and
- (4) Increases the loan amounts for disaster relief programs to \$50,000 for commercial loans and \$15,000 for personal loans.

Your Committee has amended this bill by providing for grants of up to \$5,000 to replace contaminated water catchment systems, and by requiring that new systems constructed with grant funds must comply with the appropriate county building regulations. The Department of Health, DBED, and DOD all testified that such an approach was superior to a loan program.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2171, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2203      Health on S.B. No. 2307**

The purpose of this bill is to enact a new chapter in the Hawaii Revised Statutes to provide for the inspection, assessment, and licensing of all testing laboratories in the State permitted to engage in substance abuse testing.

Minimum standards are set for testing laboratories, their directors, and some tests to be employed; the use, maintenance and disposition of all matter taken for testing; and the content, use, preservation, and the disposition allowed of all results, findings, and reports of testing. "Substance abuse test" is defined specifically and includes testing for alcohol, scheduled and therapeutic drugs. Provision is made for both privacy in testing and the confidentiality of the fact of testing as well as the findings.

Your Committee received favorable testimony from the Director of Health, Chief of the Personnel Division of the Police Department of the City and County of Honolulu, the Manager of Laboratories of, and on behalf of, the Kapiolani Medical Center for Women and Children, and the Staff Attorney of the Hawaii Chapter of the American Civil Liberties Union.

Your Committee has amended this bill as follows:

- (1) Substituting clarifying language under § -2 of the proposed statute which does not change the meaning or the substance;
- (2) Excluding the breathalyzer test under the definition of "Substance abuse test" in § -2;
- (3) Adding language in § -3 that the breathalyzer test is not limited by the requirements of this chapter;



- (4) Substituting clarifying language under § -4 that does not change the meaning or the substance;
- (5) Clarifying § -4(b)(4) by changing "gas chromatography or mass spectrometry" to its correct designation, "gas chromatography/mass spectrometry";
- (6) Substituting "Cut-off" for "Threshold" in § -4(b)(5);
- (7) Deleting § -5(b)(1), (b)(2), (b)(3), and (b)(4) relating to alterations to urine samples and other irregularities to drug samples. These are redundant because the matter is adequately covered in the language of subsection (b) itself;
- (8) Substituting clarifying language to § -5(c) that does not change the meaning or the substance of the bill;
- (9) Deleting § -6(a)(1) which reads "The name of the person tested"; and
- (10) Making several technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2307, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2204 (Majority) Health on S.B. No. 2413**

The purpose of this bill is to establish a Sterile Needle and Syringe Exchange Program to combat the spread of infectious diseases by intravenous drug users.

Your Committee finds that there is a growing consensus in the public health community that well-designed needle and syringe exchange programs are effective. Data from programs elsewhere in the U.S. and the world have shown a decrease in the sharing of needles and the frequency of injections, and a greater awareness of needle hygiene. The data also shows an increase in the number of requests for drug treatment and AIDS and HIV counseling and testing, and no increase in overall or first-time drug use.

Despite this data, your Committee heard testimony during public hearings, that a needle exchange program "sends the wrong message" to the public and it "supports criminal activity." It is not the intent of your Committee to support or condone any criminal activity, but it is your Committee's intent to save lives when possible. The exchange program allows the department of health to come in direct contact with drug users to provide counseling and testing services. By removing contaminated needles from use, the exchange program helps children, a substantial number of whom are born to HIV infected mothers.

The program is supported by such health and law enforcement authorities as the Chief of Police of the City of Tacoma, the Director of Health for the City of New York, Hawaii's Director of Health, the Hemophilia Foundation, professors from the University of Hawaii School of Medicine, Hawaii Medical Association, Hawaii Nurses Association, Hawaii Psychiatric Society, Kapiolani Medical Center, Hawaii Chapter of the American Academy of Pediatrics, Hawaii Public Health Association, National Association of Social Workers, and Hawaii League of Nursing, as well as the Honolulu Advertiser and the Honolulu Star-Bulletin editorial boards.

The Governor's Committee on AIDS calls the problem of contaminated needles and syringes a "crisis"; it is nothing less. This bill is a response to that crisis.

Your Committee has amended the bill by: 1) deleting the funding section since the program will be privately funded and not paid for with taxpayer money; 2) requiring that individuals accept treatment, counseling or education services as a condition of participating; and 3) making several technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2413, S.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 2205 Health on S.B. No. 2586**

The purpose of this bill is to appropriate funds for fiscal year 1990-1991 to be expended by the Department of Health for mental health services.

Section 1 of the bill appropriates an unspecified sum to enable community mental health centers to provide alternative response and treatment paths for various types of crises on a round-the-clock basis. Section 2 appropriates an unspecified sum for the Department's Mental Health Division to carry out the needs assessment process including client, family, staff, and provider surveys.

Your Committee has consistently supported and advocated community based mental health and finds that the Section 1 appropriation will enhance the ability of the State to provide mental health services when and where they are required.

Your Committee has amended this bill by specifying the sum of \$660,000 for the community mental health center crisis response alternatives, and by deleting the appropriation for the needs assessment process, provision for which has been made elsewhere.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2586, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2206      Health on S.B. No. 3065**

The purpose of this bill is to include the term "chiropractic" within the definition of "physician" in certain chapters pertaining to health and to include the term "chiropractor" within the physician-patient privilege under the Hawaii Rules of Evidence.

Your Committee heard strong testimony in opposition to including the term "chiropractic" under chapters 323D, 334, and 338, all relating to health. However, there was no objection to including chiropractors within the physician-patient privilege under the rules of evidence.

Your Committee has amended this bill by deleting sections 1 through 3 of the bill, which would include chiropractic under those chapters pertaining to health.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3065, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2207      Health on S.B. No. 2849**

The purpose of this bill is to allow the director of health to maintain and enhance care giving in community-based private homes by providing family and care giver support.

This bill will provide services allowing the developmentally disabled to remain in private homes for as long as possible, by providing a variety of options such as respite, counseling services, purchase of special adaptive equipment, homemaker and chore services, and modifications to dwelling units.

Your Committee received testimony in support of this bill from the Department of Health, State Planning Council on Developmental Disabilities, Commission on Persons with Disabilities, Protection and Advocacy Agency of Hawaii, and individuals caring for persons with developmental disabilities.

Your Committee has amended this bill by deleting the word "private" on page 1, line 7 in reference to community-based homes for the developmentally disabled; and by providing a definition of "family and caregiver support."

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2849, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2208      Health on S.B. No. 3169**

The purpose of this bill is to create a registered nurse student financial support program and the registered nurse students loan fund to provide low interest loans to qualified students who intend to become licensed registered nurses and work in Hawaii.

Testimony in support of this measure was received by your Committee from the Department of Health, University of Hawaii, Healthcare Association of Hawaii, Hawaii Nurses' Association, American Organization and Nurse Executives-Hawaii, and Loretta Schular.

Your Committee amended this bill by:

- (1) Creating a new section under chapter 321, Hawaii Revised Statutes, to establish the registered nurse student financial support program and loan fund;
- (2) Deleting the requirement that fifteen percent of the money available in the fund be loaned to nurses with associate degrees or diplomas who are returning to pursue a baccalaureate degree in nursing;
- (3) Giving priority for loan approval to students pursuing a career as a registered nurse, then to students pursuing specialized training for a career as a nurse practitioner;
- (4) Allowing the director of health and the screening and selection panel to consider the approval of loans for out-of-state training only if no accredited specialized nursing educational programs are available in the State;

- (5) Providing for the immediate repayment of loans from graduates who choose not to seek employment, become employed in the State in a field other than nursing, or become employed in any field outside of the State; and
- (6) Making several technical, nonsubstantive amendments for purposes of clarity and style.

The State of Hawaii is in the midst of a critical nursing shortage and it is anticipated that by 1991, there will be over 1,300 vacant nursing positions. Your Committee finds that in addition to the increasing demand for skilled nurses, the costs associated with earning a degree in nursing are considerable and in many cases, prohibit interested persons from pursuing a nursing education. Your Committee believes that this bill addresses both the recruitment and retention of nurses in the State, assuring the availability of appropriately trained registered nurses to meet the growing demand for quality health care services.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3169, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2209      Health on S.B. No. 3170**

The purpose of this bill is to authorize the Department of Health to certify domiciliary homes for adults who are developmentally disabled or mentally retarded and to appropriate the sum of \$60,000 for the implementation of the certification program.

As introduced, the bill would require the Director of Health to adopt rules relating to: (1) the criteria for certification of homes; (2) the protection, health, safety, and civil rights of residents of the homes; (3) community input and appropriate integration and training of residents; (4) the certification of homes for up to five persons; (5) the training and certification of home operators and employees; and (6) penalties for failure to comply with the rules. The Department of Health would also be required to keep a registry of certified homes and employees, and an inventory of vacancies to facilitate placement. The shelter allowance for residents would be determined as provided in section 346-53 without regard to the level of care determination.

Your Committee received testimony in support of the bill from the Association for Retarded Citizens of Kauai, the Association for Retarded Citizens of Hawaii, the Commission on Persons with Disabilities, and the Protection and Advocacy Agency of Hawaii.

Your Committee finds that existing licensure requirements applicable to adult residential care homes -- especially medically-related staffing requirements -- have created a difficult situation for home operators who must adapt their homes to these requirements despite the fact that their residents may not need the level of medical care required by the rules. Your Committee believes that the liberalization of licensing requirements for homes servicing the developmentally disabled or mentally retarded who do not need in-house nursing care will encourage the development of more small homes and result in more placements. Your Committee finds this to be in the public interest.

Your Committee has amended the bill by: (1) providing for licensure, rather than certification of homes; (2) making clear that licensure would apply to homes for the developmentally disabled or mentally retarded who are unable to live independently but do not require the care of licensed nurses; (3) adding a section defining "developmental disabilities" and "mental retardation;" (4) deleting reference to the level of care determination; and (5) making technical changes that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3170, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2210      Transportation on S.B. No. 2400**

The purpose of this bill is to authorize the issuance of general obligation bonds and appropriate \$1,000,000 for planning and design, and \$9,000,000 for widening of Farrington Highway, Oahu, from a two lane highway to a four lane highway from Ala Hema to Jade Street.

Your Committee received supporting testimony from the Department of Transportation and a number of private citizens and finds this project necessary to mitigate the problems of traffic congestion and safety.

Your Committee has amended the bill by deleting \$9,000,000 for construction and separating the \$1,000,000 appropriated for planning and design into two separate components that provide \$100,000 for planning and \$900,000 for design.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2400, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2211      Transportation on S.B. No. 3135**

The purpose of this bill is to allow the Department of Transportation to pay their Airport Division employees in the same manner as other airport personnel for their participation in and training for aircraft emergencies.

Your Committee finds the bill allows the Department of Transportation to compensate their employees on an as-performed basis. Presently, these employees are receiving a \$25 per month "pay differential" regardless of whether they attend a drill or perform rescue service.

Your Committee received strong supporting testimony from the Department of Transportation.

Your Committee finds the bill provides an incentive for employees to attend training drills since they will be paid on an attendance per drill basis thereby increasing the competency level of the employees performing emergency services.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3135 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. 2212      Housing and Hawaiian Programs on S.B. No. 3042**

The purpose of this bill is to appropriate \$3,535,000 for fiscal year 1990-1991 for plans, design, and construction of infrastructure improvements on Hawaiian home lands. The sum appropriated would be expended by the Department of Hawaiian Home Lands.

Your Committee received supporting testimony from the Chairperson of the Hawaiian Homes Commission, the State Council of Hawaiian Homestead Associations, The Aged Hawaiians (Humuula Pastoral Homestead Applicants), Alu Like, Inc., Waianae Valley Homestead Community Association, Inc., the Waiehu-Kou Homestead Association, Inc., Paukukalo Hawaiian Homes Community Association, Inc., and several concerned citizens.

Your Committee finds that on-site and off-site infrastructure improvements on Hawaiian home lands are desperately needed, particularly for those lessees who were awarded raw land leases. This bill would help to accelerate the infrastructure improvement program.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3042 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. 2213      Housing and Hawaiian Programs on S.B. No. 2778**

The purpose of this bill is to appropriate funds for the expansion of the community center building at Paukukalo, Maui. The sum appropriated would be expended by the Department of Hawaiian Home Lands.

Your Committee received supporting testimony from the Hawaiian Homes Commission, the Paukukalo Hawaiian Homes Community Association, Inc., the State Council of Hawaiian Homestead Associations, the Waiehu-Kou Homestead Association, and other interested citizens.

Your Committee finds that expansion of the community center building at Paukukalo is necessary to accommodate increased usage by the growing population in this area. The community will benefit from the additional programs and services that could be offered at an expanded facility.

Your Committee has amended the bill to increase the sum to be appropriated from \$100,000 to \$455,500, including \$40,500 for design, \$405,000 for construction, and \$10,000 for kitchen and other equipment for the facility.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2778, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2214      Housing and Hawaiian Programs on S.B. No. 2560**

The purpose of this bill is to create a housing alteration revolving loan fund for persons with physical disabilities. The revolving loan fund would be administered by the Housing Finance and Development Corporation and would be used to provide low-interest loans of up to \$15,000 per residence for physically disabled persons to make design alterations to their residences in order to accommodate their physical disabilities. The bill would appropriate \$2,000,000 for fiscal year 1990-1991 as initial funding for the housing alteration revolving loan fund.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, the Vice-Chair of the Hawaii County Council, the Chair of the Committee on Inter-Governmental Relations of the Hawaii County Council, the Mayor's Advisory Committee on the Handicapped of the County of Maui, the Hawaii Centers for Independent Living, the Hawaii Public Health Association, and several concerned individuals.

The Housing Finance and Development Corporation and the Commission on Persons with Disabilities recommended that the bill be amended to:

- (1) Allow the Corporation to use a portion of the funds in the housing alteration revolving loan fund for administrative purposes;
- (2) Allow the Corporation to enter into agreements and purchase services from qualified lending institutions; and
- (3) Require the Corporation to secure loans in a manner which affords reasonable protection of the State's resources.

The Commission also recommended that the bill be amended to require the Housing Finance and Development Corporation to consult with the Commission in adopting rules to administer the housing alteration program for persons with physical disabilities.

Your Committee finds that the bill will assist persons with physical disabilities in maintaining independent lifestyles and in continuing to live with dignity and self-respect in their own homes, rather than in institutional settings. Your Committee further finds that a State-funded loan program would allow for greater flexibility than is afforded under the federally-funded programs currently administered by the City and County of Honolulu and the County of Kauai.

Your Committee has made amendments to the bill consistent with the recommendations of the Housing Finance and Development Corporation and the Commission on Persons with Disabilities. Your Committee has also made several technical and clarifying amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2560, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2215      Housing and Hawaiian Programs on S.B. No. 3148**

The purpose of this bill is to authorize the Hawaii Housing Authority to certify for exemption from general excise taxes qualified persons or firms involved in the rehabilitation or construction of housing developed for or by the Authority under chapters 356 and 359, Hawaii Revised Statutes. Currently, the Housing Finance and Development Corporation must exercise this authority on behalf of the Hawaii Housing Authority.

Your Committee received supporting testimony from the Hawaii Housing Authority and the Department of Taxation on this administration bill.

Your Committee finds that it is appropriate for the Hawaii Housing Authority to have independent authority to certify tax exemptions for projects that the Authority is responsible for developing, such as federally-funded projects. Your Committee finds that, given the increase in demand for rental housing, granting the Hawaii Housing Authority independent certification authority will help to expedite the development of low-income rental housing.

Your Committee has amended the bill to clarify that the exemption from general excise taxes applies only to amounts received from the particular project approved or certified for exemption by the Hawaii Housing Authority, and not to the entire business of the developer involved.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3148, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2216      Housing and Hawaiian Programs on S.B. No. 3252**

The purpose of this bill is to appropriate \$135,000 for fiscal year 1990-1991 for new facilities for Hale Ola Ho'opakolea, Inc. on Hawaiian homestead lands in Nanakuli, Oahu. The sum to be appropriated would be expended by the Department of Hawaiian Home Lands.

Your Committee received supporting testimony from Hale Ola Ho'opakolea, Inc., the Waianae Valley Homestead Community Association, Inc., Alu Like, Inc., the State Council of Hawaiian Homestead Associations, and other concerned citizens. Your Committee also received testimony from the Hawaiian Homes Commission explaining that Hale Ola Ho'opakolea, Inc., a 501(c)(3) non-profit organization, has been providing mental health and family counseling services on the Waianae coast since 1981. Since 1984, Hale Ola Ho'opakolea has been utilizing Hawaiian home lands under a month-to-month revocable permit. This site is designated as homestead residential under the Department's Nanakuli Development Plan. While the Department has received a request for extension of Hale Ola Ho'opakolea's lease, this request must be reviewed by the Department and approved by the Hawaiian Homes Commission. This review will not take place until later this month. Under these circumstances, the Hawaiian Homes Commission indicated that it supports the intent of the bill. However, it cannot make a firm commitment at this time, since all of the necessary steps for the proposed project have not been completed.

Your Committee finds that Hale Ola Ho'opakolea has served an important role on the Waianae coast, providing much needed social services with a concentration on approaches rooted in Native Hawaiian values and healing practices. The existing facility used by Hale Ola Ho'opakolea is over fifty years old and is deteriorated and unsafe. This facility is used both by Hale Ola Ho'opakolea and as a community resource center and meeting place for community groups. Accordingly, your Committee finds that provision of new facilities for Hale Ola Ho'opakolea is appropriate, with the understanding that all necessary steps to secure this land on a long-term basis must be completed before the sum to be appropriated is expended.

Your Committee has amended the bill to increase the amount to be appropriated to \$150,000. This includes funding to demolish existing structures and plan, design, and construct a new facility, including sewer hookups and other improvements. Your Committee has also made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3252, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3252, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2217 (Majority) Housing and Hawaiian Programs on S.B. No. 1264**

The purpose of this bill is to propose amendments to Article XII, Sections 4, 5, and 6 and to add a new section to the Constitution of the State of Hawaii to clarify the definition of the public land trust defined in section 4 and to define the term "native Hawaiian".

Your Committee received testimony in support of this bill from the Office of Hawaiian Affairs (OHA), the trustees of the Office of Hawaiian Affairs, the Deputy Administrator for the Office of Hawaiian Affairs, the Land Officer of the Office of Hawaiian Affairs, the Chief Executive Officer of Alu Like, Inc., the Association of Hawaiian Civic Clubs, Oahu District Council-Association of Hawaiian Civic Clubs, and the Department of Hawaiian Home Lands.

In addition to testimony in support of this bill, the Committee received testimony in opposition from several native Hawaiian homesteaders and organizations, including Ka Lahui Hawaii, Hawaiian Political Action Council of Hawaii, Keaukaha-Panaewa Farmers Association, Waiehu-Kou Homestead Association, Pahe'ehe'e Ridge Association, Papakolea Community Association, and the Native Hawaiian Land Trust Task Force-Special Committee.

In testimony presented by OHA, the plebiscite to determine whether the distinction between Hawaiians with fifty per cent or more Hawaiian blood and Hawaiians with less than fifty per cent Hawaiian blood should be eliminated showed that a single definition of native Hawaiians without reference to blood quantum is preferred by more than a three to one margin in Hawaiian homestead areas which are predominantly occupied by Hawaiians with fifty per cent of more Hawaiian blood. In one senatorial district the margin was seven to one in favor of a single definition and in many areas, the margin was three or four to one in favor of a single definition.

The plebiscite was conducted in 1989. A total of 63,859 ballots were mailed, of which 3,235 were undeliverable. The official returns were as follows: 18,378 ballots returned, with 14,702 "yes" votes, 3,598 "no" votes, and 68 blank votes. Ten ballots were overvotes.

Your Committee amended this bill by adding the following sentence with respect to the powers of the Board of Trustees, to read:

"In any program operated by the board, priority shall be given to meeting the needs of native Hawaiian who are descendants of not less than one-half part of the races inhabiting the Hawaiian Islands previous to 1778, as defined by the Hawaiian Homes Commission Act, 1920, as amended; thence to all other native Hawaiians."

This amendment is being made to address a major concern of those individuals and groups who spoke in opposition to the bill. The purpose of this amendment is to allow OHA to serve all Hawaiians regardless of blood quantum, but also provide that OHA give priority to serving the needs of those Hawaiians with more than fifty per cent Hawaiian blood. Because historically a promise of benefits has been made to these native Hawaiians and in large part these benefits have not been provided, your Committee feels that these native Hawaiians should receive substantial attention in the form of OHA's programs and services. However, it is not the intention of the amendment to restrict OHA's ability to provide services to the Hawaiian population as a whole. In other words, the language is not meant to invalidate any program because a person of less than fifty per cent Hawaiian blood is assisted while even one person of more than fifty per cent Hawaiian blood is (for some reason) not served.

Your Committee intends to ensure that OHA will continue to develop programs that are specifically and directly intended for native Hawaiians with more than fifty per cent Hawaiian blood, such as self-help housing projects on homestead land or social services programs on homestead land. At the same time, your Committee finds that programs such as scholarships, Hawaiian language programs, and business development programs can and should be made available to all Hawaiians regardless of blood quantum, as long as OHA takes reasonable measures to provide some form of priority or preference for participation by native Hawaiians having more than fifty per cent Hawaiian blood in these programs.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1264, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

Senators Cobb, Solomon and Reed did not concur.

**SCRep. 2218 Housing and Hawaiian Programs on S.B. No. 3476**

The purpose of this bill is to amend section 235-55.7(c), Hawaii Revised Statutes, to create three different adjusted gross income brackets for the purposes of the renter's income tax credit. The amount of the credit allowed would vary according to adjusted gross income levels.

Under current law, a resident taxpayer with an adjusted gross income of less than \$30,000 may claim a tax credit of \$50 multiplied by the number of qualified exemptions to which the taxpayer is entitled. Under the bill, three different brackets would be created with (1) taxpayers with an adjusted gross income of less than \$30,000 being allowed to claim a tax credit of a certain unspecified amount, (2) taxpayers with adjusted gross incomes between \$30,000 and an unspecified higher dollar amount being allowed to claim a tax credit of a certain lesser amount (unspecified) than taxpayers in the first bracket, and (3) taxpayers with adjusted gross incomes between the maximum dollar level for the second bracket and an unspecified higher dollar amount being allowed to claim a tax credit of an even lesser amount (unspecified) than taxpayers in the first and second brackets. The apparent intent of the bill is to provide increased tax relief to renters and to address the somewhat arbitrary nature of the adjusted gross income ceiling in existing law under which taxpayers having an adjusted gross income of \$29,999 receive the tax credit and taxpayers having an adjusted gross income of \$30,000 are denied any credit.

Your Committee received opposing testimony from the Department of Taxation which indicated that the current renter's income tax credit is adequate to take care of the needs of low-income renters and that relief for higher income renters is not necessary. The Department also indicated that the bill would make the Hawaii individual income tax system more complicated and difficult to administer. Your Committee also received testimony from the Tax Foundation of Hawaii proposing that increased tax relief be given to married couples by increasing the \$30,000 adjusted gross income ceiling for these taxpayers to \$35,450, with the difference representing the \$5,450 federal standard deduction amount for married couples for tax year 1990. Your Committee also received supporting testimony from the Affordable Housing Alliance.

Your Committee finds that, with rapidly escalating rents in Hawaii, increased tax relief for renters is warranted.

Your Committee has amended the bill, in accordance with the recommendations of the Tax Foundation of Hawaii, to create separate classifications for unmarried taxpayers and married taxpayers. The adjusted gross income ceiling for married couples would be increased to \$35,450 as explained above. The adjusted gross income ceiling for unmarried taxpayers, including surviving spouses and heads of households, would remain at \$30,000 and would not be increased by the federal standard deduction amounts for tax year 1990 for these taxpayers.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3476, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2219      Housing and Hawaiian Programs on S.B. No. 3201**

The purpose of this bill is to appropriate \$4,018,900 for fiscal year 1990-1991 for repair, maintenance, improvement, and beautification of public housing complexes managed or administered by the Hawaii Housing Authority.

Your Committee received supporting testimony from the Hawaii Housing Authority and the Hawaii Centers for Independent Living. The Hawaii Housing Authority requested that \$2,294,800 be added to the bill for various other improvements at public housing complexes. Many of these improvements were included in Senate Bill Nos. 2815, 2892, 2898, 3082, and 3251. The Authority also requested that \$150,000 be deleted from the bill, since funding for the specific improvement involved is already available. Finally, the Authority requested that \$4,000,000 be added to the bill for the planning and design of 600 single room occupancy units and for the construction of 200 single room occupancy units throughout the State.

Your Committee finds that the funds to be appropriated by this bill will help to stabilize and preserve the existing stock of public housing complexes which are in need of care and maintenance and will serve to protect the health and safety of residents of the complexes and improve their quality of life. These improvements will contribute to the overall value of the State's public housing complexes, and better serve the residents of these complexes by improving the physical environment. Your Committee further finds that there is a tremendous need for small affordable efficiency units to house single persons who cannot afford the cost of studio or larger apartments. The Committee finds that this need can be effectively met through the construction of single room occupancy accommodations.

Your Committee has made amendments to the bill to reflect the additions and deletion requested by the Hawaii Housing Authority. Your Committee has also amended the bill by rearranging public housing improvement projects in order of priority as established by the Hawaii Housing Authority, and by indicating whether a respective project is a capital improvement project (CIP) or a repair and maintenance project (R&M). Your Committee has also amended the bill to add a new section requiring the Authority to develop rules relating to single room occupancy accommodations.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3201, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2220      Housing and Hawaiian Programs on S.B. No. 3096**

The purpose of this bill is to transfer responsibility for managing, operating, and maintaining housing complexes for elders from the Housing Finance and Development Corporation to the Hawaii Housing Authority, with the Corporation retaining authority for planning, developing, and rehabilitating projects for elders.

Specifically, the bill would amend chapters 201E and 359, Hawaii Revised Statutes, to: (1) repeal subpart D of part III of chapter 201E relating to the Housing Finance and Development Corporation and housing for elderly persons; (2) add a new subpart to part III of chapter 201E authorizing the Housing Finance and Development Corporation to develop and

rehabilitate housing projects for elders on a priority basis and to transfer these projects, upon completion, to the Hawaii Housing Authority; (3) add new sections to chapter 359 reestablishing the elderly housing revolving fund under that chapter, authorizing the Hawaii Housing Authority to administer the fund, and authorizing the Authority to adopt rules for the management and operation of housing projects for elders; and (4) add a new definition of "elder" to section 201E-2.

Your Committee received supporting testimony on this administration bill from the Housing Finance and Development Corporation, the Department of Budget and Finance, the Hawaii Housing Authority, the Hawaii Association of Realtors, and the Founders Group, Kokua Council for Senior Citizens. The Hawaii Housing Authority recommended that the bill be amended to:

- (1) Change the definition of "elder" to include only those persons who have attained the age of sixty-two, while excluding those persons who are suffering from physical or mental impairments but are not otherwise "elders;"
- (2) Add a new definition of "housing complex" to chapter 359, Hawaii Revised Statutes, that is substantially similar to the definition of "housing project" in section 201E-230, Hawaii Revised Statutes, which is to be repealed by the bill; and
- (3) Add a new section to chapter 359, Hawaii Revised Statutes, relating to resident selection, dwelling units, and rentals that is substantially similar to section 201E-234, Hawaii Revised Statutes, which is to be repealed by the bill.

With respect to the definition of "elder," the Hawaii Housing Authority explained that there have been some safety and other problems created by mixing elders and physically or mentally impaired persons in the same complex. For federally-funded projects, the physically and mentally handicapped must be given first priority for accommodations and the amendment proposed by the Authority would not change this requirement. For State-funded projects, the Authority explained that the mixing of elders and physically or mentally impaired persons is not required and is often inappropriate.

Your Committee finds that the transfer of functions proposed in the bill is consistent with the respective roles of the Housing Finance and Development Corporation as the agency charged with planning, developing, and rehabilitating housing and the Hawaii Housing Authority as the agency charged with managing, operating, and maintaining public housing projects.

Your Committee has amended the bill to incorporate the amendments recommended by the Hawaii Housing Authority. Your Committee has also amended the bill to add a new section to chapter 359, Hawaii Revised Statutes, authorizing the Authority to adopt rules necessary for the management and operation of housing complexes for elders. Your Committee has also made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3096, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2221      Corrections on S.B. No. 3039**

The purpose of this bill is to amend the Hawaii Revised Statutes by the addition of a new Chapter entitled the "Hawaii Correctional Industries Act" and to be appropriately designated and to repeal the existing Chapter 354 on this subject.

Your Committee, having found that less than ten percent of incarcerated inmates are currently enrolled in vocational training programs, believes this bill, in combination with existing vocational training programs, will provide additional opportunities to develop motivation, basic skills, specific occupational training, and good work habits to enable adult inmates to be better equipped to make a contribution to society upon release.

Your Committee also finds that the provision for joint ventures by the Correctional Industries Program with private sector businesses-employers for on-the-job training and employment of qualified able-bodied inmates is most promising. Such opportunities mean actual work situation acclimatization, skills acquisition, plus the payment of real wages. Two other salient benefits of this method will be the avoidance of the State investment to duplicate a private corporation's establishment, and the promise that no trade, skill, or specialty will be overloaded with more persons trained than can be reasonably absorbed.

Your Committee has received testimony in support of this bill, from W. L. Kautzky, Special Master of Corrections; the Executive Office of the Governor; the Acting Director of the Department of Corrections; and the Executive Director of the Commission on Employment and Human Resources of the Department of Labor and Industrial Relations.

Your Committee has made several non-substantive amendments to the bill for purposes of style and clarity only which do not affect the meaning.

Your Committee on Corrections is in accord with the intent and purpose of S.B. No. 3039, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3039, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2222      (Joint) Corrections and Judiciary on S.B. No. 3106**



The purpose of this bill is to permit the temporary assignment of up to eight permanent employees in state government, the Department of Education, and the University system to the new department of public safety.

The 1989 Legislature, through Act 211, created the department of public safety to incorporate correctional and state law enforcement functions. Act 211 provided for a one-year transition period to ensure that the many parts of this incorporation be properly planned. The management team responsible for this transition has determined that the new department would need the services of a limited number of personnel currently employed in other departments.

Your Committees finds that the request is reasonable and that the affected employees would be assured of their return rights.

In addition, your Committees believe that the new department may need some flexibility to expedite other aspects of its personnel management function. The statutes permit the director of personnel services to delegate any of the functions of the department. The current director has done so with respect to certain functions of the state's community hospital system. Various mechanisms are in place to enable the hospitals to hire staff, including computer access to lists of eligible applicants. There is little doubt that correctional and law enforcement positions also need to be filled expeditiously. Your Committees believe that the department of public safety should be delegated at least some personnel functions to enable it to fulfill its responsibilities. Your Committees request the director of personnel services and the director of public safety to come to an agreement on the appropriate delegation of functions and to report to the 1991 legislative session on the progress achieved.

Your Committees on Corrections and Judiciary are in accord with the intent and purpose of S.B. No. 3106 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the the Committees.

**SCRep. 2223 (Joint) Corrections and Judiciary on S.B. No. 3107**

The purpose of this bill is to clarify the scope of the functions and authority of the Department of Public Safety created by Act 211, Session Laws of Hawaii 1989.

The purpose of Act 211, Session Laws of Hawaii 1989, was "to consolidate all public safety functions and employees of state government" into a single department in order to "ensure better organization and coordination of public safety functions, allow for standardized training and establish a 'career ladder' for public safety employees." However, the Act did not specifically identify the duties that would be performed and the authority exercised by the state law enforcement officers assigned to executive security functions and narcotics enforcement investigators after July 1, 1990. The Revisor of Statutes also raised certain technical concerns regarding Act 211. As proposed, this bill attempts to resolve these issues.

While your Committees have adopted most of the recommendations made by the Transition Team appointed by the Governor to plan for the transfer of existing agencies into the new department, your Committees have made two amendments.

First, in compliance with the requirements of Article III, section 14 of the Hawaii State Constitution, section 1 has been deleted because it is not within the subject matter of the title. Section 1 would have conferred certain police powers on those former state law enforcement officers who were not transferred to the Department of Public Safety but were retained by the Department of the Attorney General to perform executive security functions. This was necessary because the statute which previously conferred those powers was repealed by Act 211. Thus, while this function was retained by the Department of the Attorney General, there was no statutory authority under which to perform it. However, because this portion of the bill is not within the subject matter of the title, it must be deleted. The Attorney General concurs with this action and has informed your Committees that this proposal will be included in other pending legislation relating to the Department of the Attorney General.

Second, your Committees have amended the bill to retain the arrest powers of narcotics enforcement investigators under part IV of chapter 712, Hawaii Revised Statutes. Your Committees find that these powers are necessary because the agents frequently encounter offenses, and evidence thereof, under this part in the course of performing their duties under chapter 329, Hawaii Revised Statutes. However, it is the intent of your Committees to stress that these powers should be exercised only in the enforcement of chapter 329 and not as a basis for conducting investigations under part IV of chapter 712 which are unrelated to enforcement of chapter 329. This limitation is consistent with the purpose of the Department of Public Safety and emphasizes the need to prioritize the enforcement of chapter 329, a function in which the county police departments lack expertise and experience. To that end, your Committees have also amended the bill to transfer responsibility for enforcement of chapter 329 and its entirety to the Department of Public Safety with the exception of sections 329-2, 329-3 and 329-4(3) through (8), Hawaii Revised Statutes, relating to the Hawaii Advisory Commission on Drug Abuse and Controlled Substances.

For purposes of consistency, your Committees have also made several technical, non-substantive amendments to the bill.

Your Committees on Corrections and Judiciary are in accord with the intent and purpose of S.B. No. 3107, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3107, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the the Committees.

**SCRep. 2224 Judiciary on S.B. No. 2276**

The purpose of this bill is to make an appropriation for the supplemental budget of the Judiciary for fiscal biennium of 1989 - 1991.

The Judiciary justified its budget requests to your Committee as follows:

#### 1. Court of Appeals

The Court of Appeals has experienced a great increase in appeals, brought on by increased case dispositions by the lower courts. To meet this demand, the Judiciary is requesting an additional Appellate Judge and support staff.

The increased caseload of the Court of Appeals has concurrently increased the number of opinions that it must publish. It has changed its method of publication to a finalized "desk top" version that permits faster issuance of more opinions. The Judiciary seeks to add a position for an Associate Reporter of Decisions to assist other court staff and coordinate the production of the desk top publication of appellate decisions.

#### 2. Circuit Court

The Circuit Court has been plagued with the problems associated with temporary positions. The practice of continually extending temporary positions, where the need for permanency has been established, has been counterproductive. Retention of qualified individuals has proven difficult. This has, in turn, increased the necessity for First Circuit court reporters, in particular, to travel to the outer-islands. The Judiciary seeks additional funding to cover the cost of this increase in travel and related expenses. Additionally, it seeks the conversion of a temporary secretary position to a permanent one for the court reporters' office in the First Circuit. This will allow the office to better utilize time lost in the training and recruitment process which it is now experiencing.

The Circuit Court is losing its federal and state funding for the Intensive Supervision for Drug Offenders Program (ISDO) in September 1990. This program, launched in 1988, addresses the drug problems of offenders on probation. Drug use by this population group is estimated at 47%. The Adult Probation Division of the First Circuit is requesting funding for the permanent establishment of ISDO, as well as additional funding for residential alcohol/substance abuse treatment services.

The Circuit Court is suffering space problems brought on by increased staff and the accumulation of files and records. This is particularly serious in the Fifth Circuit. The Judiciary seeks funding to lease office space to meet the needs of the Fifth Circuit.

The Judiciary seeks additional funds for unanticipated payroll expenditures resulting from the repricing of certain Unit 13 employees, and salary adjustments for Law Clerks and Legal Researchers. The latter request will remedy the recruitment difficulties that the Circuit Court is presently experiencing.

#### 3. Family Court

Family Court has been directly impacted by the increase in family violence cases. Prevention programs have gained recognition, support and acceptance through increased public awareness and efforts to arrest and adjudicate all family violence cases. The Family Court budget seeks additional District Family Judges and staff to meet these demands.

The Family Court is experiencing an increase in the number of juvenile and adult offenders who are sentenced to probation with orders to receive evaluation and treatment services. In many instances, the probationers are financially unable to pay for such services and, consequently, have not received them. The Family Court has successfully addressed this problem by purchase of service contracts with community agencies. The Judiciary requests continued funding for this method of service delivery, and seeks additional funding for juvenile intensive supervision, alcohol and substance abuse treatment and testing, long-term residential services, teen court and sex offender treatment services.

The First Circuit has experienced great success with its Home Detention program, which offers an alternative to expensive incarceration through the use of electronic monitoring. The Second Circuit has directed its Adult Probation Office to develop this capability on Maui. The Judiciary seeks supplemental funds to establish this program.

#### 4. District Court

The District Court is experiencing an increase in court activities which directly correlates with the increase in the number of traffic citations issued, and prosecutions of DUI offenders. While court activities have burgeoned, there has been no increase in staff to meet the increased demands. In order to effectively address the increase in volume, the Judiciary is seeking supplemental funding to hire additional personnel for facilities management, maintenance, courtroom staff, records management, and the bailiffs' division.

The District Court is charged with repairing and maintaining existing court structures, as well as providing space for court staff. As structures age, more repairs are needed. The Judiciary seeks supplemental funding to renovate existing facilities and to lease office space on the outer islands, where facilities are inadequate.

#### 5. Administrative Director Services

The 1989 Legislative Auditor made recommendations to improve the Judiciary's administrative structure and management processes. The Judiciary has taken a proactive approach to resolving these problems. It intends to reorganize several divisions. Current Judiciary personnel resources are unable to provide the time and expertise to develop this level of statewide governance. As a result, the Judiciary seeks a supplemental request for consultant services to establish administrative policies and procedural manuals.

The Judiciary has outgrown its present office space requirements. While upcoming CIP projects will address future needs, office space for current staff is inadequate. The Judiciary seeks supplemental funding to lease office space until permanent quarters are completed.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2276, notwithstanding the fact that the supplemental budget request is still being reviewed, and further recommendations may be made by your Committee as data is received. Your Committee also anticipates that the House companion bill to S.B. No. 2276 will be the eventual vehicle for the enactment of the Judiciary Supplemental Budget this session. Your Committee recommends that S.B. No. 2276 pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2225      Judiciary on S.B. No. 2606**

The purpose of this bill is to require blood testing of convicted sex offenders and repeat offenders, for the purpose of obtaining a DNA identification profile that will allow law enforcement officials to identify reoffenders.

Prior to the amendments to the bill, which are discussed herein, the bill also provided for the blood testing of convicted sex offenders and repeat offenders for HIV and other sexually transmitted diseases.

Testimony in support of the bill was offered by the Attorney General. Testimony offered in opposition to the bill was offered by the Judiciary, the Department of Corrections, the Department of Health, the Public Defender, the Governor's Committee on AIDS, and the American Civil Liberties Union. The gravamen of the opposition was to the requirement that offenders be tested for HIV and other sexually transmitted diseases. Among the concerns expressed by those who testified was that the requirements for HIV testing and dissemination of the results proposed under the bill would be in contravention of H.R.S., Chapter 325. Further, the Department of Corrections, the Department of Health, and the Governor's Committee on AIDS testified that the HIV identification and education programs carried out by the Department of Corrections adequately protect the prison population and contain the spread of the disease. Finally, the Public Defender and the American Civil Liberties Union pointed out that the requirement of the test raised constitutional issues regarding unreasonable searches and seizures.

Regarding the issue of DNA identification Attorney General stated that DNA testing permits the identification of specific chromosomal structures of each person. Like fingerprints, the DNA structure is unique to each individual. For example, in sex offenses, where the perpetrator deposits semen or blood, both fluids can be analyzed to obtain the unique DNA "fingerprint" of the offender. Frequently, in such cases, identifiable fingerprints are not found and the victim may be unable to make a positive identification because of the traumatic nature of the offense. The DNA profile, or "fingerprint" can be compared to the actual fingerprint of convicted offenders kept on file.

The Attorney General testified that while DNA technology has only recently been used in criminal cases tried in Hawaii, this identification technique has been used successfully and extensively throughout the U.S. and England. Numerous cases have been solved where no fingerprints were found or positive identifications made. The value of DNA profiles has been recognized by local law enforcement officials; the Honolulu Police Department, which is now constructing new headquarters, is expanding the size of its originally planned crime lab to accommodate DNA technology.

Based on the testimony and your Committee's own research, your Committee has amended the bill to delete the requirement for the taking of blood to determine HIV and other sexually transmitted diseases prior to sentencing. Your Committee retained the requirement for DNA testing. It concluded that the potential for apprehending suspects and solving crimes using this technology is invaluable, particularly in instances where fingerprints and positive identification are not possible. Your Committee recognizes the special value that this technology offers in solving sex crimes where victims are children or mentally and emotionally disabled individuals, who are unable to offer reliable testimony at trial and who are frequently the victims of repeat offenders. Further, your Committee concludes that, because a DNA profile can be obtained by hair samples and other body fluids and tissues, it is not as intrusive in nature. Your Committee is satisfied that the requirement for DNA testing will withstand legal challenge, as such tests are permissible under Hawaii Rules of Penal Procedure, Rule 16, and have been upheld in this and other jurisdictions. Your Committee has further amended the bill to provide that persons withdrawing blood for DNA testing must be licensed in order to protect the convicted party.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2606, in the amended form attached hereto as S.B. No. 2606, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2226      Judiciary on S.B. No. 3431**

The purpose of this bill is to appropriate monies out of the general fund for the fiscal year 1990-1991, for a purchase of service from the Central Oahu Youth Services Association, Inc. (COYSA), to expand its wilderness-ocean program to include Moanalua, Pearl City and Waialua High Schools.

Testimony in support of the bill was offered by the Department of Health and a COYSA representative. COYSA is a private, nonprofit organization that provides outreach, residential, and substance abuse and treatment services to alienated, abused, homeless and runaway youths from twelve to seventeen years of age. It offers the only comprehensive social service system in Central Oahu that is designed to meet the needs of "at risk" youths through a network of services involving the Department of Education, the Department of Human Services, Family Court, and a private, nonprofit organization. COYSA'S program includes a wilderness-ocean program that teaches survival skills, health, nutrition, Hawaiian culture and journal writing. Currently, the Department of Health provides services to youths through COYSA,

but does not provide the wilderness-ocean program. The appropriation request is to expand the wilderness-ocean program to include Moanalua, Pearl City and Waialua High Schools, as part of an effort to deinstitutionalize youths at Hawaii Youth Correctional Facility.

Your Committee on Judiciary amends the bill to change the expending agency from the Department of Health to the Judiciary. This amendment was made at the request of the Department of Health.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3431, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2227      Judiciary on S.B. No. 2550**

The purpose of this bill is to amend, reenact, or repeal various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii for the purposes of correcting errors, clarifying language, correcting references, and deleting obsolete or unnecessary provisions. All amendments are of a purely technical nature and contain no substantive changes to the law.

The reasons for amending the sections are as follows:

Section 1. L 1989, Act 120, section 2, amended section 11-218, and in so doing, inadvertently changed "county" to "city" when referring to "council member". The fact that the change was made without the usual bracketing and underscoring indicates that the change was probably an inadvertent typographical error rather than an intentional amendment. Section 11-218(b) should be amended to change "city" to "county".

Sections 2 to 3. L 1987, Act 191, repealed chapter 443A, and enacted a new chapter 443B, containing sections formerly in chapter 443A. Sections 40-82.5 and 231-13 contain references to chapter 443A, which set forth the bonding requirements for collection agencies. Sections 40-82.5 and 231-13 should be amended to delete the reference to the repealed chapter and to include the reference to the new chapter.

Section 4. L 1987, Act 62, section 5, repealed section 356-292, and Act 337, section 12(8), repealed chapter 356, part II. Act 337 also enacted a new chapter 201E containing sections which were formerly in chapter 356, part II. L 1989, Act 80, repealed the then existing chapter 47, and enacted a new chapter 47 containing sections formerly in the original chapter 47, but with different section numbers. Section 46-15.2 contains references to these repealed provisions and should be amended to refer to the current provisions.

Sections 5 and 6. L 1989, Act 80, repealed the then existing chapter 47, and enacted a new chapter 47 containing sections in the original chapter 47, but with different section numbers. Sections 46-105(c) and 237-27.6(c) contain cross references to chapter 47 which were not updated to reflect the new numbering, and should be amended to do so.

Section 7. L 1989, Act 334, section 1(1), amended section 87-1, and in so doing, inadvertently amended the wrong version of the section. The fact that the change was made without the usual bracketing and underscoring indicates that the change was probably an inadvertent error rather than an intentional amendment. Section 87-1(8) should be amended to reflect the correct version.

Section 8. L 1987, Act 347, repealed chapter 431, and enacted a new chapter 431 containing sections formerly in the original chapter 431. Section 88-119 contains references to sections 431-286, 431-287, and 431-293 which have been repealed and should be amended to refer to the current provisions.

Section 9. L 1988, Act 263, repealed chapter 70 and renumbered section 70-111 as section 46-74.2. Section 101-23 refers to section 70-111 and should be amended to refer to section 46-74.2.

Sections 10 to 12. L 1988, Act 65, amended various sections of the Hawaii Revised Statutes to substitute "condominium property regime" for "horizontal property regime". Sections 206X-6, 206X-7(b), and 514C-1 refer to "horizontal property regime" and should be amended to substitute "condominium" for "horizontal" in the phrase "horizontal property regime".

Section 13. Section 239-5 refers to a formula to determine the rate of the tax on gross income for public utilities. It appears that a printing error was made inadvertently dropping the word "on" when section 239-5(a) was amended in 1963. The formula should read "rate of the tax on gross income for the utility in question:". Section 239-5(a) should be amended to reflect the correct formula.

Section 14. L 1989, Act 208, repealed sections 431:10C-501 to 504, and added a new article 10G to chapter 431. Section 286-26(i) contains a reference to section 431:10C-502 and should be amended to refer to section 431:10G-106.

Sections 15 to 17. L 1987, Act 341, repealed chapter 333, and enacted a new chapter 333F, containing sections formerly in chapter 333. Sections 286-104, 571-50, and 607-5 refer to chapter 333 and should be amended to refer to chapter 333F.

Section 18. L 1989, Act 270, repealed sections 560:5-501 to 5-502, and enacted the Uniform Durable Power of Attorney Act, chapter 551D. Section 327D-26 refers to the durable powers of attorney pursuant to chapter 560 and should be amended to refer to chapter 551D.

Section 19. L 1987, Act 234, repealed chapter 321, part XVII, and enacted a new chapter, which was formally codified as part I (Smoking in public places) of chapter 328K, containing sections formerly in chapter 321, part XVII. During that same year, L 1987, Act 245 enacted another new chapter, which was formally codified as part II (Smoking in the workplace) of chapter 328K. Section 328K-16, one of the sections enacted by Act 245, refers to provisions under chapter 321, part XVII and should be repealed to delete the obsolete reference.

Section 20. The word "anabolical" in section 329-45 is a misuse of the term and should be "anabolic" in conformance with the provisions of the section which uses the term "anabolic". In addition, the section refers to the term "his" and should be amended to the gender neutral phrase "the practitioner's". Section 329-45(a)(2) should be amended to make these corrections.

Section 21. L 1989, Act 212, section 4, added section 342H-1, and in so doing, inadvertently neglected to add a comma between "trust" and "estate" in the definition of "Person". This section should be amended to make this correction.

Section 22. L 1989, Act 375, section 1, added section 352D-6, and in so doing, inadvertently dropped an "s" in the word "grant" and neglected to add a comma between "grant" and "subsidies" in paragraph (12). This section should be amended to make these corrections.

Section 23. L 1978, Act 241, abolished the office of the state fire marshal, and transferred the functions and responsibilities of the state fire marshal to the respective counties and the county fire chiefs. Section 352D-8(a) refers to the state fire marshal which is obsolete and should be amended to refer to the county fire chief.

Section 24. L 1987, Act 347, repealed chapter 431, and enacted a new chapter 431 containing sections formerly in the original chapter 431. Section 386-207(e) refers to repealed sections of chapter 431 and should be amended to refer to current provisions.

Section 25. Section 387-2 includes references to obsolete minimum wage provisions. This section should be amended to delete all references to obsolete provisions.

Section 26. L 1987, Act 105, section 1, added a new chapter which the revisor of statutes numbered as chapter 421H, and in so doing, inadvertently neglected to include a chapter reference in section 421H-6(a). This omission was made before the chapter was numbered. The reference, however, appears to be to the chapter of which the section is a part, rather than to another chapter. Section 421H-6(a) should be amended to refer to "this chapter".

Section 27. L 1989, Act 288, section 1, added section 425D-1106. The section title incorrectly refers to "part" instead of "chapter". The section should be amended to make the correction.

Section 28. L 1989, Act 335, section 2, added section 431:10A-522, and in so doing, inadvertently refers to "chapter" instead of "part" in the last two sentences. The section should be amended to make the correction.

Section 29. L 1986, Act 142, section 2, amended section 454D-2, and in so doing, inadvertently referred to "commissions" instead of "omissions" in the phrase "errors and commissions insurance". This section should be amended to make the correction.

Section 30. L 1989, Act 181, section 6, amended section 463E-5, and in so doing, inadvertently neglected to add the phrase "of each even numbered year" with regards to reregistration. Conference Committee Report No. 70 (April 21, 1989) specifically refers to the amendment to be made as "no later than January 31, of each even numbered year" instead of "biennially in each even-numbered year, not later than January 31". The intent of L 1989, Act 181, section 6, was to eliminate redundancies in section 463E-5, not to require reregistration and 40 hours of continuing education each year. Section 463E-5 should be amended to make the correction.

Section 31. L 1989, Act 110, section 2, added section 466-11.5, and in so doing, inadvertently refers to "action brought under this section" instead of "action brought under this chapter". This section should be amended to make the correction.

Section 32. L 1988, Act 341, section 1, amended section 467-14, and in so doing, changed "license" to "licensee" in the last paragraph of the section. The fact that the change was made without the usual bracketing and underscoring indicates that the change was probably an inadvertent typographical error rather than an intentional amendment. This section should be amended to change "licensee" to "license".

Section 33. L 1987, Act 125, section 1, added section 521-74.5 which refers to "penalties available under section 480-2". This reference appears to be a typographical error, as section 480-2 refers to unfair competition practices that are declared unlawful. Section 480-3.1, on the other hand, refers to the civil penalty for violations of section 480-2. Section 521-74.2 should be amended to change the second reference to section 480-2 to 480-3.1.

Sections 34 and 35. L 1989, Act 247, section 1, repealed section 364-4, and in so doing abolished county administrators of the department of human services. Sections 571-62 and 578-8 refer to "county administrator" and should be amended to delete these obsolete references.

Section 36. Section 608-1.5 as enacted by L 1989, Act 271, section 1, refers to a judicial salary commission. The title incorrectly refers to "Judiciary salary commission". House Standing Committee Reports No. 393 (February 17, 1989) and No. 875 (March 3, 1989), and Senate Standing Committee Reports No. 1102 (March 20, 1989) and No. 1312 (March 31, 1989) all refer to the establishment of a "judicial salary commission". Section 608-1.5 should be amended to eliminate the incorrect title.

Section 37. L 1989, Act 164, section 8, amended section 803-46, and in so doing, inadvertently omitted the words "the offense" from the phrase "committing the offense and whose communications" in subsection (a). The fact that the omission was made without the usual bracketing indicates that the change was probably an inadvertent typographical error rather than an intentional amendment. This section should be amended to add the words "the offense" to the phrase "committing and whose communications".

Section 38. L 1989, Act 164, section 8, amended section 803-46 by deleting the words "or wireless" from the phrase "wire or wireless" and substituting the phrase ", oral, or electronic". In section 803-46(i), the phrase "wire or wireless" appears. To be consistent with the other uses of this phrase in the section as amended by Act 164, the phrase should be amended by deleting the words "or wireless" and substituting the phrase ", oral, or electronic". Section 803-46(i) should be amended to correct the inconsistency in phrasing.

Section 39. L 1989, Act 261, section 23, amended section 804-4, and in so doing, inadvertently dropped the words "petty misdemeanor" from the phrase "a misdemeanor, petty misdemeanor or violation" in the second sentence of the section. The fact that the omission was made without the usual bracketing indicates that the change was probably an inadvertent typographical error rather than an intentional amendment. This section should be amended to add the words "petty misdemeanor" to the phrase "a misdemeanor or violation". In addition, the section refers to the word "he" and should be amended to refer to the phrase "the court".

Section 40. L 1989, Act 266, section 2, amended chapter 408. However, the lead language of section 2 purported to amend chapter 408 "to read as follows", inadvertently repealing any section in chapter 408 which was not specifically set out in section 2. A review of Act 266 indicates that the intent was to amend the title and sections 408-1, 408-2, and 408-2.1, not the whole chapter. This intention is indicated in section 3 of Act 266, which amends sections of chapter 408 that are not mentioned in section 2. To avoid the inadvertent repeal of many sections in chapter 408, the prefatory language in section 2 of Act 266 should be amended to add the language "by amending the title and sections 408-1, 408-2, and 408-2.1" after the words "is amended".

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2550 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2228      Judiciary on S.B. No. 2176**

The purpose of this bill is to couple the driver's license application process with voter registration. Every license application would include a voter registration application form.

Testimony in support of this bill was offered by the Lieutenant Governor, the Office of Hawaiian Affairs, the Hawaii State Commission on the Status of Women, and City Councilman, Gary Gill, on behalf of the City Council for the City and County of Honolulu. The testimony indicated that the proposed method of voter registration is being used in many jurisdictions. Further, the City and County of Honolulu recently enacted Ordinance 89-148, combining driver's license and voter registration processes. The Lieutenant Governor proposed an amendment to the bill that would permit the Lieutenant Governor's Office to promulgate rules and regulations and develop the proper application forms, in lieu of prescribing them by the statute.

Your Committee on Judiciary agrees with the amendments recommended by the Lieutenant Governor. It has amended the bill to reflect that the Lieutenant Governor will promulgate rules and regulations and develop the necessary application forms.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2176, in the amended form attached hereto as S.B. No. 2176, 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. 2229      Judiciary on S.B. No. 3237**

The purpose of this bill is to add a provision to the Uniform Commercial Code, H.R.S., Section 490:3, that protects payees from claims of accord and satisfaction, where a payor has attempted to avoid paying additional amounts due and owing by writing exculpatory language on the negotiable instrument. The bill further sets up conditions for accepting the amounts reflected on the instrument as full payment.

Testimony in support of this bill was offered by the Retail Merchants of Hawaii, The Hawaii Bankers Association, and Liberty House. All of the aforementioned indicated that with modern technology, negotiable instruments are processed electronically. A payor's attempt to create accord and satisfaction by writing exculpatory language on the instrument go undetected, due to the fact that the instruments are rarely reviewed by humans prior to negotiation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3237, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2230      Judiciary on S.B. No. 3490**

The purpose of this bill is to propose an amendment to Article VI, Section 3 of the Constitution of the State of Hawaii to allow judges to serve beyond 70 years of age, in order to conform this provision with federal and Hawaii statutory law.

Testimony in support of the bill was received by Robert Toyofuku of the Hawaii Association of Plaintiffs Attorneys, and Christopher Jong, individually. Testimony taking no position was offered by the Judiciary. Supporting testimony indicated that the constitutional provision requiring mandatory retirement at age 70 not only may be in violation of the federal Age Discrimination in Employment Act, but may be inconsistent with respect to Hawaii statutory law. More specifically, H.R.S. Chapter 378, expressly precludes employment discrimination on the basis of age. Supporting testimony indicated that judges and justices are often at the prime of their judicial abilities at the age of 70, and that if judges and justices at that age are unable to perform their jobs due to infirmities, the Judicial Selection Commission can re-examine the qualifications and competence of these individuals upon considering their reappointment. It was further pointed out that the Citizens Conference on Judicial Selection, held August 3, 1989, recommended that mandatory retirement for judges be abolished.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. NO. 3490 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2231 Business Development and Pacific Relations on S.B. No. 2762**

The purpose of this bill is to allow residents living near a spaceport development to qualify for relocation assistance from the government under chapter 111.

The construction of a spaceport has become an important part of efforts to diversify Hawaii's economy. While a spaceport may further the economic development of the islands, it is likely to bring with it the negative effects of noise and pollution. In recognition of the probable consequences of spaceport development, your Committee believes it prudent to provide for those who may be displaced from homes or businesses due to such development. This bill does so by expressly including persons who live in proximity to a spaceport in the class of those eligible for relocation assistance under chapter 111.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 2762 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. 2232 Business Development and Pacific Relations on S.B. No. 2804**

The purpose of this bill is to appropriate a sum to be determined to the Economic Development Corporation of Honolulu for the production of a business news television program to be distributed in North America, Asia, and Europe.

The program would feature economic markets in Asia and the Pacific and their relation to Hawaii for the purpose of promoting the establishment of the State as the business center of the Pacific.

Testimony in support of this bill indicated that the Pacific region is the fastest growing commercial sector in the world. Hawaii, with its geographic location, time zone, and multi-cultural make-up, has the potential to become the primary business communications link between the East and West. Your Committee finds that the program sought to be funded by this bill will provide a valuable tool for accomplishing this.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 2804 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. 2233 Business Development and Pacific Relations on S.B. No. 3086**

The purpose of this bill is to appropriate \$1,000,000 to provide loans to assist in the reestablishment and continuance of displaced small businesses in Kakaako.

Your Committee finds the rapid rate of redevelopment in Kakaako makes it difficult for businesses to implement appropriate adjustments to their business strategies.

Your Committee further finds the provisions of chapter 206E, Hawaii Revised Statutes, which mandated the redevelopment of Kakaako, has resulted in a government initiative displacing small businesses.

Consequently, your Committee finds the provisions of the bill necessary to perpetuate the small business community displaced by the Kakaako redevelopment.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 3086 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. 2234 Business Development and Pacific Relations on S.B. No. 3088**

The purpose of this bill is to establish a new chapter in the Hawaii Revised Statutes relating to community-based enterprise development and appropriate \$2,000,000 for the revolving fund established under this chapter.

Your Committee finds the bill fosters community-based enterprises and encourages diversification of opportunities for Hawaii's residents and communities.

By establishing a Hawaii Community-based Development Loan and Grant Program, community-based projects and enterprises will be able to obtain financing for business related expenses.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 3088 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. 2235 Business Development and Pacific Relations on S.B. No. 3288**

The purpose of this bill is to appropriate \$500,000 in general funds for the State of Hawaii's participation in AmeriFlora '92, the international floral and garden festival to be held in Columbus, Ohio.

The Big Island Association of Nurserymen and the Department of Agriculture both testified in support of the bill with the recommendation that the Department of Agriculture be designated as the expending agency since agricultural product promotion is under that Department's jurisdiction. The bill has been amended to reflect this change.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 3288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3288, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2236 Business Development and Pacific Relations on S.B. No. 3291**

The purpose of this bill is to provide a grant-in-aid to Hawaii community television to produce a film documentary on the "Bridge of Friendship" cultural exchange program between Hawaii and the Soviet Union.

Your Committee has received testimony in support of the film project to document the Siberian delegation's journey to Hawaii. The Bridge of Friendship project has earned endorsements from community leaders and organizations, including the Hawaii Soviet American Friendship Society, Hawaii Public Television, Hawaii Visitors Bureau, and the University of Hawaii.

In light of the concurrent resolution passed in 1989 requesting the Governor to seek to establish a sister-state agreement with the Soviet territory of Primor'ye in Siberia, your Committee finds it appropriate to take positive steps to document the growing friendship between the Soviet Union and the State of Hawaii.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 3291 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. 2237 Business Development and Pacific Relations on S.B. No. 3388**

The purpose of this bill is to establish a center for nonviolence to serve the governments and citizens of Hawaii and the Pacific region.

Your Committee received testimony from many individuals unanimously in support of the bill. The Governor's Administrative Director testified that the administration supports the premise of the bill, but believes it to be inappropriate for the center to be placed within the office of the Governor for administrative purposes. Another individual estimated that an appropriation of \$150,000 would be necessary for a director, program, support staff and operating funds. Still others discussed the New York experience, where it was found cheaper to do preventive work, such as nonviolence training, than to prosecute or incarcerate violators.

Your Committee finds that there is increasing awareness of the need to understand and manage conflict situations, whether at home or in the global community, and that the people of the State of Hawaii would greatly benefit by the establishment of a coordinating institution that would serve to stimulate cooperative programs and ensure their impact.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 3388 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. 2238 Business Development and Pacific Relations on S.B. No. 3492**

The purpose of this bill is to establish the Hawaii Strategic Development Corporation.

The corporation would encourage economic development and diversification through innovative actions in partnership with private enterprise.

This is an improved and corrected version of the same bill that was vetoed by the Governor last year because of technical errors and omissions.



Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 3492 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. 2239 Business Development and Pacific Relations on S.B. No. 1845**

The purpose of this bill is to amend the laws pertaining to the exemption from the general excise tax on stock exchanges.

The provisions of the bill amend the definition of securities; repeal the definition of stock exchange; add definitions for exchange and exchange members; and extend the tax exemption on stock exchanges to June 30, 1991.

Your Committee finds the proposed amendments to the general excise tax exemptions to be unnecessary.

Your Committee has amended the bill by;

Deleting section 1 of the bill;

Deleting the proposed amendments to section 237-24.5, Hawaii Revised Statutes (HRS), in section 2; and

Changing the repeal date of section 237-24.5, HRS, to June 30, 2000.

Your Committee has determined that businesses would be reluctant to invest in Hawaii without assurances that they would be able to generate a profit or at least recoup their initial investment.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 1845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1845, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2240 Business Development and Pacific Relations on S.B. No. 2766**

The purpose of this bill is to appropriate \$412,000 for the establishment of an East Hawaii Enterprise Center.

Your Committee finds the establishment of an East Hawaii Enterprise Center would not only create new higher quality jobs and career opportunities, but would also increase the value of Hawaii's raw agricultural commodities.

Furthermore, your Committee finds by developing an enterprise center focusing on food processing in conjunction with the county government, the federal government, and the private sector, the State would be able to share the burden of cost with other interested parties.

Your Committee has amended the bill by deleting the specific amounts to be appropriated.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 2766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2766, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2241 Culture, Arts and Historic Preservation on S.B. No. 3250**

The purpose of this bill is to appropriate \$100,000 for fiscal year 1990-1991, for an archaeological study and inventory survey of the Keaau district and the Ohikilolo area in Waianae.

Your Committee finds that this study is necessary to determine the historical value of the area, which represents an almost-complete, undisturbed ahupua'a.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3250 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. 2242 Culture, Arts and Historic Preservation on S.B. No. 3342**

The purpose of this bill is to make an appropriation of \$75,000 to Very Special Arts Hawaii for seven programs.

Very Special Arts Hawaii was established in 1976 as a private non-profit agency and is the only statewide arts organization that fosters the development and accessibility of arts programs for persons with physical, intellectual, and emotional disabilities. The programs include festivals, school events, performances, exhibitions, and programs in music, drama, dance, creative writing and the visual arts.

Your Committee received testimony in support of this bill from the Department of Accounting and General Services; the Office of Human Resources of the City and County of Honolulu; the executive director and president of the board of Very Special Arts Hawaii, as well as from three members of its board and staff; the Office of United Self-Help; the Special

Education Center of Oahu; Jerry Santos; the Autistic Vocational Education Center; Hawaii Theatre Center; and a theatrical director.

Your Committee finds that there are many individuals with disabilities who have little opportunity to participate in appropriate, high quality arts programs. Very Special Arts Hawaii fills this void.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3342 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. 2243      Culture, Arts and Historic Preservation on S.B. No. 2707**

The purpose of this bill is to appropriate \$260,000 for fiscal year 1990-1991 to be expended by the Department of Commerce and Consumer Affairs on a weekly documentary series on the family produced by Hawaii Public Television.

The series will inform the community about major issues facing the family today, offer insights into coping with family problems, and provide information about family services available in the community.

Your Committee finds that this project is consistent with public policies relating to culture and the arts and human services and will help generate employment opportunities in television production.

Your Committee has amended this bill by providing for monies to be deposited into the Hawaii Public Broadcasting Authority Revolving Fund.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2707, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2707, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2244      Culture, Arts and Historic Preservation on S.B. No. 2892**

The purpose of this bill is to appropriate \$25,000 for fiscal year 1990-1991 to be expended by the Department of Commerce and Consumer Affairs for a series of ten ninety-second vignettes on various science subjects produced by Hawaii Public Television.

The series will complement Hawaii Public Television's "FACETS: Profiles in Science" series and will offer glimpses at Hawaii's natural environment and important advances being made in technology and human activity in Pacific Science.

Your Committee received supporting testimony from the Executive Director of the Hawaii Public Broadcasting Authority and the Screen Actors Guild and finds that this appropriation is consistent with public policy relating to culture and the arts and will provide employment opportunities in television production.

Your Committee has amended this bill by providing for deposit of the moneys into the Hawaii Public Broadcasting Authority Revolving Fund.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2982, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2245      Culture, Arts and Historic Preservation on S.B. No. 2999**

The purpose of this bill is to appropriate funds for: (1) the purchase and management of Waipio Valley by the State; and (2) an interim study to be conducted by the Department of Land and Natural Resources to investigate the various issues involved in the purchase and management of the valley.

Your Committee received testimony from the Department of Land and Natural Resources and the Bishop Museum. The testifiers provided extensive background on the history of the valley as well as cost estimates relating to the purchase and management of the valley.

Your Committee has amended this bill by requiring that the interim study include an assessment of establishing an agricultural park to support agricultural activities, including the taro industry and floriculture. In addition, your Committee made technical amendments with no substantive effect.

Waipio Valley is a place of exceptional natural and spiritual beauty, a symbol of Hawaiian cultural development, the seat of Hawaiian kings, and a major archaeological resource. Your Committee finds that the purchase of Waipio Valley will place an historic Hawaii landmark under public jurisdiction for preservation and public use.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2999, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2246      Culture, Arts and Historic Preservation on S.B. No. 3446**

The purpose of this bill is to appropriate \$66,000 for the completion of the second phase of the twenty-five year plan for historic preservation in Waianae (E'Ala Project).

Your Committee finds completing the second phase of the E'Ala Project to be necessary in the State's efforts in preserving the historic portions of Waianae.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3446 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. 2247      Labor and Employment on S.B. No. 2717**

The purpose of this bill is to increase the public employees post retirement allowances so that beginning July 1, 1990, a retiree who has attained the age of 55 shall receive either the present computed allowance, or an allowance determined by multiplying the percentage increase in the Honolulu consumer price index by the monthly pension as originally computed, up to a maximum of 10 percent.

Your Committee received testimony from Stanley Siu, Secretary of the Employees' Retirement System.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2717 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. 2248      Labor and Employment on S.B. No. 2729**

The purpose of this bill is to establish a leave sharing program under which public employees may transfer vacation and sick leave to other employees who have exhausted their accumulated leaves and would otherwise be forced to take leave without pay or terminate their employment.

This bill would allow public employees to help their fellow workers who suffer from, or have relatives or household members suffering from, an extraordinary or severe illness, injury, impairment, or physical condition that prevents the individual from working and causes great economic and emotional distress to the employee and his or her family. It was pointed out in testimony received by the Committee that in 1988 the State of Arizona enacted similar legislation for its public employees.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2729 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. 2249      Labor and Employment on S.B. No. 2841**

The purpose of this bill is to create a sick leave bank for state and county employees to provide them with a source of additional sick leave in the event they are unable to work due to a catastrophic disability or illness and have exhausted all of their accumulated sick leave, vacation and/or personal leave credits.

Your Committee received testimony from the Office of Collective Bargaining and from the City and County of Honolulu which have no objections with the intent or concept of this bill. Favorable testimony in support of this bill was received from the Hawaii State Teachers Association, which testified that three teacher unions on the mainland currently have a sick leave bank arrangement: Prince George County Educators, Baltimore County Educators, and Framingham (Mass.) Teachers. The Office of Collective Bargaining testified that Arizona and Washington have similar programs in effect.

Your Committee finds that this bill is beneficial to the health and well-being of state and county workers and should pose no additional financial burden on the system.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2841 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. 2250      Labor and Employment on S.B. No. 2899**

The purpose of this bill is to amend the percentage rates paid by, and paid to, the members of the Employees' Retirement System.

This bill reduces the contributions of Class A and Class B members and increase the retirement formula by one-fourth percent for both contributory and non-contributory members, excepting only those members covered under Section 88-74(3).

Your Committee finds that since the enactment of Act 222 in 1965, there has been no change made to this Section of the statute. Currently, the excess earnings generated by the system justifies lowering contributions and increasing the

retirement formula. During the past ten years, the system has been using these earnings to reduce the employer's contributions to the fund with no additional benefits to the employees. This practice has been arbitrary.

Your Committee received testimony in support of this bill from the Secretary of the Employees' Retirement System, and from Russell K. Okata, Executive Director of the Hawaii Government Employees Association.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2899 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. 2251      Labor and Employment on S.B. No. 3174**

The purpose of this bill is to appropriate \$187,040 for the statewide Refugee Employment and Social Assistance Program; and to appropriate \$174,000 for a statewide Refugee Employment Preparation and Training Service in the Department of Labor and Industrial Relations for fiscal year 1990-91.

These sums are necessitated by cutbacks in funds by the federal government which provided funding for these services through fiscal year 1989. These appropriations are intended to retain levels of services for refugees in Hawaii.

Your Committee received testimony in support of this bill from the Department of Labor and Industrial Relations, Child & Family Service, the Inter-Agency Council for Immigrant Services, the Job Preparation Language Program of Catholic Charities, the Catholic Immigration Center, and from Zippy's Restaurants, Inc.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3174 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. 2252      Labor and Employment on S.B. No. 3176**

The purpose of this bill is to appropriate \$500,000 to implement and staff a one year demonstration project for training home care providers for pre-school children; to appropriate \$500,000 for a development grant to improve or to develop child care facilities in each of the counties; and to appropriate \$100,000 for statewide workshops to address issues in developing a statewide early childhood education and care system.

Your Committee received testimony in support of this bill from the Director of the Department of Labor and Industrial Relations, county directors of the State Employment Service, the Division of Vocational Rehabilitation of the Department of Human Services, the Director of the Department of Human Services, the State Commission on the Status of Women, the Director of the Department of Health, the Office of Children and Youth, Hawaii Women Lawyers, PATCH: People Attentive To Children, the Maui Electric Company, Maui County Private Industry Council, Maui Child Care Task Force, Maui Pine Children's Center, Kauai Economic Opportunity, Inc., and the Dean of Instruction: Maui Community College.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3176 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. 2253      Labor and Employment on S.B. No. 3181**

The purpose of this bill is to provide a tax credit for 50 percent of childcare expenses for taxpayers with children in a qualified employer-provided childcare program.

Your Committee has heard testimony in favor of this bill from the Hawaii Women Lawyers, The Chamber of Commerce of Hawaii, and The Business/Child Care Connection.

Your Committee finds that this bill serves a worthy and necessary purpose in providing tax breaks to working parents and in providing incentives to employers to establish qualifying programs.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3181 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. 2254      Labor and Employment on S.B. No. 3240**

The purpose of this bill is to lower the eligibility requirement for part-time employees to be covered under the public sector collective bargaining law.

Your Committee has received testimony in support of the bill from United Public Workers (UPW) and the Hawaii State Teachers Association (HSTA), noting that the hiring of part-time employees is a well-established practice in the private sector and that these employees have a sufficient community interest to warrant representation. Testimony in opposition was received from the Director of Civil Service of the City and County of Honolulu, the Director of Personnel Service, and Mr. Lawrence Ishimi, all concurring that the bill should be tabled in favor of exploring other alternatives.

After careful consideration, your Committee concurs with the testimony of the UPW and HSTA, and finds that such employees should be covered under collective bargaining in the interests of fairness and equity.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3240 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. 2255      Labor and Employment on S.B. No. 3334**

The purpose of this bill is to provide employers with a tax credit for the employment of individuals who are a vocational rehabilitation referral, which means having a physical or mental disability which is a substantial handicap to employment; the tax credit is to be forty per cent of the qualified first year wages for the year.

Your Committee received favorable testimony from the Department of Human Services, the Rehabilitation Association of Hawaii, the Commission on Persons with Disabilities, the State Planning Council on Developmental Disabilities, the Lanakila Rehabilitation Center, and numerous individuals, small firms, and large firms including such major businesses as Popeyes Chicken, Jack In The Box, Marriott, Tori Richard, Kamaka Ukuleles, Nittaku Investment, Flora-Dec Sales, Amfac Garden Hawaii, and Zippy's.

Your Committee is in agreement with the testimony in overwhelming support for this bill.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3334 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. 2256      Labor and Employment on S.B. No. 3354**

The purpose of this bill is to authorize the Board of Trustees of the Employees' Retirement System to use up to 50 percent of excess earnings in any given year to reduce the System's unfunded liability, the balance to be retained and used to provide benefits for the beneficiaries; to use investment earnings to administer the System and to establish the investment yield rate.

Your Committee has received testimony from the Secretary: Employees' Retirement System, and from the Coalition of Hawaii State-Counties Retirees.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3354 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. 2257      Labor and Employment on S.B. No. 3381**

The purpose of this bill is to appropriate \$75,000 to provide a career and vocational education incentive program to be administered by the State Career and Vocational Council of the Commission on Employment and Human Resources of the Department of Labor and Industrial Relations, and to mandate that a report with recommendations be submitted to the next legislature.

Your Committee received testimony in support of this bill from the Superintendent of Education, and the Executive Director of the State Council on Vocational Education of the Department of Labor and Industrial Relations.

Your Committee finds that vocational education is increasingly important in today's economic climate in order to prepare our high school students for adequate careers. The secondary schools need to recruit students into vocational-technical courses to provide them with proper guidance on how to correlate their personal interests with career and vocational options, along with providing opportunities for experiential learning.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3381 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. 2258      Labor and Employment on S.B. No. 3408**

The purpose of this bill is to establish a task force to examine the problems experienced by employee groups in Hawaii's changing business climate and to develop recommendations for preventive or corrective action at the state as well as the federal level; makes an appropriation of \$100,000 to be expended by the Department of Labor and Industrial Relations.

Your Committee received favorable testimony in support of this bill from the Department of Labor and Industrial Relations, which testified that this bill is aimed at the study of cases where the transfer of ownership or reorganization of a business in the State resulted in the reduction of benefits offered to employees of the affected business and at looking into possible alternatives that would protect employees whose reduction of benefits causes hardship.

Your Committee is in agreement with the Department of Labor and Industrial Relations and finds that this bill is necessary to help protect workers against unilateral reduction in benefits as is often the case in these incidences.

Your committee has amended this bill to establish the task force within the Department of Labor and Industrial Relations rather than as originally placed in the governor's office.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3408, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2259      Labor and Employment on S.B. No. 2289**

The purpose of this bill is to allow all temporary state workers who have been working at least three consecutive years without a contract to become permanent civil service employees.

Your Committee has amended the bill to require five, instead of three, consecutive years of service for conversion from temporary to permanent status.

Your Committee received testimony in support of the bill from the Hawaii Government Employees Association and the Hawaii State Teachers Association. It was pointed out that temporary status over extended periods of time is a hardship on employees. Further, it generates tremendous morale problems because there is no significant difference in the duties, responsibilities, salaries or fringe benefits between temporary and permanent positions.

Your Committee has further amended the bill by requiring that temporary employees belong to a collective bargaining unit. Your Committee has made other clarifying language changes in section 2 of the bill.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2289, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2260      Labor and Employment on S.B. No. 2730**

The purpose of this bill is to amend section 88-76, Hawaii Revised Statutes, by amending the method for calculating a member's retirement allowance.

Your Committee finds the bill provides a retirement allowance of one and three-fourths per cent of a member's average final compensation for each full year of credited service; provided that the minimum retirement allowance is not lower than thirty per cent of the member's average final compensation.

Consequently, your Committee finds that the bill would provide a retirement benefit which is more comparable to that for service retirement.

Your Committee has amended the bill by changing the effective date of the bill retroactive to January 1, 1990, and has left open the amount to be appropriated which will be determined by the Committee on Ways and Means.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2730, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2261      (Majority) Labor and Employment on S.B. No. 2731**

The purpose of this bill is to provide for the defense and indemnification of all State employees, officers, and volunteers in cases of any civil and criminal proceedings brought against them because of such individuals' actions or omissions occurring within the scope of their duties.

This bill specifically includes all persons serving as State officers, employees covered and not covered by civil service, all persons in the judiciary, educational workers and all volunteers; and provides for the Attorney General or his delegate to defend all such staff. Provision for indemnification and a hold harmless clause is made.

Your Committee, upon thorough examination of the potential for problems in this area considering the myriad activities of State government, and after painstaking review, believes this bill will help alleviate grave concerns of those who carry out their work faithfully in the belief that they are doing as they have been authorized to do.

Your Committee received favorable testimony from the Director of the Department of Labor and Industrial Relations, and from Russell K. Okata, Executive Director of the Hawaii Government Employees Association.

Your Committee is in agreement with the testimony and finds that this bill is necessary to provide greater fairness and equity to the state employee who acts within his or her official duties or responsibilities. Your Committee further finds that the existing law is too restrictive to provide for such protection.

Your Committee has amended this bill by substituting the words "state officer or employee" wherever the words "state officers, employees and volunteers" are used; and by defining same. This amendment is for clarity only and does not

affect the meaning or the substance of the bill. Your Committee has also made other non-substantive amendments for style and clarity for purposes of enhancing readability.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2731, S.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 2262      Labor and Employment on S.B. No. 2816**

The purpose of this bill is to delete provisions of chapter 88, Hawaii Revised Statutes, relating to the purchasing of credits for military service.

Your Committee has amended this bill by deleting entirely the provisions of this bill and substituting new provisions which adds a new section to chapter 88, Hawaii Revised Statutes, which would permit any member of the state retirement system who takes a leave of absence to serve as president of an exclusive bargaining organization to be entitled to all benefits and to make all employee contributions under the system for the period during which the member worked for the bargaining organization, on the same basis as would have been required had the member not been on leave of absence.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2816, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2263      Labor and Employment on S.B. No. 2997**

The purpose of this bill is to establish a Governor's Task Force on the Labor Shortage and to appropriate \$100,000 for its costs in 1990-91.

Your Committee received testimony from the Department of Labor and Industrial Relations and from the Director of the State Commission on Employment and Human Resources in support of this bill.

Your Committee has amended this bill to provide that the ten persons appointed to the Task Force by the Governor shall be equally distributed between the business and labor communities, while ensuring representation from all four counties.

Technical, non-substantive amendments have also been made for the purposes of clarity and style.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2997, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2997, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2264      Labor and Employment on S.B. No. 3097**

The purpose of this bill is to provide the 451 retirees with less than ten years of service, and their dependents, treatment equal to that of all other State and County retirees under the Health Fund's drug, vision care, and adult dental plans. Currently, retirees with less than ten years of service are required to pay the entire monthly premium for these three new plans, as no public employer contribution has been established for this group. This bill equalizes treatment by requiring public employers to pay fifty per cent of the monthly premiums, as is now provided all other retirees. The costs of these benefits in FY 1990-91 will be \$27,000 for the State and \$6,000 for the counties.

Your Committee received testimony from the Director of the Department of Budget and Finance on behalf of the Department and the Board of Trustees in support of the bill. At the suggestion of the director, your Committee has amended paragraphs (3) and (4) to make clear that the higher contribution amounts indicated apply to retirees whose dependents or spouses are also enrolled in the respective plans.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3097, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3097, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2265      Labor and Employment on S.B. No. 3099**

The purpose of this bill is to clarify the language and address the inequities of Act 385, Session Laws of Hawaii 1989.

As drafted, the bill would: (1) make clear that "active military service" for the purpose of acquiring credit for such service means military service in the armed forces of the United States; (2) make clear that the acquisition of membership service credit for active military service will be at no cost to noncontributory members; (3) provide membership service credit for active military service to retirees who have at least three years of credited service during reemployment; (4) provide that active military service will be considered service in the contributory member's occupation at the time the

service is purchased; (5) provide for a refund to noncontributory members who purchased service after June 30, 1989 pursuant to Act 385; and (6) make other clarifying amendments to Act 385.

Testimony in support of the bill was received from the Department of Budget and Finance as well as the Department of Defense through the Adjutant General. The Adjutant General, however, pointed out that some members of the Hawaii National Guard have considered resignation because of their exclusion from the military service credit purchase plan due to their eligibility to receive future military retirement benefits. To remove a potential hindrance to retention of Guard members, your Committee has deleted the language creating the exclusion from section 88-132.5.

Your Committee has also made a few stylistic amendments which have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3099, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2266      Labor and Employment on S.B. No. 3101**

The purpose of this bill is to amend chapter 88, Hawaii Revised Statutes, by adding a new section which gives all employees, who first become members before January 1, 1990, an option on their benefits payable. The option is necessary because of certain amendments to the federal tax laws which established new limits on the amount of benefits that can be paid by qualified retirement plans.

Your Committee received testimony in support of this bill from the Director of the Department of Budget and Finance.

Your Committee has adopted the recommendation of the Department of Budget and Finance by amending section 1 of the bill by deleting the wording on lines 15 and 16 and substituting language for purposes of clarification to avoid any potential misinterpretation. There is no actuarial cost for the provisions of this bill.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3101, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2267      Labor and Employment on S.B. No. 3161**

The purpose of this bill is to fund the repricing actions in the recommended compensation plan of the Executive Branch of the State of Hawaii for civil service secretaries, private secretaries, and school administrative services assistants (SASA) pursuant to the report submitted to the Legislature by the Public Employees Compensation Appeals Board (PECAB).

Your Committee received testimony in support of this bill from the Department of Personnel Services, the Superintendent of Education, the Hawaii Government Employees Association, and the Public Employees Management Association of Hawaii.

Your Committee has amended this bill by inserting the amounts recommended by the Department of Personnel Services to fund the increased payroll costs.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3161, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2268      Labor and Employment on S.B. No. 3162**

The purpose of this bill is to fund the repricing actions in the recommended compensation plans of all jurisdictions, including the executive branch, the Judiciary, and the counties.

Although increased payroll costs resulting from repricing adjustments are ordinarily borne by the employing department from existing appropriations, the recent repricing of heavily populated classes makes it unlikely that the affected departments can fund current increases in this manner. This bill provides the funds to do so.

Your Committee received testimony in support of this bill from the Department of Personnel Services, the Administrative Director of the Courts, and the City and County of Honolulu.

Your Committee has amended this bill by inserting the amounts recommended by the Department of Personnel Services to fund the increased payroll costs, and to provide the recommended distributions to the Judiciary and the several counties.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3162, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.



**SCRep. 2269 Labor and Employment on S.B. No. 3164**

The purpose of this bill is to fund the repricing actions in the recommended compensation plan of the Executive Branch of the State for civil service adult corrections, and youth corrections officers, registered professional nurses, and anesthetist classes, pursuant to the report submitted to the legislature by the Public Employees Compensation Appeals Board (PECAB).

Your Committee received testimony in support of this bill from the Department of Personnel Services, the Department of Corrections, and the United Public Workers.

Your Committee has amended this bill by inserting the amounts recommended by the Department of Personnel Services to fund the increased payroll costs.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3164, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2270 Labor and Employment on S.B. No. 3165**

The purpose of this bill is to fund the repricing actions in the recommended compensation plan of the Executive Branch of the State for civil service motor carrier safety officers, highways special services supervisors, and highway lighting workers and supervisors, pursuant to the report submitted to the Legislature by the Public Employees Compensation Appeals Board (PECAB).

Your Committee received testimony in support of this bill from the Department of Personnel Services.

Your Committee has amended this bill by inserting the amount recommended by the Department of Personnel Services to fund the increased payroll costs.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3165, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2271 Labor and Employment on S.B. No. 3175**

The purpose of this bill is to provide funding in the amount of \$119,143, for FY 1990-91, for a bi-lingual case management and employment service program for the East Oahu area refugees primarily in the Palolo, Makiki, Moiliili, Kapahulu, Waikiki, and Kaimuki neighborhoods.

This program assists the immigrant population to attain social and economic self-sufficiency by overcoming cultural and employment barriers.

Your Committee received testimony from the Child & Family Services, the Chinese Community Action Coalition, the Inter-Agency Council for Immigrant Services, and from the personnel director of Zippy's Restaurants, Inc. The Department of Labor and Industrial Relations testified that the department currently provides employment services for immigrants and refugees under a federal grant which may fund this request.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3175 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. 2272 Labor and Employment on S.B. No. 3355**

The purpose of this bill is to amend chapter 88, Hawaii Revised Statutes (HRS), by providing a new system of calculating pensioners' bonus and to appropriate funds for this purpose.

Your Committee finds the bill would add a new section to chapter 88, HRS, on the calculation of pensioners' bonus amounts and repeal section 88-11, HRS, which currently provides for pensioners' bonus calculation.

Your Committee further finds that the bill would provide cost of living bonuses to retirees or beneficiaries with ten or more years of service based on the retiree's anniversary date of retirement.

Your Committee received supporting testimony from the Coalition of Hawaii State-Counties Retirees and the Hawaii State Teachers Association.

Your Committee has amended the bill by;

- (1) Changing the dates on lines 5 and 12 of page 1 from "1989" to "1990";

- (2) Adding on page 1, line 9, after the word "section;", "provided that the requirement for ten or more years of service shall not be invoked in the case of a person who had to retire with less than ten years of service because of a service connected disability; provided further";
- (3) Adding on page 3, line 13, the word "otherwise" after the word "not"; and
- (4) Changing on page 3, line 14, the reference to "paragraphs (1) to (6)" to "paragraphs (4) to (6)."

Your Committee finds that amendment (2) would remove the requirement of a minimum of ten years of service for those retirants who were forced to retire due to service related disabilities.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3355, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3355, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2273      Labor and Employment on S.B. No. 3503**

The purpose of this bill is to establish an employment and training fund to ensure that Hawaii's people will always be prepared to meet the challenges of a changing economy and appropriately skilled to assume meaningful roles in the labor force, however it may evolve.

Specifically, the fund would be used "to establish new worker training programs and assist in improving career employment prospects, and to meet the individual needs of members of the work force who are unemployed or underemployed."

As introduced, this fund would be placed in chapter 383, Hawaii Revised Statutes, which relates to employment security, and more specifically to unemployment compensation. The intention of your Committee is that any moneys in this fund be utilized by the community colleges in the University of Hawaii system of community colleges. Therefore, your Committee has amended this bill by placing the fund in chapter 305, "Community Colleges." The moneys would be administered by the Board of Regents of the University.

Your Committee has also made some technical changes for the purposes of clarity and style.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3503, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2274      Labor and Employment on S.B. No. 3092**

The purpose of this bill is to provide salary adjustments for various public officers to establish compensatory parity among comparable positions; and to make an appropriation therefore.

Specific adjustments are made for the Housing Finance and Development Corporation's executive director, the Office of Veteran Services' director, the members of the Public Utilities Commission, and the members of the Hawaii Labor Relations Board.

Your Committee has amended this bill to include the members of the Labor and Industrial Relations Appeals Board and to include an effective date retroactive to July 1, 1989.

Your Committee has received testimony from the Director of the Department of Budget and Finance in support of this bill.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3092, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2275      (Joint) Labor and Employment and Legislative Management on S.B. No. 2844**

The purpose of this bill is to appropriate \$200,000 for fiscal year 1990-1991 to study the relationship between work performed by civil service institutional, health, and correctional workers and the salary or wage schedules for such work in order to establish a public policy.

The funds would be expended by the Legislative Auditor to contract with a consultant to study: (1) whether pay inequity exists among these civil service job classes which are dominated by one sex; (2) what factors contribute to such inequities, if uncovered; and (3) what the legislature can do about them. The contractor would be selected from applicants who respond to a request for proposals developed by the Legislative Auditor in consultation with the appropriate bargaining unit representatives and the Director of Personnel Services. The consultant will submit a report to the 1991 legislature and, if necessary, a final report to the 1992 legislature.

Your Committees received supporting testimony from UPW Local 646 and qualified support from the Department of Civil Service, City and County of Honolulu, and find that although a similar study was conducted in recent years, there is a compelling need to establish a uniform policy which equitably relates the wages paid to the work performed by civil service employees in the above-mentioned bargaining units. This study will provide the information necessary to develop that policy.

Your Committees on Labor and Employment and Legislative Management are in accord with the intent and purpose of S.B. No. 2844 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. 2276      Energy and Natural Resources on S.B. No. 1611**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$18,000,000 for the purpose of assisting Wailuku River Hydroelectric Power Company, Inc. in the establishment of a hydroelectric power plant and related facilities.

Favorable testimony was submitted by Carlsmith, Wichman, Case, Mukai and Ichiki, and a principal of KRP Information Services.

A Conservation District Use Permit has been issued to the project by the Department of Land and Natural Resources and all of the permits that have been approved contain conditions designed to ensure that the environment, together with the interests of the State and the County of Hawaii, are protected. The Wailuku River Hydroelectric Power Company is committed to meeting all of these conditions.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 1611, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2277      Energy and Natural Resources on S.B. No. 2444**

The purpose of this bill is to amend section 239-10, Hawaii Revised Statutes, to require that public service company (PSC) tax revenues in excess of four percent be paid to the county which encompasses each respective tax district.

Your Committee received testimony in support of the bill from Hawaiian Electric Industries, GTE Telephone, GASCO and the City and County of Honolulu. The only concerns expressed by these interests related to the potential overlap of the PSC tax and the county property tax, and the retention of the exemption for public utility property.

The Department of Taxation opposed the bill, relying on the Tax Review Commission's 1989 recommendation that the PSC tax be abandoned in favor of the general excise and county real property taxes.

Your Committee believes that the PSC tax should be retained in lieu of total reliance on the general excise and real property taxes. This bill will provide for the sharing of PSC tax revenues with the counties with respect to amounts over four percent. Your Committee finds this fair and equitable.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2444 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 George.

**SCRep. 2278      Energy and Natural Resources on S.B. No. 2212**

The purpose of this bill is to require the State to pay one-third of all royalties taken in from state issued mining leases to the county in which the land being mined is situated.

The Department of Land and Natural Resources testified against the bill, stating that current statutes require that twenty percent of mining lease royalties derived from ceded land be paid to the Office of Hawaiian Affairs. This, together with the proposed thirty-three percent royalty share payable to the county, would result in the State receiving less than fifty percent of the total revenues while remaining solely responsible for the full cost of administering state land and mineral leases.

Your Committee notes, however, that the State and the county of Hawaii have already established a geothermal asset fund to address potential community impacts. The State has committed an initial \$250,000 to fund this program and Ormat Energy Systems has committed an additional \$60,000.

In view of the existence of the asset fund, the bill has been amended to give the Office of Hawaiian Affairs twenty percent of all mineral royalties and the county twenty percent of the royalties from geothermal resources only. Section 182-18, Hawaii Revised Statutes, was also amended to reflect the payment of royalties to the Office of Hawaiian Affairs and the counties.

Your Committee has further amended the bill to establish a community assistance fund to assist in mitigating proven harmful effects resulting from geothermal development activities.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2212, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2279      Energy and Natural Resources on S.B. No. 2414**

The purpose of this bill is to consolidate the management and organization of the Natural Energy Laboratory of Hawaii and the Hawaii Ocean Science and Technology Park under one authority.

Your Committee received testimony from the Ke-ahole Point Association and the Department of Business and Economic Development (DBED) in support of the bill. DBED recommended that the name of the authority be changed to the "Hawaii Island Natural Resource and Development Authority" and your Committee has amended the bill accordingly.

Your Committee has further amended the bill to: (1) specify that the chairman and secretary of the research advisory committee shall serve as chairman and secretary of the authority subject to senate approval; (2) replace the president of the University with the dean of the school of ocean and earth science and technology as an ex-officio member of the authority; (3) specify the membership of the research advisory committee and clarify that it is to be an autonomous body; and (4) make several technical changes with no substantive effect.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2414, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2280      Energy and Natural Resources on S.B. No. 3404**

The purpose of this bill is to provide funding for geothermal development.

Specifically, the bill would appropriate \$7 million for fiscal year 1990-1991 to be expended by the Department of Land and Natural Resources for above ground exploration, the slim hole or shallow well program, and permits. Another \$20,000,000 would be appropriated for a production payment loan fund to finance deep exploration wells. The fund would be administered by the Department of Land and Natural Resources.

Your Committee heard testimony both for and against this measure and finds that geothermal exploration is necessary if Hawaii is to develop its own energy-producing capabilities and loosen its dependency on imported petroleum. However, after consideration, your Committee reduced funding to \$1.5 million in order to allow the Ways and Means Committee to determine the appropriate amount necessary for the exploration of geothermal resources.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3404, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2281      Culture, Arts and Historic Preservation on S.B. No. 2709**

The purpose of this bill is to appropriate \$20,000 for the production of a State Flower Calendar employing the art work of the finalists in the three competitions held at the elementary, intermediate, and secondary school levels, in which students depicted their interpretations of the State flower last school year.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources (DLNR).

Your Committee has amended this bill by deleting the \$20,000 appropriation, adding a findings and purpose section, and requesting the Forestry and Wildlife Division and the State Parks, Outdoor Recreation and Historic Sites Division of DLNR to work together to produce this calendar.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2709, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2282      Culture, Arts and Historic Preservation on S.B. No. 2981**

The purpose of this bill is to enhance current procedures relating to proper care and protection of burial sites and the enforcement thereof.

Specifically, the bill:

- (1) Creates five Island Burial Councils which shall determine whether preservation in place or relocation of previously identified native Hawaiian burial sites is warranted;

- (2) Revises the process for handling inadvertent discoveries of burial sites by including the input of the appropriate Island Burial Council;
- (3) Increases the penalty for violation of chapter 6E, Hawaii Revised Statutes, from a maximum of \$1,000 for each offense to a maximum of \$10,000 per offense;
- (4) Prohibits the sale of human skeletal remains or burial goods;
- (5) Requires a permit from the Department of Land and Natural Resources for out-of-state transport of human skeletal remains or burial goods; and
- (6) Appropriates \$100,000 to the Department of Land and Natural Resources for fiscal year 1990-1991 to carry out the activities necessary to implement certain provisions of this measure.

In 1989, in response to public concerns expressed at the legislature, the Department, in consultation with the Governor, established Island Burial Councils for Kauai/Niihau, Oahu, Molokai, Maui/Lanai, and Hawaii. This bill is an outgrowth of Senate Bill No. 1787, relating to burials, which failed to emerge from conference. The language in this bill resulted from meetings between the Department, the various Island Burial Councils, and others who expressed reservations over the 1989 Senate bill.

Your Committee received substantial testimony in favor of this bill and finds that the opportunity for timely, culturally sensitive decision-making with regard to burials, the appeal process, and the other substantive provisions of this measure will greatly enhance the ability of the State to appropriately maintain and preserve ancient burial sites, human skeletal remains, and burial goods.

Your Committee has amended this bill by:

- (1) Requiring that a minimum of twenty percent of the members to be appointed to the Island Burial Councils be appointed from a list of at least nine candidates provided by the Office of Hawaiian Affairs;
- (2) Requires the Department of Land and Natural Resources to consult with the Island Burial Councils, Office of Hawaiian Affairs, and other appropriate Hawaiian organizations such as Hui Malama I Na Kupuna O Hawaii Nei when making decisions regarding burial sites; and
- (3) Making several nonsubstantive technical and language changes for the purposes of clarity and style.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2981, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2283      Culture, Arts and Historic Preservation on S.B. No. 3402**

The purpose of this bill is to: (1) clarify the official description of the Hawaiian Flag; (2) establish standardized colors and rules governing the correct usage and display of the flag; (3) establish prohibited practices; and (4) provide the historical background to the state song, Hawai'i Pono'i.

Your Committee received favorable testimony for the bill from the Superintendent of Education, the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, and the Huna Hanauna Society.

The Hawaiian Flag and song Hawai'i Pono'i are forever symbols of our proud and enduring heritage. Enacting this bill into the Hawaii Revised Statutes will accord the Flag and the Song an official and lasting place in our history. Present and future generations shall know to display the Flag properly, to respect what it stands for, and to know the origins of our state anthem.

Your Committee has made cosmetic amendments to the bill for style and has added a severability clause.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3402, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2284      Business Development and Pacific Relations on S.B. No. 3491**

The purpose of this bill is to appropriate \$150,000 to study the possibility of establishing a Pacific Institute for Freedom and Democracy at the University of Hawaii at Manoa.

Your Committee finds a feasibility study is necessary before any commitment of resources is made to establish such an institute.

Your Committee has amended the bill by:

Replacing on page 1, line 11, the word "academic" with "educational";

Deleting the reference to the University of Hawaii on page 2, lines 16-17; and

Making the Legislative Auditor the expending agency.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 3491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3491, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2285      Transportation on S.B. No. 3129**

The purpose of this bill is to appropriate funds and establish provisions which reduce the work load on the county examiner of drivers by permitting non-county driver examiners to administer the commercial motor vehicle skills test.

Furthermore, the bill exempts military personnel and federal firefighters from commercial driver license requirements.

Your Committee received strong supporting testimony from the Department of Transportation and the Hawaii Transportation Association.

Your Committee has amended the bill by:

1. Replacing on page 3, line 17, the phrase "drive fire trucks, provided that they are trained by the federal fire department" with "drive federal fire trucks owned or leased by or under the control of the federal government, provided that they are trained by the federal fire department";
2. Deleting on page 5, line 12, the word "and," and inserting the phrase "or both" after the word "imprisonment";
3. Inserting on page 7, line 20, after the word "employer" the phrase "as required by subsection (a)";
4. Adding on page 8, line 23, four additional paragraphs that read:

"(4) All convictions of traffic violations; and

(5) Indication whether the violation was in a commercial motor vehicle; and

(6) Location of offense; and

(7) Driver's signature."

5. Adding on page 28, line 2, after "286-102(b)" the phrase "except 286-102(b)(4)"; and
6. Inserting at the end of page 29, line 20, the sentence "The counties shall be reimbursed the incremental costs incurred in administering the commercial driver licensing program under section 286- , the amount of reimbursement shall be determined by the director of transportation."

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3129, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Nakasato, Ikeda, Menor and George.

**SCRep. 2286      Corrections on S.B. No. 2759**

The purpose of this bill is to enlarge the rights of, and services to, the victims of crimes, particularly victims of personal assaults, homicide, and all sex related offenses. The methods are provisions for informing crime victims of changes of custodial status of convicted offenders after conviction and incarceration; for mandatory, non-consensual, testing of "committed offenders" for all sexually transmitted diseases including AIDS; and for the notification of the victims of the results of these tests.

This bill amends the Victim/Witness Rights statute, section 801D-4, to require that victims and their immediate families be informed by the Department of Public Safety of all changes in the custodial status of the offender.

This bill amends the Infectious and Communicable Diseases statute, section 325-101(a), to permit the results of AIDS testing only, to be released to any person, without the consent of the offender-patient, for the purpose of enforcing chapters 350(Child abuse), 353( Corrections), and 801D(Witness/Victim Rights).

Also amended is the Corrections statute, section 353-13, requiring the medical officer of any prison to test all "committed persons" for all sexually transmitted diseases and AIDS in all of its forms, without the consent of the committed person. In the event tests for any sexually transmitted disease or any form of AIDS are positive, the medical officer is required to inform the victim, without the offender-patient's consent, provided the offender had been convicted under chapter 707, Parts II(homicide, etc.), III(criminal assaults and related offenses), V(sexual offenses), VI(child abuse); or under Chapter 712, Parts I(prostitution and related offenses), IV(drug and intoxicating compound offenses), and V(nuisance abatement, indecent matter display, pornography sales and open lewdness).

This bill further amends the Infectious and Communicable Diseases statute at section 325-16, regarding informed consent for testing and disclosure, to exempt from the prisoner/patient consent requirement a prison medical officer required to perform these tests and to disseminate the results to the victim, provided the prisoner was convicted of one of the offenses listed in section 353-13 as amended above.

This bill amends the Public Safety Chapter, at section 353C-2, adding to the powers and duties of the Director by the provision that he "may" inform the victim of "any change in the status of a committed person" if the person was convicted of any offense enumerated in section 353-13 as amended above.

Your Committee received testimony in support of this bill "in its present form" from the Police Department of the City and County of Honolulu. Testimony was received in support of the bill, if amended as stipulated, by the Prosecuting Attorney of the City and County of Honolulu, and the Sex Abuse Treatment Center.

Your Committee also received testimony in opposition to passage of this bill from the Director of the Department of Health, the Executive Director of the Governor's Committee on AIDS, the Acting Director of the Department of Corrections, and the Staff Attorney of the American Civil Liberties Union, Hawaii Chapter.

In response to the objections raised by the Acting Director of the Department of Corrections, your Committee has limited the requirement that notice be given regarding changes in custodial status to only those changes that will allow or result in the offender's release into the community.

Your Committee on Corrections is in accord with the intent and purpose of S.B. No. 2759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2759, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2287      Education on S.B. No. 2943**

The purpose of this bill is to conform the board of education's departmental school districts to the proper representative districts as of the 1984 reapportionment.

This is a housekeeping bill which was supported by all those who testified.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2943 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Menor and Yamasaki.

**SCRep. 2288      Education on S.B. No. 3316**

The purpose of this bill is to provide for permanent cadres of substitute teachers for each school district.

Substitutes would be full or half-time, permanent, classified and compensated like regular teachers, subject to the same qualification and employment criteria, and members of bargaining unit 5 pursuant to chapter 89, Hawaii Revised Statutes. Substitutes in one cadre could be loaned to another cadre with a shortage.

The bill also provides an unspecified appropriation for fiscal year 1990-1991 to be expended by the Department of Education for substitute teachers pursuant to this bill.

Your Committee received supporting testimony from the Superintendent of Education and finds that this bill will allow the Department to retain qualified applicants and improve the quality of instruction when a regular classroom teacher is absent.

Your Committee has amended this bill by authorizing the Department to maintain a pool of substitute teachers who would be paid on a per diem basis in the event more substitutes are needed than can be provided by the cadre.

Your Committee has also amended this bill by deleting the appropriation and requiring the Department to develop a plan for implementation of the substitute teacher cadre in gradual increments, which shall be transmitted to the 1991 Legislature along with a funding request. The plan shall include whatever agreements have been reached with bargaining unit 5.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3316, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Menor, Solomon and Yamasaki.

**SCRep. 2289      Education on S.B. No. 3362**

The purpose of this bill is to appropriate \$4,835,808 for fiscal year 1990-1991 to be expended by the Department of Education to improve the teacher-student ratio in the elementary grades in the public school system.

This would be accomplished by employing 232 new teachers or alternate resources as determined by each school on the basis of its individual needs. If facilities are immediately available, other options include trading the teachers for educational assistants and part-time teachers, or purchasing educational resources such as computers.

Your Committee heard supporting testimony from the Chairman of the Board of Education and the Superintendent of Education, among others, and finds that reduction of class size is an essential element in Hawaii's effort to improve public education. Such reductions should begin in the elementary school grades to better prepare our youngsters with solid basic learning skills in reading, writing, speaking, and computing. The flexibility provided to the individual schools by this measure is also consistent with implementation of school/community-based management.

Your Committee has amended this bill by clarifying that new teaching positions enabled by this bill shall be permanent, and that the alternate uses of these funds shall be the employment of part-time temporary teachers, educational assistants, or school resource teachers, with reduction of class size being the overriding concern. Elementary grades will include sixth grade classes in middle schools. Your Committee has also indicated that this funding will allow class size ratios to be reduced from twenty-six to one to twenty-four to one for grades two to six. Finally, your Committee has included a provision to allow the schools to use the funds as they deem appropriate where the hiring of teacher personnel cannot be accomplished.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3362, as amended herein, and recommends that it pass Second Reading in the form attached hereto S.B. No. 3362, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Menor and Yamasaki.

**SCRep. 2290      Education on S.B. No. 3495**

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii to require the Board of Education to assure a safe school environment for all students.

Specifically, your Committee finds the bill establishes a new section under Article X of the Constitution of the State of Hawaii which guarantees the right to a safe school environment to all students and mandates the Board of Education to implement this right.

Your Committee received supporting testimony from members of the Legislative Committee at Pearl City High School. The Board of Education submitted testimony in opposition due to the bill's ambiguous nature.

Your Committee has amended the bill by requiring the Department of Education, the Legislature, and the State Administration, to cooperate with the Board of Education in providing a safe school environment for students.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3495, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Menor, Solomon and Yamasaki.

**SCRep. 2291      Tourism, Recreation and Planning on S.B. No. 3403**

The purpose of this bill is to authorize the counties to provide lifeguard services at state beach parks where such services are required. Determinations as to the necessity of providing lifeguard services at particular beaches would be made by mutual agreement between the Department of Land and Natural Resources and the affected county. The bill would appropriate funds for fiscal year 1990-1991 to reimburse the counties for providing lifeguard services. The sum appropriated would be expended by the Department of Land and Natural Resources.

Your Committee received supporting testimony from the Chairperson of the Board of Land and Natural Resources.

Your Committee finds that the provision of lifeguard services at certain state beach parks is necessary because of unusual water safety hazards or other conditions. Your Committee finds that this bill is an appropriate vehicle for addressing this need.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3403 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. 2292      Tourism, Recreation and Planning on S.B. No. 2660**

The purpose of this bill is to establish an Office of Water Safety within the Department of Public Safety for administrative purposes only. The Office's duties would include monitoring water safety accidents and incidents to establish a comprehensive, statewide data base on water safety matters, coordinating the water safety and lifesaving efforts of the State and counties, establishing uniform safety standards, policies, and procedures for lifeguards, distributing information on water safety and recreation hazards, and developing and promoting educational and informational programs to teach swimming, lifesaving, and water safety awareness. The Office would also be responsible for establishing safety standards for ocean recreation activities including commercial operations, reviewing commercial ocean recreation permit functions so as to develop a plan for consolidation of those functions within the Office of Water Safety, assuming responsibility for the Department of Transportation's functions for designating areas where and time periods during which thrill craft, parasailing, and other ocean recreation activities are permitted, and otherwise controlling and managing ocean recreation activities and water safety. The bill would appropriate a sum to be identified for fiscal year 1990-1991 to carry out the purposes of the bill.



Your Committee received testimony on the bill from the Department of Business and Economic Development on behalf of the Hawaii Ocean and Marine Resources Council, the Department of Transportation, the Ocean Recreation Council of Hawaii, and concerned citizens. The Department of Business and Economic Development and the Department of Transportation questioned the need to move the authority for enforcement and establishment of rules for ocean recreation activities to an office of water safety. The Departments instead supported the transfer of all functions of the ocean recreation, boating, and coastal area programs from the Department of Transportation to the Department of Land and Natural Resources as proposed in S.B. No. 3136. The Department of Business and Economic Development indicated that it could support the establishment of an office of water safety if its role were strictly limited to water safety issues and data compilation. The Ocean Recreation Council of Hawaii supported the bill, except for the provisions relating to the regulation of commercial ocean recreation operations.

Your Committee finds that Hawaii's beaches and ocean recreation activities are among its greatest attractions. However, Hawaii's waters present many potential hazards, including large surf, strong currents, dangerous marine life, and submerged hazards. Persons unfamiliar with these hazards can easily get into trouble. Residents and visitors alike engage in a wide variety of ocean recreation activities, resulting in broad exposure to ocean hazards. Your Committee further finds that the State needs to assume a leadership role in coordinating water safety planning and education for residents and visitors, utilizing various State, county, federal, and private organizations. Education and information programs would increase awareness and understanding of basic ocean forces (waves, tides, and currents), dangerous marine life, suitable activities, and possibly reduce conflicts between novices and other users.

Your Committee has amended the bill to:

- (1) Add a provision authorizing the Governor to appoint the director of the Office of Water Safety without regard to chapters 76 and 77, Hawaii Revised Statutes, and authorizing the director to appoint other necessary staff;
- (2) Eliminate from the Office of Water Safety's duties the establishment of safety standards for ocean recreation activities, including commercial operations;
- (3) Eliminate from the Office of Water Safety's duties the review of all commercial ocean recreation permit functions and the development of a plan for the consolidation of those functions within the Office;
- (4) Eliminate the Office of Water Safety's responsibility for regulating thrill craft and parasailing operations, including commercial operations;
- (5) Delete the section repealing section 267-16, Hawaii Revised Statutes, relating to the operation of thrill craft and parasailing; and
- (6) Revise various other provisions of the bill to clarify the Office's limited role in regulating commercial ocean recreation activities.

Your Committee also made several technical amendments to the bill which have no substantive effect.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2660, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2293      Tourism, Recreation and Planning on S.B. No. 2972**

The purpose of this bill is to create a centralized approach to the management and development of the most important element of the State's economy, the visitor industry. Specifically, the bill would establish a new Office of Tourism within the Department of Business and Economic Development for administrative purposes only. The Office of Tourism would promote, market, and develop the State's visitor industry; carry out other duties and responsibilities relating to coordination and implementation of the State's long-range tourism policies and plans and coordination with the private sector; and perform other duties currently vested in the tourism branch of the Department of Business and Economic Development. The bill would also establish a Hawaii Tourism Commission within the Department of Business and Economic Development to establish state tourism policy, approve actions of the Office of Tourism, and carry out other functions relating to the oversight and development of the State's tourism program. The bill would take effect on July 1, 1991. This bill is substantially similar to S.B. No. 1297, H.D. 1, H.D. 2, C.D. 1, as passed by the Legislature during its 1989 Regular Session. That bill was returned by the Governor without his approval on June 16, 1989.

Your Committee received supporting testimony from the Hawaii Hotel Association, Outrigger Hotels, Inc., and other interested organizations and individuals. The Department of Business and Economic Development agreed in concept with the bill. The Department, however, recommended that the bill be amended to have the office headed by a new deputy director of the Department, rather than having the office attached to the Department for administrative purposes only and headed by an independent administrator. The Department was also concerned with the creation of the new Hawaii Tourism Commission, but acknowledged the need for greater participation by the counties and private sector.

Your Committee finds that creation of an office of tourism headed by a new deputy director of the Department of Business and Economic Development will give the visitor industry the profile and level of emphasis that it deserves. It is clear that the State needs a centralized approach for managing and further developing its most important industry. Your Committee further finds that placing the new office of tourism with the Department of Business and Economic Development will allow better coordination of tourism and economic development initiatives.

Your Committee has amended the bill to:

- (1) Substitute a new deputy director of Department of Business and Economic Development to head the Office of Tourism, rather than a tourism administrator, and to delete language creating the Office of Tourism as part of the Department for administrative purposes only;
- (2) Expand the Tourism Commission from seven to eleven commissioners, with four commissioners representing the counties and the seven at-large commissioners representing the Hawaii Visitors Bureau, the hotel industry, and the airline industry;
- (3) Limit the scope of review by the Hawaii Tourism Commission of tourism marketing plans submitted by the counties and private organizations for State support;
- (4) Amend section 203-5, Hawaii Revised Statutes, relating to biennial tourism marketing plans, to make this section consistent with the bill; and
- (5) Add \$200,000 as the amount to be appropriated to implement the bill.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 2972, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2972, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator George.

**SCRep. 2294      Tourism, Recreation and Planning on S.B. No. 3229**

The purpose of this bill is to require the Office of State Planning to conduct periodic studies of the carrying capacity of the State in light of projected increases in both resident populations and visitors. The Office of State Planning would be required to submit annual reports to the Legislature on these studies. The bill would appropriate funds for fiscal year 1990-1991 for the Office of State Planning to conduct these studies.

Your Committee received testimony from the Office of State Planning. The Office supported the intent and purpose of the bill, but indicated that it would need additional resources to conduct the required studies.

Your Committee finds that it is essential for the Office of State Planning to study the potential impact of increasing resident populations and visitors on the State and its various regions.

Your Committee has amended section 1 of the bill to simplify the language and afford the Office of State Planning greater flexibility in determining the appropriate scope of the new impact studies required by the bill and in combining these new studies with other studies already required by section 225M-2, Hawaii Revised Statutes, such as the periodic reviews required by section 225M-2(7). Your Committee, however, intends that the new impact studies required by the bill would include analyses of public and private infrastructure demands, land use and zoning matters, and social, economic, cultural, environmental, safety, and other relevant issues. Your Committee has also amended section 1 of the bill to require that the impact studies be conducted at least every five years, rather than annually, and to eliminate the annual report requirements. Your Committee has added a new section to the bill to require the Office of State Planning to conduct a survey and evaluation of existing data bases and data collection systems and to identify new data bases and collection systems that are necessary for carrying out appropriate impact analyses. The Office of State Planning would be required to submit a report to the Legislature's 1991 Regular Session on its findings and recommendations, including a long range implementation plan and cost estimates. Finally, your Committee has inserted \$300,000 as the sum to be appropriated for fiscal year 1990-1991 to carry out the purposes of the bill.

Your Committee has also amended the bill by adding a new section requiring the Office of State Planning to review requests for the development on lands within the waterfront area of the Kakaako community development district in accordance with procedures for review of special management area permit requests and shoreline setback variance requests, including applicable county rules. Upon approval of the Office, such developments would be allowed without a special management area permit or shoreline setback variance.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3229, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Chang, Cobb, Nakasato and George.

**SCRep. 2295      (Majority) Tourism, Recreation and Planning on S.B. No. 3304**

The purpose of this bill is to transfer all functions relating to the control and management of archaeological sites and activities at Kualoa Regional Park from the City and County of Honolulu to the Department of Land and Natural Resources. The bill would also establish a Kualoa Regional Park Advisory Committee to develop a master plan and make recommendations to the department. The bill would appropriate sums to be identified for fiscal year 1990-1991 to: (1) implement the transfer; and (2) hire three positions to be responsible for maintaining and preserving the archaeological collection from the park.

Your Committee received testimony from the Board of Land and Natural Resources and the Kualoa Regional Park Advisory Council. The Board supported the appropriation of funds for the hiring of additional personnel within the Department of Land and Natural Resources' Historic Preservation Program to oversee and monitor any activities at Kualoa Regional Park which impact on archaeological resources at the site. The Board, however, had concerns regarding

the transfer of the park itself to the Historic Preservation Program. The Advisory Council expressed a preference to keep the park under its current status, but noted the need to address historic preservation issues at the park.

Your Committee finds that the archaeological sites and artifacts at Kualoa Regional Park are important resources of the State and its people, and protecting and preserving these resources is a high priority.

Your Committee has amended the bill to specify \$1 as the amount to be appropriated for both the transfer of archaeological functions and the hiring of additional personnel. Your Committee has also made five grammatical revisions to the bill which have no substantive effect.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3304, S.D. 1, and be referred to the Committee on Ways and Means.

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

**SCRep. 2296      Tourism, Recreation and Planning on S.B. No. 3306**

The purpose of this bill is to resolve competing uses within Kaneohe Bay by classifying the bay as a state park and placing responsibility for its control and management under a single agency, the Department of Land and Natural Resources. The bill would require the Department to adopt and enforce rules to preserve and protect the bay and resolve conflicts between the many diverse users of the bay. The Department would also be required to develop a master plan for the bay, in consultation with a Kaneohe Bay advisory committee to be created pursuant to the bill. Finally, the bill would appropriate a sum to be identified for fiscal year 1990-1991 to carry out the purposes of the bill.

Your Committee received supporting testimony from the University of Hawaii Institute of Marine Biology, the Kaneohe Neighborhood Board, the Kaneohe Bay Yacht Club, and several citizens from the Kaneohe Bay area. Your Committee also received testimony from the Chairperson of the Board of Land and Natural Resources supporting the general intent and purpose of the bill, but indicating that the Department of Transportation's Ocean Recreation Management Plan is a more desirable means to regulate activities in the bay and to address ongoing user competition problems.

Your Committee finds that it is appropriate, given the unique ecological nature of Kaneohe Bay and the need to preserve the quality of life in the surrounding community, to place responsibility for management and control of the bay under the Department of Land and Natural Resources.

Your Committee has amended the bill to:

- (1) Delete the provisions classifying Kaneohe Bay as a state natural resource within the state park system;
- (2) Add a provision authorizing the Department of Land and Natural Resources to require commercial users to prepare environmental assessments and environmental impact statements;
- (3) Add a provision requiring the Department of Land and Natural Resources to adopt interim rules by January 1, 1991, which, upon their effective date, will supersede the ocean recreation management rules adopted by the Department of Transportation as they relate to Kaneohe Bay;
- (4) Require the Department of Land and Natural Resources to complete the master plan for the bay by January 1, 1992;
- (5) Authorize the Department of Land and Natural Resources to enter into joint federal/State partnership arrangements for the protection and preservation of the bay; and
- (6) Identify the sum to be appropriated as \$50,000.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3306, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2297      (Joint) Tourism, Recreation and Planning and Government Operations on S.B. No. 2919**

The purpose of this bill is to provide the counties with increased revenue generating capabilities.

Specifically, the bill repeals the State's transient accommodations tax (TAT) and authorizes the various counties to enact their own TAT's up to nine percent. In addition, the State would transfer to the counties the portion of the public service company tax paid by public utilities which is in excess of four percent of their gross incomes. The bill also includes an appropriation of \$170 million to the counties to account for revenues which would have been received if the tax transfer provisions of this measure, which are scheduled to go into effect on July 1, 1991, were to be effective on July 1, 1990.

Your Committees believe that the counties need more revenues and agree with the Tax Review Commission that they should be able to derive revenues from the TAT. However, Your Committees have a different approach to accomplishing this objective and have therefore amended this bill by deleting its contents and inserting substantive material which:

- (1) Articulates that the purpose of the bill is "to share with the counties revenues enuring to the State pursuant to chapter 237D, Hawaii Revised Statutes;"
- (2) Amends the definition of "gross rental" or "gross rental proceeds" in section 237D-1 to exclude taxes imposed by chapter 237D (TAT). In so doing, your Committees intend to eliminate the pyramiding of the TAT, also known as the "5 on 5", whereby the five percent TAT passed on to the customer is subsequently included in the operator's gross income and taxed at the rate of five percent, making the effective tax rate 5.25 percent;
- (3) To compensate for the reduction in revenues resulting from amendment (2), raises the TAT basic rate from five percent to 5.25 percent;
- (4) Adds a new section to chapter 237D providing that sixty percent of TAT revenues shall be retained by the State and used for the convention center, tourism promotion, and other tourism-related activities, while the other forty percent shall be made available for appropriation to the counties for improvements to infrastructure and other tourism-related activities;
- (5) Adds a new section to chapter 37 requiring the Director of Finance to establish a separate special account in the treasury into which shall be deposited each year forty percent of the past fiscal year's TAT revenues. Beginning with the budget for fiscal year 1992-1993, the governor shall include this amount in each budget and supplemental budget for appropriation by the legislature to the counties and, if not appropriated, these funds shall accumulate and be available for subsequent legislative appropriations to the counties;
- (6) Provides an appropriation of \$75,000 for fiscal year 1990-1991 to the Department of Budget and Finance to implement the provisions of the bill;
- (7) Requires the Director of Finance, in consultation with the Director of Taxation, to submit a report of actions, findings, and recommendations relating to the implementation of the provisions of this bill to the 1991 legislature; and
- (8) Gives the bill an effective date of July 1, 1990.

Your Committees wish to strongly emphasize that the TAT increase from five percent to 5.25 percent does not represent a tax increase, but merely makes appropriate adjustment for elimination of the TAT pyramiding.

Your Committees on Tourism, Recreation and Planning and Government Operations are in accord with the intent and purpose of S.B. No. 2919, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2919, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Menor, Yamasaki, Ikeda, Nakasato and George.

**SCRep. 2298 (Joint) Human Services and Health on S.B. No. 2906**

The purpose of this bill is to: (1) amend chapter 42 procedures for the review of grants, subsidies, and purchases of service; (2) clarify the responsibility of the Department of Budget and Finance (B&F) with respect to the budgeting process; (3) prevent unnecessary delays in contract execution and payment; (4) establish a mechanism for the automatic review by the legislature of all requests which have been deleted from the executive budget; and (5) establish a mechanism for the continuous review of the chapter 42 process.

Your Committees are disturbed primarily by repetitive delays in contract execution and payment, and seek to address the problems inherent in Chapter 42 procedures. While recognizing that some management issues may be involved, your Committees have amended the bill to include a five-year interim measure for successive contracts to reduce the problem of late payment.

Your Committees have also added language expressly requiring the director of finance to review the state budget pursuant to the provisions of Section 37-67, Hawaii Revised Statutes. This section, in part, requires the Director of Finance to analyze and revise as necessary the program objectives, long-range plans, program and financial plans, program budget requests and program performance reports proposed by the state agencies. These plans and requests include funding for grants, subsidies, and purchases of service. Your Committees believe that emphasizing the role of the Department of Budget and Finance in the review of state budget requests will ameliorate some of the problems in the Chapter 42 process.

Your Committees have also amended the bill as follows:

- (1) Provided for advisory committees to meet annually, rather than bi-annually as previously proposed;
- (2) Provided for a July 31, 1995 repeal date for those sections of the bill establishing the advisory committee and biennial review by the legislative auditor;
- (3) Deleted the definition of "renewal" and all references to this term throughout the bill;
- (4) Deleted minimum requirements for current recipients or providers applying for the same services in a different fiscal year and inserted language requiring the submission of a limited number of documents instead;
- (5) Deleted the requirement that B&F exempt sole-source providers from bidding requirements and inserted language in the purpose clause urging the adoption of appropriate rules;

- (6) Added a deadline for agencies to provide applicants written notification of their decisions;
- (7) Deleted the language concerning review of agency requests by the director of B&F;
- (8) Deleted language requiring a meeting of legislative committees, representatives from the affected agencies and B&F to reconsider requests for inclusion into the budget;
- (9) Deleted language decreasing the amount of time required for contracts to be executed and language on the effective date of contracts which are executed after July 1;
- (10) Deleted the requirement that any review conducted by the administrative director of the courts or attorney general be confined to the legal sufficiency of the contract; and
- (11) Replaced the five percent interest provision with a twelve percent interest provision payable by the State to the recipient or provider in the event of a delay in execution of the contract.

Your Committees on Human Services and Health are in accord with the intent and purpose of S.B. No. 2906, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2906, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Menor.

**SCRep. 2299      Housing and Hawaiian Programs on S.B. No. 2313**

The purpose of this bill is to appropriate funds for fiscal year 1990-1991 for an updated study of issues relating to leasehold conversion of condominiums and cooperatives in Hawaii, including an update of the report entitled "Leasehold Conversion of Condominiums and Cooperative Housing Projects," prepared for the Housing Finance and Development Corporation in 1987. The sum appropriated would be expended by the Housing Finance and Development Corporation.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Hawaii Association of Realtors, the Estate of James Campbell, the Kamehameha Schools/Bernice Pauahi Bishop Estate, Kaneohe Ranch, Savio Realty, Ltd., members of the small landowners association, and other interested citizens. Your Committee also received updated statistical information from Hawaii TMK Service. Most witnesses recommended that the study be expanded to include the collection of additional data and the analysis of additional issues.

Your Committee finds that additional data collection and analyses are necessary for both the Legislature and lessors and lessees to fully understand the facts and issues involved with leasehold conversions. Only with this additional data and analyses, can the Legislature and the parties involved be expected to pursue productive discussions and actions responsive to the concerns and needs of all parties.

Your Committee has amended the bill to expand the scope of the study required by the bill, as recommended by the witnesses at the Committee's hearing. Your Committee has also amended the bill to include \$100,000 as the amount to be appropriated.

Your Committee is in accord with the intent and purpose of S.B. No. 2313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2313, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Solomon.

**SCRep. 2300      (Joint) Housing and Hawaiian Programs, Human Services, and Labor and Employment on S.B. No. 2407**

The purpose of this bill is to establish, within the Office of the Governor, a social and employment services incubator project board composed of fifteen public and private sector members appointed by the Governor. The Board would study public and private social and employment service programs currently available in the West Oahu region and identify future needs. The Board would plan the establishment of a shared facility at Kapolei to serve as a one-stop center to simplify access to services on a coordinated basis and would oversee its initial implementation. The bill would also appropriate a sum to be identified for fiscal year 1990-1991 to carry out the mandates of the bill, with the Office of the Governor being the expending agency.

Your Committees received supporting testimony from the State Departments of Health, Human Services, and Labor and Industrial Relations and the Office of State Planning; from the University of Hawaii; from the Honolulu Community Action Program, Inc.; from the City and County of Honolulu's WorkHawaii job training program; from the Office of Hawaiian Affairs; from the West Oahu Employment Corporation Board; from Ko Olina Resort, West Beach Estates; from Aina Kupaa O Maili, Inc., agent for the Maili Housing Project (Maililand); from members of the West Oahu Service Providers Hui and the Ewa Neighborhood Board; from the Vice President of Finance Realty Co.; and from other community representatives.

The Departments of Health, Human Services, and Labor and Industrial Relations and the Office of State Planning suggested that the bill be amended to:

- (1) Designate the Governor's Sub-Cabinet Task Force on Human Services and Resources to coordinate the project, with the Department of Human Services as the lead agency, rather than the Office of the Governor; and

- (2) Designate the Department of Labor and Industrial Relations as the expending agency rather than the Office of the Governor.

The University of Hawaii suggested that the bill be amended to substitute a representative of the University of Hawaii rather than a representative of Leeward Community College as a member of the Board.

The WorkHawaii program suggested that the bill be amended to include a requirement that the Board develop a centralized computer system to handle intake, referral, and service delivery for all service providers.

Your Committees find the goals of the social and employment services incubator project to be laudable in view of the currently inadequate service delivery system in the West Oahu region and the rapid development taking place in the region. The project could also help in designing service delivery systems for other regions of the State.

Your Committees have amended the bill to: (1) add \$98,605 as the amount to be appropriated; (2) place the social and employment services incubator project board within the Department of Labor and Industrial Relations, rather than the Office of the Governor; and (3) make the Department the expending agency.

Your Committees on Housing and Hawaiian Programs, Human Services, and Labor and Employment are in accord with the intent and purpose of S.B. No. 2407, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2407, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Koki.

**SCRep. 2301 Consumer Protection and Commerce on S.B. No. 2439**

The purpose of this bill is to repeal the general excise tax exemption for financial institutions.

Your Committee finds the bill implements the recommendations of the Tax Review Commission regarding the taxation of the financial services industry under chapters 237 and 241, Hawaii Revised Statutes (HRS).

If implemented, your Committee finds these provisions would correct the inequities and inefficiencies in the general excise tax law under chapter 237, HRS, and update and streamline the franchise tax on financial institutions in chapter 241, HRS.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2439 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. 2302 Consumer Protection and Commerce on S.B. No. 3464**

The purpose of this bill is to appropriate \$900,000 to enable the legislature to obtain important information relating to the markets for automobile parts, liquid fuels, and home construction products.

The funds will be used to contract with nationally recognized analysts to study the markets, develop models for future monitoring, and propose strategies for making the markets more competitive in Hawaii. The contracts will be executed by the Department of the Attorney General, with input from the Office of State Planning and the Office of Consumer Protection regarding specifications.

Your Committee heard testimony from the Attorney General and the Department of Commerce and Consumer Affairs strongly supporting this measure, and from others who provided valuable input on specific market areas. It is quite clear to your Committee that Hawaii's high prices in virtually all markets are not due solely to our geographic location. If markets for goods and services are operating improperly or unfairly, or even merely inadequately, it behooves the legislature to find out and develop legislation or policies that will ameliorate the situation. Your Committee considers this to be a duty directly related to the public interest that the legislature owes to the consumers of this State.

Your Committee has chosen to study the markets for automobile parts, liquid fuel, and home construction products because the high prices of these commodities affect a broad segment of Hawaii's population and may limit the ability of many of our citizens to achieve a standard of living commensurate with their income and aspirations. Also, it is generally recognized that these markets are substantially different in Hawaii than in other regions of the country. In making this decision, your Committee is not implying that suppliers in these markets engage in illegal, predatory, or unfair practices. Rather, your Committee believes that information, models, and strategies that would enable the legislature to make appropriate adjustments in these markets would be relevant to other markets as well through establishment of a general policy or application on a case-by-case basis.

Your Committee has amended this bill as follows:

- (1) Added a provision to section 480-18, Hawaii Revised Statutes, expanding the investigating authority of the Attorney General and thus enabling the implementation of this bill;
- (2) Clarified that the third market category to be studied shall be "building supplies" rather than "home construction products;"
- (3) Clarified that the appropriation is for fiscal year 1990-1991;
- (4) Required the consultants to report findings and recommendations to the 1991 legislature; and

- (5) Made some nonsubstantive technical and language changes for the purposes of clarity and style and conformance with recommended drafting technique.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3464, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2303      Health on S.B. No. 2168**

The purpose of this bill is to change the tobacco excise tax rate to a rate calculated to yield revenues equal to the annual economic and social cost of smoking.

Your Committee on Health is in agreement that the economic and social costs of smoking should be placed upon those who sell tobacco. The Department of Health estimated the total economic and social cost of tobacco smoking in Hawaii in 1985 at \$170.7 million. Smoking tobacco not only has an obvious impact on health, but it causes a variety of social costs as well, including increased health care costs and insurance rates, fire damage, and loss of productivity at work due to illness. These costs should be paid by those who profit from the sale of tobacco.

Your Committee has amended this bill by raising the minimum tax rate from forty percent to fifty percent.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2168, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Blair, Menor and Yamasaki.

**SCRep. 2304      Health on S.B. No. 2223**

The purpose of this bill is to prohibit the sale of ahi (yellow fin and bigeye tuna) under three pounds.

The fishing industry in Hawaii depends heavily on the yellow fin and bigeye tuna. Occasionally, as much as fifty percent of Hawaii's commercial fishing boats concentrate on the ahi, not to mention its popularity with recreational and charter boat fishing enthusiasts. Because ahi is important to Hawaii, it is essential that steps be taken to insure its future supply.

By prohibiting the sale of ahi under three pounds, this bill ensures the presence of ahi in Hawaii's waters.

Your Committee has amended the bill by providing the opakapaka and onaga with the same protection and by making technical changes which have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2223, S.D. 1, and be referred to the Committee on Energy and Natural Resources.

Signed by all members of the Committee except Senators Menor and Yamasaki.

**SCRep. 2305      Health on S.B. No. 2571**

The purpose of this bill is to establish a new state committee, for the study and improvement of the State's mental health care services; and to appropriate funds for start-up expenses for hiring of personnel.

The director of health was opposed to this bill as serving the same purpose as other measures in existence within the department. However, consensus was reached that there was a need for a mechanism which was independent of Department of Health and which would provide a means of quality assurance, establishment of standards, and evaluation of mental health services. The concept was generated by the Mental Health roundtable.

Your Committee supports providing an independent perspective and evaluation on the quality of the state's mental health services and on the quality of private services. Such information could be the basis of legislative proposals to improve the system in the interests of the public health, welfare, and necessity.

Your Committee has amended this bill by deleting some provisions and adding others in order to more clearly set out the purpose, functions, powers, duties, and composition of the commission. Some provisions are taken from a similar law in New York.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2571, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Menor and Yamasaki.

**SCRep. 2306      Health on S.B. No. 2587**

The purpose of this bill is to establish, and appropriate the first year planning and set-up funds for, a Statewide Newborn Hearing Screening and Surveillance Program.

Your Committee finds that about ten per cent of new infants born in the State are at serious risk of deafness or of the development of impaired hearing. Either gravely limits a child's acquisition of all language skills and consequently the child's cognitive development. An adequate screening and surveillance program would identify all children at risk by the age of seven to nine months. Parental, pediatric and educational intervention should begin immediately upon either diagnosis of serious risk of, or of deafness. A ten minute screening by a nurse trained to administer it, normally suffices to identify ninety per cent of newborns with auditory responses within the normal range.

Your Committee is also of the belief that hearing impaired children who receive early and appropriate parental, pediatric and educational help require much less costly special educational services during their school aged years.

Your Committee has amended this bill the better to define and identify the "infant" at risk; and to develop more fully the Committee's thinking regarding the planning for this Program, the need for the immediate involvement of the Department of Education's Statewide Center for Students with Hearing or Visual Impairments in the planning and the Program, and included rule making authority for the Department to implement and carry out this Program.

Your Committee, after considering the testimony submitted, suggests serious consideration of the following provisions for the Department's planning:

- (1) That the Department establish a joint public agency/private sector planning group to develop the statewide plans, programs, guides and standards. With a view to a multi-disciplinary approach, this group might include more than a one parent with a hearing impaired child, more than one pediatrician, and otolaryngologists, audiologists currently working with an infant-pediatric population, public health nurses, teachers degreed in special education, teachers degreed in early childhood education, and speech pathologists, among other appropriate and trained individuals experienced with auricularly impaired children.
- (2) That consideration be given the establishment of a training program for parents, to be offered periodically, on the means, methods and practices for the in-home treatment and amelioration of the problems parents will confront with their efforts at communication, socialization, discipline and language instruction with their deaf or auditorially limited children.
- (3) That the establishment of a registry of all deaf and hearing impaired children (and their families) in the State be considered. The purpose in mind, is to assure that no child be lost from the Program, thus to permit prompt and facile contact with the child's family for any necessary use by the Program.
- (4) That consideration be given to the statewide use of a mechanism providing for hearing screening in conjunction with the existing regime for Form 14 (the school entry health form and physical) submission.
- (5) That consideration be given the establishment of a statewide mechanism to screen all children, aged birth to 18 years, whose families move into the State at any time. Should this occur, early treatment is missed, and such children will eventually end up in the public schools, with the consequent loss and damage to the child, and the additional costs of special education.
- (6) That consideration be made of the establishment of a statewide mechanism to provide a notice, and its contents, with parental consent as needed, to inform any out-of-State school system of the pending arrival of children on the registry upon the removal of their families from Hawaii.
- (7) That an out-reach educational effort be designed and made to secure the fullest cooperation, with this Program, of all practitioners in the State engaged in the treatment, schooling, and other services to all children.
- (8) That the means for, and application of, this Program to all public and private preschools, elementary, intermediate, middle, and high schools, be considered, thus to assure their continued cooperation and the coverage of all children in the State.

and,

- (9) That consideration be given to arrangements for the continuance of the Program's services to impaired children, their families, and their teachers, upon each registered child's progression to the public and private school kindergartens and beyond.

Again: the Committee wishes that adequate consideration be given these suggestions, not that any are thought mandatory. The Committee fully anticipates that the deliberations of the planning group of the spectrum of trained and experienced practitioners will result in benefits, delivery methods, and results the Committee simply cannot imagine, much less design.

Your Committee has received testimony and inspiration from Dr. James J. Fernandes, Director of the Gallaudet Center on Deafness, and Ms. Deborah Larkins-Gabe, Audiologist, for the Kapiolani Medical Center for Women and Children, each fully in support of this bill.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2587, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2587, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Menor and Yamasaki.



**SCRep. 2307      Health on S.B. No. 2588**

The purpose of this bill is to clarify the circumstances and procedures under which a person may be tested for human immunodeficiency virus (HIV) infection without informed consent.

Presently, the law provides several exceptions to the requirement of informed consent for HIV testing. One exception applies to health care workers such as doctors or nurses who handle human blood or body fluids. If a worker's health is jeopardized because of an accident with the blood or fluid of a patient who may be HIV infected, the law allows the attending physician to order an HIV test without the patient's consent. The law also requires a patient to be informed of test results; provides counseling services to an infected health care worker and confidentiality for the patient diagnosed with the HIV infection; and requires tests results to be paid by health care providers.

This bill allows the attending physician to test a patient's blood only if the blood is already drawn. The patient cannot be compelled to provide blood without the patient's consent.

Your Committee finds that this bill strikes a balance between the rights of a potentially infected health care worker, and the privacy right of a patient to determine what kind of medical tests will be administered on the patient's body.

After due consideration, your Committee has amended the bill by:

- (1) Providing a definition of "health care worker" which includes persons who render medical care or assistance such as firefighters and police officers;
- (2) Clarifying that the health care worker exception is applicable to both in-patient and out-patient services;
- (3) Deleting the proposed requirement that exposure to an HIV infection by a health care worker be documented;
- (4) Generally holding the health care worker's employer liable for any costs incurred by the worker for testing or counseling;
- (5) Requiring a patient's consent before evidence of the patient's HIV infection is made a part of the patient's record;
- (6) Dividing section 325-16 into three sections for purposes of style and clarity and by making numerous technical changes which have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2588, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Blair, Menor and Yamasaki.

**SCRep. 2308      Health on S.B. No. 2850**

The purpose of this bill is to establish a plan to conduct research regarding the cause, cure, and treatment of Alzheimer's disease and related disorders.

Your Committee received testimony in support of this bill from the Executive Office on Aging, University of Hawaii School of Medicine, the City and County of Honolulu's Elderly Affairs Division, the Alzheimer's Association, the Queen's Medical Center, and the Kokua Council for Senior Citizens.

Your Committee finds that Alzheimer's disease and related disorders are the fourth leading cause of death among the elderly. Hawaii has one of the fastest growing elderly populations in the country, so the need to plan and implement a prevention program for Alzheimer's disease is critical. In addition, there is a crucial need for support services to alleviate the financial, social, and emotional hardships suffered by Alzheimer's disease victims and their families.

Your Committee has amended this bill by clarifying the scope of the plan, appropriating \$54,458 for this program, and making several technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2850, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Menor and Yamasaki.

**SCRep. 2309      Health on S.B. No. 3055**

The purpose of this bill is to change the selection and qualifications of service area board members.

Service area boards develop plans and budgets for their respective districts to prevent mental or emotional disorders and substance abuse in the community.

This bill requires service area boards to be partially elected and partially appointed; establishes qualifications for members; provides disciplinary action for absent members; and specifies the powers and duties of service area boards.

Your Committee has amended the bill by requiring the Department of Health to provide: needs assessment data, budget and plans to the state advisory council and service area boards; and orientation and training to new advisory council or board members.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3055, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3055, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Blair, Menor and Yamasaki.

**SCRep. 2310      Health on S.B. No. 3509**

The purpose of this bill is to require the family court to pay for court-ordered emergency examinations and involuntary hospitalization costs.

Your Committee recognizes that there are many instances in which a person admitted involuntarily to a psychiatric facility pursuant to sections 334-59 and 334-60.5, Hawaii Revised Statutes, is unwilling to pay the costs of emergency examination, hospitalization, and treatment. Your Committee finds that many health care facilities are unable to collect payment on these accounts, resulting in substantial losses to these facilities.

Your Committee has amended this bill by:

- (1) Requiring every person who is liable for the costs of emergency examination and involuntary hospitalization to make reasonable efforts to utilize available insurance coverage, including Medicare or Medicaid if appropriate; and
- (2) Requiring the Family Court, when issuing a court order pursuant to sections 334-59 and 334-60.5, to order the person hospitalized to comply with the requirement in item (1) above.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3509, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Menor and Yamasaki.

**SCRep. 2311      Health on S.B. No. 2169**

The purpose of this bill is to require establishments that sell intoxicating liquor to post point-of-purchase signs warning of the dangers of drinking alcoholic beverages during pregnancy.

It has been well documented that consumption of alcohol by pregnant women can cause birth defects in their babies, defects which may be manifested throughout the child's life. Women who consume large quantities of alcohol during pregnancy may give birth to babies with Fetal Alcohol Syndrome (FAS). The syndrome is a cluster of congenital defects including mental retardation, curvature of the spine, and facial abnormalities. Even consumption of small amounts of alcohol can lead to Fetal Alcohol Effect (FAE), where children may suffer from insomnia and chronic psychological-adjustment problems.

Recently, the federal government passed the Anti-Drug Abuse Act which in part requires a health warning statement on the labels of all containers of alcoholic beverages sold in the United States. Inasmuch as the federal law may provide some notice to pregnant mothers, your Committee finds that further warning is warranted.

Because of the concern over FAS, a grant was provided by the National Institute on Alcohol Abuse and Alcoholism to study FAS. The study concluded that:

1. 96% of the women who gave birth in the study area during the three-month period had seen messages about the dangers of drinking during pregnancy.
2. 59% of the women reported that they had consumed some alcohol during their pregnancy, although over 60% of those who did, did so extremely rarely.

Michael J. Minor and Bernice Van Dort in their treatise Prevention Research on the Teratogenic Effects of Alcohol found that of 2083 people surveyed, "22% thought that pregnant women should abstain from drinking alcohol on a special occasion." This fact suggests that 78% of those surveyed thought that occasional drinking by pregnant women was all right. It is not; FAE is evidence of that. This bill would serve to buttress the federal law to insure proper notification to pregnant women and the general public.

During public hearings, your Committee received favorable testimony from many organizations including Hawaii Right to Life.

Your Committee finds that this bill serves an important public health purpose in preventing birth defects. Legislation is often needed in an area such as this which is too important to leave to chance. This bill also serves as an excellent means of public education in an area in which people may be ignorant or reluctant to exercise added caution.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2169 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2312      Government Operations on S.B. No. 2290**

The purpose of this bill is to statutorily authorize the counties to make zoning decisions either by action of the county's legislative body or by the voters of the county through the initiative and referendum process.

Your Committee received testimony both in support and in opposition to this measure, with a slight majority in favor of authorizing zoning by initiative at the county level.

The scope of your Committee on Government Operations includes programs to promote government efficiency and effective cooperation and coordination among the various levels of government. This bill involves the relationship between the State and county governments regarding land use decisions. The Hawaii Supreme Court recently ruled in Kaiser Hawaii Kai Development Company v. City and County of Honolulu 70 Haw. 480 (1989) that county use of the initiative power for land use matters was not allowed by the State zoning enabling statute and was inconsistent with the goals of Hawaii's system of comprehensive long range planning. The Court declared that it is up to the Legislature to expressly grant the power to zone by initiative to the counties. Your Committee views this issue as a home rule issue and believes that the counties right to make zoning decisions should be recognized.

Present autonomy of the counties to determine their destiny over certain land use decisions is currently mandated pursuant to chapter 46, Hawaii Revised Statutes. However, the Supreme Court decision cast doubt on the validity and scope of the county's authority under chapter 46. This bill clarifies the authority of the counties in this area of the law. With this clarification, it is the intent of your Committee to give the counties the additional authority to allow the electorate to determine land utilization issues. Your Committee notes that three of the four county councils adopted resolutions in favor of giving them the authority to make zoning decisions by initiative. This was a significant factor in the decision of your Committee.

Your Committee believes that initiative is a fundamental tool of democracy which allows citizens to exercise their inherent political power. This concept is founded in Article I, section 1 of the Constitution of the State of Hawaii, which states that:

"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."

Your Committee concurs with the testimony that citizens should be afforded a direct opportunity to participate in the land use planning process. To be fair, however, the public should recognize the rights of property owners and developers that have gone through the planning process. Your Committee finds that this issue is too important to ignore and believes that further discussion in the legislative arena should continue.

Your Committee has amended this bill by adding clarifying language to provide that zoning will not deprive any person of property without just compensation or due process of the law. Your Committee recognizes that although this amendment does not add to the current law, it serves to clarify the law's intent.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2290, and be referred to the Committees on Energy and Natural Resources and Judiciary.

Signed by all members of the Committee except Senators Yamasaki and George.

**SCRep. 2313      Government Operations on S.B. No. 2604**

The purpose of this bill is to establish a Year of the Family Commission to oversee all aspects of the commemoration of 1992 as the Year of the Family in Hawaii.

Testimony in support of the bill was received from the American Freedom Coalition of Hawaii and the Adoption Circle of Hawaii.

Your Committee finds that because the family is the starting point from which society grows as a positive and cohesive unit, steps should be taken to reinforce the family unit. As such, it endorses the creation of the Year of the Family Celebration Commission.

Insufficient amounts were appropriated so your Committee has amended the bill to provide additional funds to carry out the purposes of this bill.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2604, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator George.

**SCRep. 2314      Government Operations on S.B. No. 2811**

The purpose of this bill is to authorize the dissemination of criminal history record information to the liquor commissions of each county.

The Hawaii Criminal Justice Data Center (HCJDC) maintains the criminal history record information contained in the State Offender-Based Transaction Statistics/Computerized Criminal History (OBTS/CCH). Chapter 846, Hawaii Revised Statutes, specifies the agencies which must be given access to this information, and authorizes the HCJDC to add other agencies to this list by duly promulgated rules.

Testimony received from the HCJDC indicated that providing information to the liquor commissions upon request would be more appropriate and feasible than direct, on-line access to the OBTS/CCH. The HCJDC testified that limited resources have precluded them from exercising their option of providing access to other agencies allowed by the Legislature, such as child care facilities, guard and detective agencies, and condominium associations. In addition, the liquor commissions are not considered criminal justice agencies and do not qualify for direct access to the criminal history record program, a program which in its totality includes conviction as well as non-conviction information.

Your Committee has amended this bill by deleting all the substantive provisions and inserting language adding a new section to chapter 846 which:

- (1) Authorizes the county liquor commissions to request a background check on an applicant for a liquor license upon written authorization of the applicant;
- (2) Specifies the criteria that must be met by the liquor commission and the applicant before a background check will be authorized;
- (3) Allows the HCJDC to assess a reasonable fee to the applicant for each criminal history record check conducted; and
- (4) Authorizes the liquor commission to deny an application for, terminate, or suspend a liquor license if it is found through the criminal history record check that the applicant has been convicted of a crime other than a minor traffic violation involving a fine of \$50 or less or that the applicant poses a threat to the health, welfare, and safety of the community.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2811, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator George.

#### **SCRep. 2315      Government Operations on S.B. No. 2936**

The purpose of this bill is to require every legislator and certain State employees as defined in section 84-3, Hawaii Revised Statutes, to disclose information to the State Ethics Commission regarding air travel and overnight lodging paid for or provided by a business and accepted by the legislator or employee in the performance of their official State duties.

Your Committee received testimony in support of this measure from the State Ethics Commission and Common Cause Hawaii.

At present, the public and the media are suspicious about trips taken by State employees and legislators which are paid for by businesses to assist these employees and legislators in carrying out their State duties. Current law makes no provision for disclosure or explanation of these expenses, thereby arousing public suspicion and eroding public confidence in State government.

Your Committee recognizes that most payments made by businesses to legislators and employees are appropriate and legitimate, and finds that it would be good public policy to require the disclosure of benefits received by legislators and employees, and the reasons for accepting such benefits.

It is not the intent of your Committee to discourage private businesses from paying for expenses that assist legislators and employees in performing their State duties, or to give the impression that it is wrong or illegal to provide such benefits. Your Committee believes that disclosure of expenses paid by businesses will clear up confusion and dispel the negative attitude of the public regarding payment of these expenses, promote public awareness, provide the State Ethics Commission with a mechanism for monitoring the acceptance of benefits, insure that abuse in accepting these benefits is deterred, and save taxpayer money.

Your Committee has amended this bill by:

- (1) Deleting provisions relating to disclosure of the value of food, beverages, and gifts provided by a business and accepted by a legislator or employee;
- (2) Clarifying that the value of the benefits received by a legislator or employee should reflect a good faith effort and best estimated assessment of the fair market value of the benefit; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2936, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator George.

**SCRep. 2316      Government Operations on S.B. No. 3292**

The purpose of this bill is to establish a new chapter in the Hawaii Revised Statutes to provide for the establishment and administration of a community facilities district.

Your Committee believes that this bill would provide the counties with a more flexible financing mechanism to fund needed facilities and services. Other states are using similar legislation. The counties are currently faced with limited finances to pay for huge costs for repairing and improving infrastructure needs.

Your Committee has amended this bill by deleting all of the provisions and inserting new provisions to provide for enabling legislation only in the way of a grant of powers to the counties to provide by ordinance for the establishment of community facilities/special tax districts. The intent is to allow counties to enact their own ordinances relating to matters such as special tax districts, in the interests of giving counties greater home rule.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. 3292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3292, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Yamasaki and George.

**SCRep. 2317      Government Operations on S.B. No. 3472**

The purpose of this bill is to afford the counties additional revenues from sources presently collected and kept by the State from certain taxes and fees.

Your Committee received testimony from the City and County of Honolulu and from Neighborhood Boards #22 and #30 supporting various proposals to transfer revenue to the counties. Your Committee believes that the counties should receive additional sources of revenue from the State.

Your Committee has amended the bill by deleting sections two through five and adding:

- (1) A new section 2 which provides for a tax credit to the counties for excise taxes paid by them;
- (2) A new section 3 which provides for a sharing with the counties of the state's public utilities tax in a percentage amount;
- (3) A new section 4 which provides for a transfer to the counties of all fines and forfeitures under the state's dog licensing chapter; and
- (4) A new section 5 which provides for a sharing with the counties of the state's adjudicated traffic fines in excess of the state's administrative costs connected with collecting the fines.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 3472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3472, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator George.

**SCRep. 2318      (Joint/Majority) Government Operations and Transportation on S.B. No. 3128**

The purpose of this bill is to authorize each county to levy a general excise tax and use tax surcharge of one-half of one percent for various county functions.

The surcharge would be added to the four percent general excise tax paid on gross proceeds, gross income, and written contracts taxable under chapter 237, Hawaii Revised Statutes.

Your Committees find that each county has infrastructure needs for which they do not have sufficient revenue capabilities -- the neighbor islands with park and general infrastructure needs, and the city and county of Honolulu with a growing transportation problem.

Honolulu's solution to its transportation problem at both the state and county levels has been one of accommodating the automobile. As Honolulu's population has grown, government's response to the accompanying proliferation of automobiles, has simply been to build more roads and highways. Obviously, this solution is not working. Traffic jams, irritable motorists, and endless miles of roads on an island where land is limited are the signs of an aging transportation system whose time has come.

Fortunately, alternative forms of transportation systems are available. Most prominent of which is the fixed guideway system. The Honolulu corridor, which follows Oahu's southern boundary, is ideal for a mass transit system that can move substantial numbers of people in a safe and comfortable manner. The problem with a fixed guideway system is the cost. Honolulu cannot fund a transit system on its own. A joint effort by the state and county is necessary not only to generate the funds needed to provide for Honolulu's mass transit system, but also to provide parity to neighbor island counties.

This bill addresses that issue. By allowing the counties to fund their respective projects, each of them, but Honolulu especially, will be able to fund a transportation system that is contemporary and worthy of a major metropolitan city.

Your Committees have amended the bill by deleting references that specify the amount of the surtax. Your Committees believe that the Committee on Ways and Means, which has purview over all state expenditures, is better suited to determine the appropriate amount of the surtax. Your Committees have also amended the bill by requiring county receipt of the surtax to be in proportion to the population of the county as compared to the state's total population.

Your Committees on Government Operations and Transportation are in accord with the intent and purpose of S.B. No. 3128, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3128, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Nakasato, Yamasaki and George.  
Senator Cobb did not concur.

**SCRep. 2319 Education on S.B. No. 2501**

The purpose of this bill is to provide funds to begin implementing team teaching in Hawaii's high schools, middle school programs in Hawaii's intermediate schools, and schools-within-a-school programs in Hawaii's large elementary schools.

A total of \$989,000 would be provided for fiscal year 1990-1991, out of which the Department of Education would expend \$529,000 on team teaching programs, \$360,000 on middle schools, and \$100,000 on the schools-within-a-school programs.

Your Committee finds that the innovations contemplated by this measure have been proven effective in various states, are adaptable to Hawaii's unique needs, and are complementary to implementation of school/community-based management.

Testimony supporting the intent of this measure was presented by the Superintendent of Education. However, the Superintendent rightfully notes that as introduced this bill would exclude schools which are already involved or initiating these kinds of innovative programs. Therefore, your Committee has amended this bill as follows:

- (1) Changed the purpose to reflect support of various educational innovations, including but not limited to the three originally specified; and
- (2) Changing the total appropriation to \$695,000, of which \$60,000 and \$175,000 shall be used to continue team teaching at Campbell and Castle High Schools respectively, \$360,000 to be used to continue middle school projects in the Honolulu District, and \$50,000 to be used to establish a pilot schools-within-a-school project at Kapaa Elementary School and \$50,000 more for a similar project in one or more other schools.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2501, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Menor, Solomon, Yamasaki and Koki.

**SCRep. 2320 Education on S.B. No. 3329**

The purpose of this bill is to rearrange the membership of the Board of Education.

Currently the Board consists of thirteen members elected by registered voters of two at-large school board districts. Ten are elected from the first district - the island of Oahu - and three are elected from the second school board district, which consists of the islands of Hawaii, Maui, Lanai, Molokai, Kahoolawe, Kauai, and Niihau. All candidates are placed on the ballot at a special election held in conjunction with the general election, and the voters are entitled to vote for the number of seats available.

This bill would reduce the Board to nine members, five elected at-large and the other four representing the counties of Hawaii, Kauai, Maui, and the city and county of Honolulu. An entirely new board would be elected in 1990, with the four representing the counties serving for four years and the five at-large members serving for two years. Thereafter, all members would be elected for four year terms.

Your Committee has amended this bill by deleting the proposed reorganization of the Board and instead providing that candidates for the Board shall be nominated at primary elections, with the two receiving the most votes for each of the available seats going on to the general election. This way voters will always have a choice between two candidates for available seats, rendering each vote cast considerably more meaningful than under the current system.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3329, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Menor, Solomon, Yamasaki and Koki.

**SCRep. 2321 Education on S.B. No. 3392**

The purpose of this bill is to provide proper recognition to the profession of teaching and to ensure that fully qualified teachers will be employed to educate the children of Hawaii. The bill would create a Hawaii Teacher Standards Board to take over the functions of the Department of Education for setting standards for public school teacher certification. The Board would be responsible for establishing educational and training standards for certification into the teaching

profession, the issuance or denial, suspension, and revocation of teaching certificates for teachers who fail to meet required standards initially or on a continuing basis, the establishment of fees for teaching certificates, and development of expedited procedures for voluntary certification of in-service teachers. The bill would also impose penalties for violations of the law and rules of the Board and for acting as a teacher without certification. The bill would require certification of all public school teachers beginning with school year 1993-1994.

Your Committee received supporting testimony from the Hawaii State Teachers Association, representatives of the English as a Second Language Caucus, and concerned citizens. There were some questions about the composition and independence of the proposed Hawaii Teacher Standards Board. Your Committee also received testimony from the Department of Education and the Department of Commerce and Consumer Affairs expressing a variety of concerns with respect to the bill. Your Committee also received testimony from the Commission on Employment and Human Resources, Department of Labor and Industrial Relations, which was concerned with teacher shortages and supported alternative certification procedures.

Your Committee finds that the provision of quality education for the children of Hawaii is a critical function of the State and one of its most important priorities. Your Committee further finds that establishment of a Hawaii Teacher Standards Board is essential to accomplishment of this objective.

Your Committee has significantly amended the bill in two major respects:

- (1) The role of the Department of Commerce and Consumer Affairs has been removed from the bill and the Department of Education has been substituted; and
- (2) Many of the debated sections of the bill have been deliberately removed or left blank so that they may be discussed later in legislative deliberations. In this form the bill serves as a vehicle for discussions which cannot easily be completed at the present time because of the shortness of the legislative deadlines.

With the removal of the role of the Department of Commerce and Consumer Affairs, the Committee on Consumer Protection has allowed the bill to be re-referred to the Committee on Education only with second referral to the Committee on Ways and Means.

More specifically, your Committee has amended the bill, for the reasons stated above, to:

- (1) Place the Hawaii Teacher Standards Board in the Department of Education (for administrative purposes only), rather than in the Department of Commerce and Consumer Affairs;
- (2) Eliminate the provisions establishing a teacher certification special fund;
- (3) Add a provision making it the customary practice for the Board to meet at times which do not interfere with the teaching duties of Board members;
- (4) Eliminate the provisions including as part of the Board's duties, the conduct of approval processes for preservice teacher education programs and setting and administering its own budget and hiring its own staff;
- (5) Add a provision to respond to teacher shortages;
- (6) Eliminate the requirement that the Board only conduct revocation or suspension of a teacher's certification when there has been an involuntary dismissal and the dismissed teacher has exhausted all the teacher's rights under collective bargaining;
- (7) Eliminate the requirement for teachers who already hold valid basic or professional certifications to pay fees to the Board;
- (8) Leave blanks for the effective date of the bill, the amount to be appropriated for purposes of the bill, the exact composition of the eleven member Hawaii Teacher Standards Board, and the implementation date for full certification requirements; and
- (9) Leave the definition of teacher for further discussions.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3392, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Menor, Solomon, Yamasaki and Koki.

**SCRep. 2322 (Joint) Education and Judiciary on S.B. No. 2881**

The purpose of this bill is to require the Department of Education to develop formal procedures for obtaining verifiable information regarding the character of persons who work in public or private schools in close proximity to children.

The bill authorizes criminal history record checks through the National Criminal History Record Files and the Hawaii Criminal Justice Data Center, name inquiries through the state's criminal history record files, and subsequent fingerprint analyses and name inquiries. Employees or prospective employees would be required to provide a sworn statement of any past criminal conviction, written consent to the criminal history record check, and permission to be fingerprinted. Such information would be used to determine the suitability of the individual for the position and could be used as a basis to deny employment.

The bill also provides appropriations for fiscal year 1990-1991 of \$100,000 each to the Department of the Attorney General and the Department of Education to carry out criminal history record checks.

Your Committees find that stringent application requirements for persons who work in close proximity to children are appropriate because recent events in Hawaii and other states indicate that unverified personal information provided by an applicant may be unreliable. However, your Committees are satisfied that the Department of Education is well aware of the problems which this bill seeks to address and is prudent and judicious in exercising its employment prerogatives. Therefore, your Committees have amended this bill by deleting the obligation of the Department to do criminal history checks, although they will remain authorized to do so if they wish.

Your Committees have also amended this bill by:

- (1) Providing that persons employed by the Department or a private school prior to July 1, 1990 shall not be subject to criminal history checks;
- (2) Deleting reference to the "character" of employees or applicants and providing that information which may be derived pursuant to this measure shall relate to the person's "criminal history;"
- (3) Deleting the name inquiry through state criminal history record files and subsequent fingerprint analyses and name inquiries;
- (4) Deleting section 3 of the bill; and
- (5) Reducing the appropriations from \$100,000 to \$50,000 each.

Your Committees on Education and Judiciary are in accord with the intent and purpose of S.B. No. 2881, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2881, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Crozier, Holt, Nakasato, Solomon, Yamasaki and Koki.

**SCRep. 2323 Labor and Employment on Gov. Msg. No. 87**

Recommending that the Senate advise and consent to the nomination of WILLARD P. MIYAKE to the Board of Trustees of the Hawaii Public Employees Health Fund, term to expire June 30, 1992.

Signed by all members of the Committee.

**SCRep. 2324 Corrections on Gov. Msg. No. 88**

Recommending that the Senate advise and consent to the nomination of GEORGE IRANON as Director, Department of Corrections, term to expire June 30, 1990.

Signed by all members of the Committee except Senator Aki.

**SCRep. 2325 Human Services on S.B. No. 3079**

The purpose of this bill is to amend the reimbursement base for calculating payments to medicaid providers.

The bill will eliminate reimbursement based on "usual fees," derived from personal profiles of pre-1985 providers, and require that reimbursement be based on "customary fees," derived from all charges of a given type of provider.

Your Committee received testimony in support of the bill indicating that the present use of "usual fees" discriminates against those providers who have been with medicaid for longer periods of time. Passage of this bill will assure equity in reimbursement for these providers.

Your Committee finds that in the interests of fair play, only one reimbursement system should be employed.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3079 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2326 Human Services on S.B. No. 3146**

The purpose of this bill is to provide greater flexibility in the fiscal administration of the nursing home without walls program.

This administration bill changes the method for establishing the ceiling for program expenditures from not more than seventy-five percent of the annual medicaid cost for comparable institutional care for each individual client to not more than seventy-five percent of the annual medicaid cost for the program caseload. It also deletes ceilings on individual client care expenditures and provides for "paper credits" for unused funds to accrue as a group rather than on an individual basis.



Testimony in support of the bill was received from the Department of Human Services, the Department of Health and the Commission on Persons with Disabilities.

The current requirement based on individual clients poses a hardship during periods when the service needs of clients are excessive. With this bill, the costs of clients with higher needs will be offset by the stable service clients and the average program costs should remain constant within the seventy-five percent expenditure ceiling. Hence, the bill will provide the program with flexibility in serving clients based on individual needs, while not penalizing those requiring services beyond the seventy-five percent expenditure ceiling.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3146, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2327 Human Services on S.B. No. 3341**

The purpose of this bill is to extend the provisions of the foster board allowances to include eligible foster children attending accredited institutions of higher learning outside of the State.

At present, foster children under the age of 18 may attend school outside the State without any interruption of payments, while foster children over the age of 18 must attend schools here or be denied benefits.

Testimony in support of the bill was received from the Department of Human Services (DHS) and the Office of Children and Youth. DHS is aware of five youths who would have benefited from the proposed change over the current school year; two are now attending out-of-state colleges and three would have so done if conditions had so allowed. DHS recommended that the bill be amended to provide for a retroactive effective date of July 1, 1989.

Your Committee has amended the bill to incorporate the amendment proposed by DHS.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3341, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3341, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2328 Housing and Hawaiian Programs on S.B. No. 973**

The purpose of this bill is to clarify and improve the effectiveness of the budgetary process of the Office of Hawaiian Affairs, from the viewpoint of all parties concerned--the Office itself, the beneficiaries served by the Office, the State Legislature, and the State Executive. Specifically, the bill would add three new sections to chapter 10, Hawaii Revised Statutes, to specify the biennial and supplemental budget submission schedules and the contents of these submissions. These new sections would be modelled after sections 37-71 and 37-72, Hawaii Revised Statutes, to the extent that the requirements of those sections are appropriate for the Office of Hawaiian Affairs' budget process.

Your Committee received supporting testimony from the Office of Hawaiian Affairs. The Office, however, expressed concerns about whether the bill could be interpreted as requiring legislative review of special and other funds prior to program execution and beyond the need to provide any match to the general fund appropriations.

Your Committee finds that the Office of Hawaiian Affairs was established to benefit the people of Hawaiian ancestry. To facilitate this objective, the Office receives a twenty percent pro rata share of all funds derived from the public land trust. The Office also has been appropriated general funds since its establishment. The Office is empowered to develop expenditure plans, determine budgetary priorities, and determine operating needs, subject, however, to review by the Legislature.

Your Committee finds that the budgetary process of the Office of Hawaiian Affairs should be as efficient as possible. Your Committee further finds that the beneficiaries of the Office should have regular opportunities to have a say in the construction of the Office's budget and to be able to hold the trustees accountable for program costs and effectiveness.

Your Committee has amended the bill to make a number of simplifications, clarifications, and additions. Specifically, the bill has been amended to:

- (1) Add a purpose section;
- (2) Simplify the bill by adding a cross-reference to chapter 37, Hawaii Revised Statutes, rather than incorporate the appropriate provisions of this chapter in their entirety;
- (3) Add a provision requiring the Office to provide certain information to the Governor by November 1st prior to its budget submission to the Legislature;
- (4) Add a section detailing the scope of the Legislature's review of the Office's budget submissions;
- (5) Add a provision giving beneficiaries of the Office the opportunity to participate in the budget preparation process and to receive information on fund expenditures and the effectiveness of programs; and
- (6) Add a section amending section 10-15, Hawaii Revised Statutes, to clarify that the annual report to be submitted to the Legislature each year is the annual report from the previous fiscal year.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 973, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 973, S.D. 2.

Signed by all members of the Committee Senator Holt.

**SCRep. 2329 (Majority) Housing and Hawaiian Programs on S.B. No. 3236**

The purpose of this bill is to add a new section to the Hawaiian Homes Commission Act. The new section adds a purpose clause to aid in the interpretation and fulfillment of the purposes of the Hawaiian Homes Commission Act.

Your Committee received testimony in support of this bill from United States Senator Daniel K. Inouye, Piilani C. Desha of the Government Relations Committee of the Association of Hawaiian Civic Clubs, Jalna Keala for the Association of Hawaiian Civic Clubs, as its President, Moses Keale, as Trustee of the Office of Hawaiian Affairs and by Mahealani Kamauu, Executive Director of the Native Hawaiian Legal Corporation who supported the concept of the bill and suggested changes.

In addition to testimony in support of this bill, the Committee received testimony in opposition from several individuals and organizations, including Billie Beamer, former Chairperson of the Hawaiian Homes Commission, Everett "Sonny" Kinney, Hawaiian Island Representative for Alu Like, Inc., Kamuela Price of the Hou Hawaiian Advisory Council, Charles Ka'ai'ai, President of the Pahe'ehe'e Ridge Association, a Hawai'ian Homestead Organization, Paul H. Trask, a citizen of Ka Lahui Hawaii, Mililani Trask, Governor of Ka Lahui Hawaii, Ginger Wurdeman, Clara Kakalia, on behalf of Ka Lahui members of the Island of Hawaii and Abraham K. Kamakawiwoole, legislator of Ka Lahui from Hamakua, Hawaii.

Your Committee has amended this bill to include findings of facts, a declaration of policy, a declaration of trust duty and intent in addition to a clarification of the purpose of the Act. The purpose of the findings of fact in subsection (a) is to establish the historical record which demonstrates that the enactment of the Hawaiian Homes Commission Act was an attempt by the United States Congress to meet its trust obligations as to the lands, among which are included the Hawaiian Homes Commission lands, it received from the Republic of Hawaii.

Your Committee has added a declaration of policy in subsection (b) designed to guide the administrators who must implement the Act: the policy of Congress in establishing this Act was to fully support self-sufficiency, self-determination and the preservation of the Native Hawaiian Culture.

The "purpose" clause from the original draft of S.B. No. 3236 has been retained in substance. It has been amended in subsection (c) to state that the purpose of the Act was to establish a "permanent" land base in order to indicate that Native Hawaiians were not to lose their rights to the land should they become "rehabilitated." The amended section on "purpose" also adds a section indicating the importance of "prompt" and "efficient" homesteading and assuring beneficiaries of long-term tenancy. The amended section also requires that the Commission hold the fee title to its land in perpetuity and may not convey the fee title to these lands. The amended section also reiterates the original draft's requirement that the beneficiaries be given adequate amounts of water and adds the requirement of adequate "supporting infrastructure," meaning roads, sewer lines, sewage treatment facilities, water lines, water meters, wells, pumps, desalination facilities, electrical lines, generators, transformers, telephone lines and other communication facilities, and other municipal services. The purpose clause adds to the original draft the term "financial" in that subsection which requires "support and assistance" to Native Hawaiians, to make clear the obligation to grant and give monies to beneficiaries to fulfill the purpose of the Act. This section also specifically states that the provision of "technical assistance" is also a purpose of the Act. This section also specifically states that the provision of "technical assistance" is also a purpose of the Act. This amended section also specifies that the purpose of the Act was to "enhance economic self-sufficiency," the ability of the beneficiaries to make an adequate living for themselves and their families from the use of these lands. Moreover, this amendment adds the purpose of "community-based development" to indicate that it was the purpose of this Act to encourage and enhance the ability of the beneficiaries, as a community, to pursue business, industries and activities which would result in self-sufficiency.

The amended version of this bill adds a subsection (d) which affirms the recognition of the United States, at the time of the Act, that at the time of the overthrow of the Kingdom of Hawaii and the annexation of the Republic of Hawaii, the United States recognized the Kingdom of Hawaii as a sovereign nation. There existed a government to government relationship between the two nations. After the annexation of the Republic of Hawaii, the United States acknowledged a trust over the lands it received at the time of annexation. The beneficiaries of the trust were the indigenous people of the Kingdom of Hawaii.

The amended version of this bill adds a subsection (e)(1) that indicates that the Act shall not be construed to affect the rights of the successor to the Kingdom of Hawaii, or the descendants of the indigenous citizens to seek redress or reparations from either the State of Hawaii, or the United States for wrongful activities associated with the overthrow of the Kingdom of Hawaii. Subsection (e)(2) states that the Act shall not be construed to alter any other common law or statutory obligations of the United States and the State of Hawaii, including other obligations that may be imposed by future legislation or action by courts.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3236, S.D. 1, and be placed on the calendar for Third Reading.

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

The purpose of this bill is to amend the laws of Hawaii relating to employment.

Your Committee has amended this short form bill by inserting substantive provisions establishing a permanent job-sharing program in the Department of Health.

Job-sharing was first instituted in the Department pursuant to Act 73, Session Laws of Hawaii 1986, as a two-year pilot project which allowed two qualified nurses to share the same position. Act 108, Session Laws of Hawaii 1988, extended the project for two more years, but is scheduled to expire on June 30, 1990. This bill will make the pilot project a permanent program of the Department of Health open to all positions.

Your Committee finds that job-sharing has been successful in the Department of Health, the Department of Education, and elsewhere and has provided many persons with gainful employment who are qualified to do the work but unable to work full time. This arrangement benefits both the employer and the employee and is thus considered to be consistent with public policies relating to employment and the economy.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2157, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 2157, S.D. 1, and be recommitted to the Committee on Labor and Employment for further consideration.

Signed by all members of the Committee Senators except Mizuguchi and Solomon.

**SCRep. 2331      Consumer Protection and Commerce on S.B. No. 2311**

The purpose of this bill is to give the real estate commission investigatory and enforcement powers over condominium apartment owners' rights to examine information about their projects; to amend the fidelity bond requirements for managing agents to provide that the managing agent is protected against loss due to fraud of an employee of the managing agent; and to give condominium associations the right to proceed against the real estate recovery fund if it cannot recover its loss from bond proceeds of the managing agent.

Your Committee received favorable testimony in support of this bill from the Real Estate Commission, the Hawaii Independent Condominium and Cooperative Owners, the Hawaii State Bar Association, and the Hawaii Council of Associations of Apartment Owners.

Your Committee concurs with the testimony that this bill is necessary for clarification of the powers of the real estate commission and to remedy current problems in managing agents obtaining a bond from insurance companies. This bill will make it easier for the managing agents to obtain a bond and thus protect both the agent and association against fraudulent loss of funds which are mainly comprised of maintenance fees paid by the condominium owners, and will also make it easier for condominium associations to recoup such losses.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2311 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 Hagino, Matsuura, McCartney and Nakasato.

**SCRep. 2332      Consumer Protection and Commerce on S.B. No. 3038**

The purpose of this bill is to amend existing employment law to allow federally insured financial institutions to deny employment to any person or to discharge any employee convicted of a crime involving dishonesty or breach of trust, unless the institution has approval of the federal agency with jurisdiction to retain or to hire the person.

Your Committee received favorable testimony in support of this bill from the Department of Commerce and Consumer Affairs, the Hawaii Bankers Association, the Hawaii Credit Union League, and the Hawaii League of Savings Institutions.

Your Committee finds that this bill is necessary in order to resolve a conflict in existing state laws, which provide that it is unlawful to discriminate against anyone with an arrest and court record. There is also a conflict with existing federal laws, which prohibit financial institutions from hiring such persons. This bill will clarify the law and remove the conflicts.

Your Committee further finds that this bill is necessary to protect financial institutions from liability in refusing to hire or in discharging persons convicted of crimes of dishonesty or breach of trust.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3038 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 Hagino, Matsuura, McCartney and Nakasato.

**SCRep. 2333      Consumer Protection and Commerce on S.B. No. 2839**

The purpose of this bill is to amend the Hawaii Insurance Code to expressly permit rating organizations to make loss cost filings.

Prompted by the perception that a rating organization's advisory rate filing is tantamount to price-fixing, the National Association of Insurance Commissioners (NAIC) spent the last year reviewing the services provided by rate-making organizations to determine how these services affect competition in the marketplace. While the pooling of loss claims experience and loss expense data was found to be necessary for rate-making purposes, it was concluded that the sharing of

information regarding individual insurers' administrative expenses and profit loading was not appropriate. The NAIC's recommendation, as embodied in its draft of model legislation, was to permit rating organizations to continue to base their filings on collected loss claims experience and loss expense data, while requiring individual insurers to consider only their own administrative expenses and profit loading in arriving at their final rate filings. S.B. No. 2839 adopts this approach.

Under the bill, rating organizations are allowed to continue the current practice of collecting data and making loss cost filings. The responsibilities of the individual insurers in the event a loss cost filing is made are also set out. The bill gives the Insurance Commissioner the authority to implement the loss cost filing system on a line by line basis in phases over time, depending on the ability of the insurance service organization to provide appropriate loss cost data to insurers and the ability of insurers to comply. As drafted, the bill would also delete references to advisory organizations from the rating law and require new rate filings whenever a new loss cost filing reduces a loss cost filing then on file with the Commissioner.

Your Committee received testimony strongly in support of the bill from the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA). The Hawaii Independent Insurance Agents Association submitted testimony supporting the bill in concept but suggesting the need to work out various details in the law.

On the recommendation of the DCCA, your Committee has amended the bill by: (1) deleting section 14, which would have repealed section 431:14-111 of the Insurance Code, relating to advisory organizations; and (2) deleting proposed subsection (c) of section 431:14-104.5, which would have required new rate filings upon the reduction of a loss cost filing. In support of these amendments, your Committee finds that advisory organizations provide services distinct from rating organizations, especially in the area of motor vehicle insurance, and therefore should be retained; and, subsection (c) is unnecessary in that modifiers to be filed by insurers under the loss cost system will obviate the need for new rate filings. Your Committee has also made a few technical amendments which have no substantive effect for the purposes of clarity and consistency.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2839, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2839, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hagino, Matsuura, McCartney and Nakasato.

**SCRep. 2334 Consumer Protection and Commerce on S.B. No. 2433**

The purpose of this bill is to repeal provisions in section 431:16-218, Hawaii Revised Statutes, which require insurers to notify policyholders by means of a summary document that their policies or contracts may be only partially covered by the Hawaii Life and Disability Insurance Guaranty Association or not covered at all.

The statutory prohibition against advertising the existence of the Association is retained.

Your Committee heard supporting testimony from the Department of Commerce and Consumer Affairs and several individuals associated with the insurance industry and finds that the prohibition against advertising the Association and the notice requirement appear to be in conflict with each other.

However, your Committee also finds that the summary document which this bill would delete serves a valid purpose by providing the consumer with relevant information. The apparent conflict can be satisfactorily resolved by prohibiting delivery of the summary document to the consumer prior to delivery of the policy. Your Committee has therefore amended this bill by retaining subsections (b), (c), and (d) of section 431:16-218 and deleting the words "prior to or" from subsection (b), page 2, line 10. Your Committee notes that since the consumer has a ten day right of rescission, the information conveyed in the summary document is still being given in a timely fashion.

Your Committee has also made some technical 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. 2433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2433, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hagino, Matsuura and Nakasato.

**SCRep. 2335 Consumer Protection and Commerce on S.B. No. 2835**

The purpose of this bill is to allow the department of commerce and consumer affairs to certify and to regulate real estate appraisers for purposes of 12 U.S.C. §3301 et. seq., dealing with appraisers used in connection with federally related transactions.

Your Committee received favorable testimony in support of this bill from the Department of Commerce and Consumer Affairs, the Hawaii League of Savings Institutions, the Hawaii Bankers Association, and the Mortgage Bankers Association.

Your Committee finds that federal legislation enacted in August, 1989, mandated that all appraisals done in connection with federally related transactions must be done by state certified or licensed appraisers after July 1, 1991. Your Committee believes that this bill is necessary in order for state law to comply with the federal legislation.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2835 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 Hagino, Matsuura, McCartney and Nakasato.

**SCRep. 2336 Consumer Protection and Commerce on S.B. No. 2119**

The purpose of this bill is to require degree granting institutions that are not fully accredited to register with the Department of Commerce and Consumer Affairs (DCCA).

The bill would authorize the department to request copies of contracts and other written materials distributed to students as part of the registration process. The bill would also amend section 446E-2, Hawaii Revised Statutes, to add a provision requiring these institutions to disclose, upon request by the department, data on student enrollment, courses, fees, matriculation rates, and other information.

Your Committee received testimony in support of the bill from the DCCA, the University of Hawaii, the Western College Association, and Pacific Western University.

Your Committee finds that an important part of the information that all prospective students should have is the status of accreditation of the colleges they are considering. Although all unaccredited degree granting institutions are required by existing law to disclose their accreditation status, your Committee believes that the registration requirement is necessary, not only to facilitate the enforcement of the disclosure provisions already in place, but to ensure the well-being of students and the integrity of higher education in Hawaii as well.

Your Committee has amended the bill as follows:

- (1) By deleting the word "fully" from lines 5, 14, and 17 of the bill to make its coverage consistent with the definition of "unaccredited institution" contained in section 446E-1, Hawaii Revised Statutes.
- (2) By restricting the disclosure requirements contained in section 446E-2, Hawaii Revised Statutes, to "catalogs, promotional materials, and written contracts for instruction," rather than "all written communications, and contracts for instruction," as the latter language is overbroad and could conceivably require disclosure in every note or letter to a student.
- (3) By strengthening proposed subsection (b) of section 446E-2 to require institutions to keep accurate records, retain them for five years, and furnish them to the department on demand.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2119, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2337 Consumer Protection and Commerce on S.B. No. 2312**

The purpose of this bill is to clarify and strengthen the law relating to condominium hotel operators.

Under current law, condominium hotel operators must keep a fidelity bond amounting to \$500 times the number of units in the condominium hotel, with a minimum of \$20,000 and a maximum of \$100,000. However, few operators are procuring these bonds and insurers are unwilling to provide them due to ambiguities in the law regarding their use and the obligations of the operators. This bill clearly states the purpose and coverage provisions of such bonds and clarifies the responsibilities of condominium hotel operators to the condominium owners in cases where the bond must be used. It also establishes an application fee for registration as a condominium hotel operator to help defray administrative expenses relating to regulation of condominium hotels.

Your Committee received testimony in support of this bill from the Real Estate Commission and the Hawaii Hotel Association, and finds that out of forty-nine registered condominium hotel operators, only nine have submitted proof of fidelity bond coverage. This bill will help make fidelity bonds accessible to condominium hotel operators and facilitate compliance with the law.

Your Committee has amended this bill to provide that if a loss is due to the fraudulent or dishonest actions of an employee of a condominium hotel operator, the operator shall act promptly and diligently to recover the loss from the fidelity bond and reimburse aggrieved owners in proportion to the total loss of all affected owners.

Your Committee has also amended this bill by making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2312, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2338 Consumer Protection and Commerce on S.B. No. 2345**

The purpose of this bill is to expressly authorize credit unions to invest in State and county revenue, special purpose revenue, and housing bonds.

Your Committee finds that, although current law makes it clear that credit unions may invest in the general obligations of the State and the counties, the absence of any express reference to credit unions in the various bond laws has created uncertainty as to whether or not they may invest in revenue, special purpose revenue, and housing bonds.

Your Committee further finds that the authorization of the purchase of revenue, special purpose revenue, and housing bonds by credit unions would give the State and counties additional purchasers for their bonds while providing credit unions the ability to diversify their portfolios with sound investments. The authorization will also give credit unions additional security with which to collateralize public fund deposits which they have been authorized to accept since 1988.

Your Committee received supporting testimony from the Department of Commerce and Consumer Affairs and the Hawaii Credit Union League.

Your Committee has corrected a typographical error and made other nonsubstantive technical amendments for the purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2345 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2345, S.D. 1, and be placed on calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2339      Consumer Protection and Commerce on S.B. No. 2346**

The purpose of this bill is to change the registration period for real estate preclicensure schools and instructors from an annual fiscal year period to a biennial calendar year period.

The bill would also clarify the Real Estate Commission's authority to adopt rules establishing requirements for registration of real estate preclicensure schools and instructors, for renewal of these registrations, and for reinstatement of a forfeited real estate school's or instructor's registration.

Your Committee received supporting testimony from the Real Estate Commission.

Your Committee believes it is appropriate to change the registration period for real estate preclicensure schools and instructors to a biennial calendar year period. This registration period would be consistent with the registration period in effect for real estate brokers and salespersons and with the registration period proposed by the Real Estate Commission for real estate continuing education schools and instructors. Uniformity in registration periods will increase administrative efficiency.

Your Committee has amended the bill to clarify that the Department of Commerce and Consumer Affairs, under section 467-25.5(a), Hawaii Revised Statutes, as amended, would have the authority to determine the amount of the initial registration fee for real estate schools, which could cover less than a full two-year period or in the department's discretion, vary according to the date that the school initially registered.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2346, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2340      Consumer Protection and Commerce on S.B. No. 2435**

The purpose of this bill is to amend the laws relating to no-fault insurance benefits paid in conjunction with workers' compensation benefits.

The bill amends section 431:10C-305, Hawaii Revised Statutes, by limiting the aggregate amount of workers' compensation and no-fault insurance benefits payable to a commercial motor vehicle driver involved in a work related accident to the lesser of \$900 or actual monthly earnings of the injured party, less the amount paid under the workers' compensation policy.

Currently, the law allows for the payment of 80% of the recipient's gross monthly income, of which, workers' compensation pays for approximately 83% and no-fault insurance pays the remainder.

Your Committee finds that the 80% figure was derived to approximate an injured party's average net income, and in most cases, the benefits paid under the current system actually exceed the average net income of its recipients.

Consequently, your Committee has amended the bill by deleting the proposed subparagraph (D) and lowering the eighty per cent amount listed in subparagraph (B) to seventy per cent.

Your Committee finds that these amendments accomplish the same goal as the original proposals in a less complex manner and provide a more equitable schedule of benefits payable under such circumstances.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2435, S.D. 1, and be placed on calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2341 Consumer Protection and Commerce on S.B. No. 2460**

The purpose of this bill is to authorize insurance companies to issue temporary liability insurance binders to persons who have motorcycle or motor scooter learner's permits but have not been able to enroll in or complete an approved motorcycle education course.

Currently, in order to obtain motorcycle liability insurance, a person must (1) already have a valid motorcycle or motor scooter license, or (2) have obtained a valid learner's permit and passed a motorcycle education course approved by the Department of Transportation.

This bill would allow an insurance company to issue a temporary binder for fifteen days with cumulative renewals up to ninety days if the person shows proof of a bona fide attempt to enroll or actual enrollment in an approved course. Fifteen-day binders may also be issued to allow a person to take the driving skills test on another island if it is not given on the person's island of residence.

An appropriation to the Department of Transportation for fiscal year 1990-1991 is included to establish motorcycle education courses on islands which do not already have them.

Your Committee heard testimony from the Insurance Division, the Department of Transportation, the University of Hawaii Community Colleges, and GEICO Insurance, and finds that some would-be motorcyclists are faced with the double bind of needing insurance to take the road test but not being able to obtain insurance without passing the road test first. This problem is exacerbated on neighbor islands where there are no testing centers or approved training courses. Therefore, your Committee finds that it is necessary to provide a suitable binder period during which any person genuinely desirous of being legally licensed and insured to drive a motorcycle in Hawaii will have the opportunity to comply with the law.

However, your Committee also finds that the Community Colleges have been delivering motorcycle safety education programs to the public since 1981 on Oahu, and that ninety days is ample time to take the course, regardless of one's island of residence. Therefore, your Committee has amended this bill by authorizing insurance companies to issue temporary binders for a maximum of ninety days and deleting the remainder of the substantive material, including the appropriation. This will give everyone ample time to carry out their obligations under the law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2460, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2342 Consumer Protection and Commerce on S.B. No. 2694**

The purpose of this bill is to amend provisions of the Hawaii Revised Statutes (HRS) that regulate collection agencies.

This administration bill adds fifteen new sections to chapter 443B, HRS, that clarify and strengthen the regulatory powers of the Director of Commerce and Consumer Affairs in connection with collection agencies. The bill provides comprehensive registration requirements that place the onus on the registrant to register or report any changes of disposition of the collection agency and allows the Director of Commerce and Consumer Affairs to impose sanctions on collection agencies in violation of the provisions of the chapter.

Your Committee received supporting testimony from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2694 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2343 Consumer Protection and Commerce on S.B. No. 3209**

The purpose of this bill is to create a new chapter in the Hawaii Revised Statutes to provide for the regulation and licensing of nurse aides.

Your Committee received favorable testimony in support of this bill from the Department of Commerce and Consumer Affairs, the Department of Health, the Healthcare Association, the Hawaii Nurses' Association, and the Shriners Hospitals for Crippled Children.

Your Committee finds that this bill is necessary because of federal law which requires facilities receiving medicare and medicaid payments to employ only state registered nurse aides.

Your Committee has amended this bill by deleting the appropriations sections which can be addressed in the supplemental budget; and by adding clarifying language as to the scope and functions of the regulations in order to conform to federal law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3209, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2344 Consumer Protection and Commerce on S.B. No. 3295**

The purpose of this bill is to amend chapter 515, Hawaii Revised Statutes, to conform this chapter to the provisions of the Federal Fair Housing Amendments Act of 1988 relating to housing for older persons.

The definition of "housing for older persons" used in the federal law is broader than the definition of "housing for elderly persons" as used in state law. The bill would prevent situations arising where a particular housing development is in compliance with federal law, but in violation of state law, or vice versa.

Specifically, the bill would: (1) repeal those provisions of section 515-3, Hawaii Revised Statutes, relating to housing for elderly persons; and (2) add a new subsection to section 515-4, Hawaii Revised Statutes, stating that the provisions of chapter 515 relating to non-discrimination based on parental status, including the provisions of sections 515-5 and 515-6, do not apply to housing for elderly persons (or older persons) as defined in 42 U.S.C. 3607(b)(2), as added by the Federal Fair Housing Amendments Act of 1988.

Your Committee received supporting testimony from the Department of Commerce and Consumer Affairs, the Hawaii Association of Realtors, the Institute of Real Estate Management, Hawaii Chapter No. 34, and the law firm of Dinman, Nakamura, Elisha & Nakatani.

Your Committee finds that it is appropriate to adopt the broader definition of housing for elderly or older persons used in federal law. This broader definition is consistent with state housing and non-discrimination policies.

Your Committee has amended the bill by substituting the word "salesperson" for "salesman" on page 1, line 13. Your Committee has also made several technical amendments to the bill to conform the bill with the existing language of section 515-3, Hawaii Revised Statutes. These technical amendments have no substantive effect.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3295, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2345 Energy and Natural Resources on S.B. No. 2393**

The purpose of this bill is to amend the State Water Code by adding a new section to require that every water use permit issued by the Commission on Water Resource Management include a section to indicate the quantity of water being reserved for future use by Hawaiian Home Lands homesteaders.

At the hearing on this bill, your Committee received testimony from the Department of Land and Natural Resources (DLNR), the Department of Hawaiian Home Lands, the University of Hawaii Water Resources Research Center, the Hawaiian Sugar Planters' Association and the Aged Hawaiians, Humuula Applicants and various Kawaihae Homesteaders. The testimony presented to your Committee focused on possible problems arising from language which would require a determination at this time of what constitutes "adequate water" or a specific "quantity of water." A modification proposed by DLNR would require the Commission to protect native Hawaiian water rights by rules subject to review and revision in light of changed conditions. Your Committee believes the DLNR proposal provides the flexibility needed to deal with the problem presented and has amended the bill accordingly.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2393, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2346 Ways and Means on S.B. No. 2776**

The purpose of this bill is to afford relief to General Motors dealers in the State who made use tax payments on certain automobiles from 1969 to 1978 duplicating payments made by the General Motors Overseas Distribution Corporation on the same automobiles. Relief is effected by waiving the statute of limitations to a claim for a credit or refund for those dealers.

Your Committee, after hearing testimony, agrees that in fairness the duplicate payments should be returned in the form of a credit or refund. Your Committee also agrees that because it was an honest mistake no interest shall be due by the State on any claim filed pursuant to this bill. Your Committee disagrees with testimony claiming that this bill will open the door to others who have overpaid their taxes and therefore your Committee states that this bill remedies a unique situation and is not meant in any way to set a precedent.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2776 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 George.

**SCRep. 2347 Ways and Means on S.B. No. 3246**



The purpose of this bill is to exempt from general excise tax liability, retroactive to June 30, 1980, amounts received for reimbursement of sums paid for common expenses by the plan manager of a time share plan.

Your Committee finds that this amendment to the general excise tax law will treat the associations of interval owners of time share plans on an equal basis as condominium associations of apartment owners.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3246 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2348      Culture, Arts and Historic Preservation on S.B. No. 2711**

The purpose of this bill is to augment current procedures regarding the proper care and protection of burial sites found in cemeteries.

Specifically, any person removing or redesignating any cemetery in the State is required to obtain the written concurrence of the Department of Land and Natural Resources prior to any removal or redesignation if the cemetery has existed for more than fifty years.

Presently, a proposal to redesignate and remove a cemetery on privately owned land does not require discretionary permits. Therefore, no governmental avenues of recourse or appeal would be available to people who have loved ones buried in that cemetery.

Testimony in support of this measure was received from the Department of Land and Natural Resources and the Cemetery Research Project.

The sensitive character of historic cemeteries and the need for their preservation is an issue which is gathering increased concern across the nation. Your Committee recognizes the importance of protecting these historic and cultural sites, and believes this bill will increase the State's authority regarding the preservation of such properties, especially those that are privately owned.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2711 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2349      Agriculture on S.B. No. 3013**

The purpose of this bill is to amend the restrictions on agricultural loans.

The bill simplifies the statutory language regarding the farm credit system banks a person must apply to before applying for an agricultural loan from the State. The bill also deletes from the residency requirement of the general eligibility requirements, the need for seventy-five per cent of the members or stockholders of a corporation or partnership wishing to apply for an agricultural loan be qualified farmers.

Your Committee has amended the bill by: (1) including a proviso that allows the Board of Agriculture to waive the restrictions in the granting of emergency loans; (2) adding a new section to the bill which amends section 155-8, Hawaii Revised Statutes (HRS), to require that class "A", "B", "C", and "E" loans be fixed at either one per cent lower than the lower prime rate of the two largest banks in the State or at seven and one-half per cent, whichever is lower; and (3) providing in section 155-8, HRS, that money borrowed by the Department of Agriculture shall have either the same interest rate as stated above or one per cent over what the State is charged.

Your Committee finds the amendments provide the Department of Agriculture the flexibility to approve loans in emergency situations and establishes a more uniform interest rate structure for agricultural loans.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3013, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Aki and Hagino.

**SCRep. 2350      Agriculture on S.B. No. 3109**

The purpose of this bill is to amend various sections in the Hawaii Revised Statutes (HRS) relating to the environment.

This housekeeping measure amends various sections in chapters 342B, 342D, 342F, 342H, 342J, 342L, and 342N, HRS, to remove inconsistencies and improve enforcement capabilities.

Your Committee finds the proposed amendments strengthen and clarify the Department of Health's statutory enforcement position and eliminates contradictions between related subsections. Specifically, the bill corrects definitions, removes references to media (e.g. water, hazardous waste, etc.) which appear in wrong chapters, remove references to "variances" when it was never intended to allow variances, and insert subsection references that were overlooked.

Your Committee has amended the bill by making technical, nonsubstantive amendments for the purposes of correcting typographical errors and conforming with recommended drafting style.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3109, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Aki and Hagino.

**SCRep. 2351      Agriculture on S.B. No. 3423**

The purpose of this bill is to lower the required height of fencing for animal enclosures from four and a half feet to four feet.

The bill amends section 142-61(a), Hawaii Revised Statutes, which requires all fences built with the intent to enclose livestock to be at least four and a half feet in height.

Your Committee finds the current height requirement to be unnecessary and that such a requirement forces livestock owners to install additional fencing above the standard four foot tall hog wire fence at additional expense with no apparent benefit.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3423 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 Aki and Hagino.

**SCRep. 2352      Consumer Protection and Commerce on S.B. No. 2102**

The purpose of this bill is to continue the regulation of midwives by the Department of Health (DOH) and to adopt the recommendations of the legislative auditor's sunset evaluation report on midwifery.

Your Committee finds that although midwives are not utilized as regularly as they were in the past, the critical nature of their services warrants their continued regulation. Testimony received during the public hearing from various organizations supported this concern.

The DOH testified that midwifery should be promoted as complementing other obstetrical care services and recommended establishing a program within the DOH to recruit, retain, monitor, and evaluate certified nurse-midwives. The DOH also concurred with the auditor's recommendation that midwives practice in consultation and collaboration with obstetricians. This is consistent with the guidelines established by the American College of Obstetricians and Gynecologists (ACOG), the Nurses Association of the American College of Obstetricians and Gynecologists, and the American College of Nurse-Midwives (ACNM). ACOG also recommended that the clinical practice relationship between an obstetrician and nurse-midwife be agreed to in writing and based on mutually established guidelines or protocol.

The Hawaii Nurses Association (HNA) recommended deleting the proposed disciplinary action against midwives who fail to report persons in violation of applicable laws or rules, and requiring ACNM approval of any remedial education and training provision. Tiffany Coleman and Kathryn Patterson of the University of Hawaii School of Nursing agreed with HNA testimony and supported the DOH in promoting midwifery. They also suggested appropriating funds for a coordinator to regulate the midwifery profession.

After due consideration of the recommendations made at the hearing, your Committee amended the bill by deleting the proposed disciplinary action against midwives who fail to report persons in violation of the law; requiring ACNM approval of any remedial education and training program; and requiring the guideline/protocol agreement between a midwife and a physician to be in writing. Your Committee did not provide any appropriation as suggested by DOH and interested nurses. That option can be better considered in the context of the DOH budget. Your Committee also made technical 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. 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 placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator A. Kobayashi.

**SCRep. 2353      Consumer Protection and Commerce on S.B. No. 2120**

The purpose of this bill is to repeal the Department of Health's authority to license laboratory directors, laboratory technologists, laboratory supervisors and laboratory technicians.

A sunset evaluation by the Legislative Auditor found that licensing of these personnel should be repealed on December 31, 1990 as scheduled because adequate regulation can be accomplished pursuant to the Department's authority to license laboratories.

Your Committee heard testimony from the Department of Health (DOH) and the Hawaii Society for Medical Technology (HSMT), and finds that continued regulation and licensing of laboratory personnel is necessary to protect public health, safety, and welfare, and that discontinuing licensure would be contrary to regulatory activities of other jurisdictions. Your Committee also finds that recent federal legislation may require that state licensure of laboratory personnel be in place. Therefore, your Committee has amended this bill by providing for continued regulation of laboratory directors, laboratory technologists, laboratory supervisors, and laboratory technicians until December 31, 1993. The next sunset review will be conducted by the Legislative Auditor in 1992 for consideration by the 1993 Legislature.

Your Committee has also amended this bill by deleting section 1, the purpose section.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2120, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Tungpalan.

**SCRep. 2354      Consumer Protection and Commerce on S.B. No. 2314**

The purpose of this bill is to clarify and strengthen the laws relating to massage.

Specifically, the bill:

- (1) Changes references to "massage" in chapter 452, Hawaii Revised Statutes, to "massage therapy;"
- (2) Clarifies that massage apprentices are persons engaging in the study and practice of massage without compensation and are prohibited from engaging in the occupation or practice;
- (3) Requires the Board of Massage to establish a list of massage therapy techniques which may be advertised if the advertiser is specifically trained in the technique;
- (4) Prohibits combining the term "massage" with unlicensed activities such as "escort" or "dating" services in advertisements for massage; and
- (5) Repeals the provisions relating to out-call massage services.

Your Committee finds that although massage is a skilled profession with a long and honorable tradition in Hawaii and throughout the world, it remains susceptible to abuse or misunderstanding when advertised in combination with activities which are not licensed and which are not acknowledged by the State as being in the public interest. Your Committee also finds that with the addition of specific prohibitions relating to advertising, the current laws regulating massage are sufficient to protect the consumer. Therefore, your Committee has amended this bill as follows:

- (1) Expressly provided that advertising massage in combination with escort or dating services, or advertising a massage speciality without a license in the speciality, or performing massage without training, or performing a form of massage not licensed or regulated by statute or administrative rule, are violations of chapter 452 and subject to the sanctions provided therein; and
- (2) Deleted the other provisions of this bill except for repeal of the out-call massage license. Your Committee finds that licensees are already privileged to deliver massage services at locations other than their place of business; thus, a specific out-call license is unnecessary.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2314, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator A. Kobayashi.

**SCRep. 2355      Consumer Protection and Commerce on S.B. No. 2693**

The purpose of this bill is to require the Commissioner of Financial Institutions to examine, rather than inspect all financial institutions covered under chapter 409, Hawaii Revised Statutes, to ensure that no illegal, unsafe, or unsound financial practices are engaged.

Your Committee finds that under current law, the doctrine of financial safety and soundness is only mentioned within the context of the Commissioner's emergency powers in times of nationwide or statewide financial crisis.

Your Committee finds that this administration housekeeping measure provides a clear statutory statement that the purpose of the examinations by the Division of Financial Institutions is to ascertain the financial safety and soundness of a particular institution.

Furthermore, the bill enhances the Division's efforts to gain accreditation from the Conference of State Bank Supervisors which recommends a clear statutory statement of purpose be enacted.

Your Committee received supporting testimony from the Department of Commerce and Consumer Affairs, the Hawaii League of Savings Institutions, and the Hawaii Bankers Association.

Your Committee has amended the bill by making a technical, nonsubstantive amendment.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2693 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2693, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator A. Kobayashi.

**SCRep. 2356      Consumer Protection and Commerce on S.B. No. 2834**

The purpose of this bill is to repeal the requirement that body and fender shops must notify customers of use of crash parts when providing an estimate.

Section 437B-15(b), Hawaii Revised Statutes, requires dealers, mechanics, or apprentices to disclose in a statement attached to the estimate for repair work that "crash parts not manufactured or supplied by the original vehicle equipment manufacturer may or may not be of the same quality as the original vehicle equipment parts." This language tends to suggest to customers that replacement parts manufactured by the original vehicle equipment manufacturer are inherently of better quality than parts manufactured by others. Subsection (c) prohibits use of crash parts unless the customer accepts them and their quality in writing.

Most of the testimony received by your Committee was in opposition to the bill as introduced. The Department of Commerce and Consumer Affairs (DCCA) pointed out that deletion of subsections (b) and (c) would deprive consumers of important information needed to make an informed choice in the auto repair market. Your Committee agrees and finds that disclosure requirements should be retained as long as they do not prejudice the consumer's decision. Therefore, your Committee has amended the bill by:

- (1) Retaining subsection (b), but deleting the formal statement attached to the estimate;
- (2) Adding language allowing repair businesses to inform customers of the quality of substitute parts; and
- (3) Retaining subsection (c) with the provision that the customer need only sign the estimate rather than a separate agreement consenting to the use of substitute parts.

Your Committee has also amended this bill by making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2834, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2834, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Chang.

**SCRep. 2357      Transportation on S.B. No. 1721**

The purpose this bill is to amend the laws relating to highways.

Your Committee has amended the bill by adding substantive provisions which amend the law on the way points are assessed against driver's records.

Your Committee finds the bill will lower the point values assessed in most instances, as well as the total number of points allowed, but remains proportional to how the system is now.

Your Committee also finds that presently the point values assessed to driver's records are up to the discretion of judges, for example; 0 to 3 points, 4 to 8 points, etc. Based on the points assessed, automobile insurance rates are raised in an abusive manner.

Consequently, your Committee finds that by decreasing the point value assessments, a reduction in the misuse of the system that determines automobile insurance rates will occur.

Your Committee has amended the bill by adding a section that amends section 287-3, Hawaii Revised Statutes, to require that a driver's abstract contain only convictions of moving violations.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1721, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1721, S.D. 1, and be placed on the calendar for Second and Third Reading.

Signed by all members of the Committee except Senators Nakasato, Chang, Menor and George.

**SCRep. 2358      Ways and Means on S.B. No. 1569**

The purpose of this bill as received was to effectuate its title. The purpose of this bill as amended is to establish within the department of land and natural resources a temporary advisory committee to be known as the Hawaiian fishpond advisory committee.

Your Committee has amended this bill by:

- (1) Establishing within the department of land and natural resources a temporary advisory committee to be known as the Hawaii fishpond advisory committee. The advisory committee will study fishponds on O'ahu, except the Loko Ea and Heeia fishponds, and will create a plan for a facility that will utilize one of these fishponds, excluding Loko Ea and Heeia, as a living exhibit of Hawaiian aquaculture;
- (2) Establishing the size, composition, organization, and compensation of the advisory committee's membership;
- (3) Requiring the advisory committee to prepare an overall plan for a facility that will utilize one of the abovementioned fishponds, excluding Loko Ea and Heeia, as a living exhibit of Hawaiian aquaculture by:

- (A) Restoring the fishpond for research and productive use;
  - (B) Recovering knowledge of ancient fishponds; and
  - (C) Generating new technologies to create aquacultural resources for the future;
- (4) Requiring the advisory committee to submit the abovementioned plan to the legislature not later than May 31, 1991, and to specify that the advisory committee shall cease to exist on June 30, 1991;
  - (5) Appropriating \$150,000 for the department of land and natural resources to carry out the purposes of the bill, including the hiring of necessary staff; and
  - (6) Making the bill effective upon its approval, except for the appropriation provision and to provide for repeal on June 30, 1991.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1569, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1569, 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's George and Koki.

**SCRep. 2359      Consumer Protection and Commerce on S.B. No. 2837**

The purpose of this bill is to prohibit the commercial use of a motor vehicle owned by a welfare recipient who receives free no-fault insurance from the State.

Your Committee finds that some welfare recipients who receive free no-fault insurance are using their vehicles as taxicabs. It was never the intent of the legislature to provide no-fault insurance for commercial purposes, especially with its accompanying higher premium rates. This bill would allow welfare recipients to use their vehicles only for personal purposes.

Your Committee has amended the bill by incorporating the provisions of S.B. No. 3145 into it. The amendment provides no-fault insurance to unlicensed permanently disabled individuals who are otherwise qualified. Although unable to operate their vehicles, these individuals can be driven by friends or family members. Their handicapped status is neither logically nor equitably a basis for excluding them from the program. Your Committee has also corrected the name of the Department of Social Services and Housing to read "department of human services" on page 5 of the bill, and made other nonsubstantive grammatical amendments for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2837, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2360      Housing and Hawaiian Programs on S.B. No. 2699**

The purpose of this bill is to amend the Hawaiian Homes Commission Act, 1920, to authorize the Department of Hawaiian Home Lands to extend the term of leases on Hawaiian home lands to the extent necessary to allow the lessees to qualify for loans from the Department, for mortgages, for Federal Housing Administration or Veterans Administration loan insurance or guarantees, or for State or private lending institution loans guaranteed by the Department. The maximum lease extension would be for a period of one hundred years, in addition to the original ninety-nine year term. The bill would also amend the Hawaiian Homes Commission Act, 1920, to clarify that any condition imposed by the Department requiring a lessee to occupy and commence use of leased land within one year after the "lease is made" means after the "commencement of the term of the lease," rather than after the lease is executed. Similarly, the bill would clarify that the seven-year tax exemption for original lessees "from date of lease" means "after the commencement of the term of the lease," rather than after the lease is executed. Finally, the bill would amend the Hawaiian Homes Commission Act, 1920, to exempt lessees from real property taxes assessed upon the tract of land leased, with lessees only being responsible for payment of taxes on improvements placed on the land.

Your Committee received supporting testimony from the Chairperson of the Hawaiian Homes Commission and the Office of Hawaiian Affairs. The Chairperson of the Hawaiian Homes Commission recommended that the bill be amended to allow the Department of Hawaiian Home Lands to extend any lease on Hawaiian home lands with a remaining term of thirty years or less, with a maximum extension of one hundred years. The Chairperson also recommended that the bill be made retroactive to July 1, 1984, to ensure that lessees who acquired unimproved lands during the 1984-1987 Award Acceleration Program would receive the benefit of the amendments made to the Hawaiian Homes Commission Act, 1920, to clarify the phrases "lease is made" and "from date of lease."

Your Committee also received testimony from the State Council of Hawaiian Homestead Associations and The Aged Hawaiians, Humuula Pastoral Homestead Applicants. Both organizations questioned the need for a provision authorizing lease extensions, since they believe nothing in the Hawaiian Homes Commission Act, 1920, prohibits the granting of successive ninety-nine year leases to the same lessee. Both organizations were generally supportive of clarifying and broadening the real property tax exemptions and making the bill retroactive. Your Committee also received opposing testimony from the Chairperson of the sovereignty group of the Hawaiian Nation of Hawai'i and one concerned citizen.

Your Committee finds that many lessees who were awarded lots during the 1984-1987 Accelerated Award Program have found themselves unable to occupy and use their leaseholds. These lessees received unimproved lots and do not have the funds necessary to improve them. Moreover, infrastructure meeting minimum standards has not been installed. Without this infrastructure, these lessees can neither qualify for fire insurance on their lots nor obtain financing for improvements. Your Committee finds that lessees of unimproved homestead lots should not be liable for taxes on the lots until all necessary infrastructure and improvements, including roads, water, and utilities, are fully installed.

Your Committee has amended the bill to add a provision authorizing the extension of any lease with a remaining term of thirty years or less, as recommended by the Chairperson of the Hawaiian Homes Commission. In doing so, your Committee expressly intends that neither this addition nor any other provisions in the bill shall be construed or interpreted as eliminating or otherwise affecting whatever authority the Department of Hawaiian Home Lands may have under the Hawaiian Homes Commission Act, 1920, to grant successive ninety-nine year leases to the same lessees.

Your Committee has not amended the bill to make it retroactive to 1984. However, your Committee specifically intends that all lessees who received unimproved lots under the 1984-1987 Accelerated Award Program which cannot be occupied or used will be entitled to receive the benefit of the amendments made by the bill. Your Committee believes that the Department of Hawaiian Home Lands has sufficient authority to resolve any problems with leases executed on unimproved lots during this period, including, if necessary, renegotiating the leases to clarify the commencement date of the term of the lease.

Your Committee has amended the bill to delete the provision which would have exempted lessees of Hawaiian home lands from the payment of taxes on the tract of land leased. While your Committee is sympathetic to the financial plight of many homesteaders, particularly those homesteaders who received unimproved lots during the 1984-1987 Accelerated Award Program which cannot be occupied or used, your Committee felt compelled to delete the proposed tax exemption for a number of reasons.

First, Article VIII, section 3 of the Constitution of the State of Hawaii provides, in pertinent part, that: "all functions, powers and duties relating to the taxation of real property shall be exercised exclusively by the counties ...." The power to grant new real property tax exemptions or broaden existing exemptions is arguably beyond the power of the Legislature. Your Committee notes that the clarifications made by the bill to the phrases "lease is made" and "from date of lease" do not raise a constitutional question as to the power of the Legislature. These amendments are mere clarifications fully consistent with the original intent of the Hawaiian Homes Commission Act, 1920, and the 1958 amendments to section 208(8) of the Act, to give homesteaders relief from heavy tax burdens until they had time to develop their homesteads and firmly establish themselves on their land. Homesteaders cannot do this until they have full access to their leaseholds.

Second, as a matter of horizontal tax equity, taxpayers in similar situations should be taxed similarly.

Finally, even if the Legislature has the power to grant or broaden tax exemptions generally or in the specific case of Hawaiian home lands, your Committee is concerned with the revenue impact of these exemptions. One estimate is that the tax exemption proposed in the bill would result in a loss of \$500,000 per year to the counties, even with the limited development already in place on Hawaiian home lands. The counties could conceivably make a claim for State cost sharing under Article VIII, section 5 of the Constitution, although the validity of this argument seems doubtful since no new program or increase in service would be mandated to the counties. Nevertheless, your Committee believes that the counties must be fully consulted before any change to the real property tax laws of this magnitude is made. These consultations have been initiated.

Your Committee also made a number of technical and clarifying amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2699, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRRep. 2361      Housing and Hawaiian Programs on S.B. No. 2700**

The purpose of this bill is to expressly authorize the Department of Hawaiian Home Lands to manage and dispose of property acquired under sections 213(b)(1), 221(c), and 225(b) of the Hawaiian Homes Commission Act, 1920, in the same manner and for the same purposes as Hawaiian home lands. This property includes real property acquired under the Hawaiian home development fund or by gift and certain water rights. The bill would also ensure that lessees of any lands acquired by the Department under section 213(b)(1), 221(c), or 225(b) and subsequently used for homestead purposes, would be entitled to the same programs and benefits as lessees of Hawaiian home lands.

Your Committee received supporting testimony from the Chairperson of the Hawaiian Homes Commission and the Office of Hawaiian Affairs. Your Committee also received testimony from the State Council of Hawaiian Homestead Associations and one concerned citizen expressing possible reservations about the bill.

Your Committee finds that the bill is appropriate and would give the Department of Hawaiian Home Lands the express authority and flexibility it needs to manage and control lands coming under its jurisdiction.

Your Committee has made several clarifying and technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2700, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2362      Housing and Hawaiian Programs on S.B. No. 2924**

The purpose of this bill is to allow a prospective purchaser of a dwelling unit in a housing project sponsored by the Housing Finance and Development Corporation, or by the counties, to be assisted by a co-mortgagor in qualifying for a mortgage loan. The co-mortgagor would have to be a family member and the co-mortgagor's interest in the property would be limited to one per cent to foreclose any possibility that the co-mortgagor's motivation is based on investment for personal gain.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the City and County of Honolulu, and the Mortgage Bankers Association of Hawaii. The witnesses explained that recent changes in Federal Housing Administration underwriting guidelines allowing co-mortgagors, but looking unfavorably on co-signers, have made it difficult for many prospective homeowners to qualify for mortgage loans. The witnesses further explained that there are often family members, particularly parents, who are in a financial position to help the prospective purchasers either in qualifying for the mortgage by using the family members' equity in their own homes or other assets to satisfy the mortgage lender's requirements for making a secure loan or in assisting with the monthly payments on the mortgage. However, this arrangement is not allowed under chapter 201E, Hawaii Revised Statutes, since the definition of "qualified resident" excludes anyone already owning land suitable for dwelling purposes, having too much income, or having excessive assets.

Your Committee finds that the bill is consistent with state housing policies and would assist low-income, first time homebuyers in securing the mortgages necessary to participate in Housing Finance and Development Corporation and county-sponsored housing projects.

Your Committee has made a number of technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2924, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2363      (Majority) Housing and Hawaiian Programs on S.B. No. 3095**

The purpose of this bill is to allow the development of commercial, industrial, and other uses within a housing project sponsored by the Housing Finance and Development Corporation, as long as these uses can be an integral part of the project. Under current law, the Corporation, before allowing development of commercial, industrial, and other uses, must determine that these uses can be an integral part of the housing project, and also that they can help to preserve the lifestyles of the purchasers of units in the project. The latter condition would be eliminated.

Your Committee received supporting testimony from the Executive Director of the Housing Finance and Development Corporation on behalf of the Department of Budget and Finance on this administration bill. The Department explained that, under certain circumstances, the condition that commercial, industrial, and other uses contribute to the preservation of the lifestyles of the purchasers of units in the project should not apply. For example, in developing rental projects, the higher rate of return on commercial uses would be necessary to offset the lower rents to be charged to residential tenants, thus making the rental project economically feasible. Yet, these commercial uses might not be directly related to the residential portion of the project and thus would not necessarily contribute to preserving the lifestyles of the tenants.

Your Committee finds that this bill is essential to the orderly development of affordable housing. Your Committee further finds that the standard that commercial, industrial, or other uses preserve the lifestyles of purchasers is extremely difficult to apply and in many cases, may be inconsistent with the best interests and desires of the prospective residents.

Your Committee has made several grammatical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3095, S.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 2364      Housing and Hawaiian Programs on S.B. No. 3150**

The purpose of this bill is to enable the Hawaii Housing Authority to utilize its resources for housing construction and rehabilitation to the maximum extent possible.

Specifically, the bill allows the Authority, with the approval of the Governor, to disregard bids on a project if they all exceed the available funding for the project, and make an agreement with another entity to carry out the project, or participate with the party to the agreement, or carry out the project itself. Agreements negotiated in this manner must be less expensive than the original bids and must fall within the amount available for the project.

Your Committee heard supporting testimony by the Hawaii Housing Authority and finds that this bill will expedite the construction of affordable and low-income housing for the people of Hawaii. The Hawaii Housing Authority has the experience and ability to develop needed housing, but lacks the authority to negotiate with non-bidders who could get the

job done at less cost to the taxpayer. This bill will provide that authority and also help to keep formal bids in line with actual funding limitations.

Your Committee has amended this bill by making nonsubstantive language changes for the purposes of clarity and style.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3150, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2365      Housing and Hawaiian Programs on S.B. No. 3151**

The purpose of this bill is to require that tenants receiving the benefit of rent supplements under part VI of chapter 359, Hawaii Revised Statutes, be residents or intend to be residents of the State. The bill would implement the recommendation of the Office of the Legislative Auditor in its January 1990 report to the Governor and Legislature entitled "Audit of the Rent Supplement Program of the Hawaii Housing Authority." Report No. 90-7, pp. 14-17.

Your Committee received supporting testimony from the Hawaii Housing Authority.

Your Committee finds that it is appropriate to restrict eligibility for rent supplement benefits to those persons who are permanent residents or domiciliaries of the State. Under current law, the proper eligibility restrictions are missing, and persons who are merely temporary residents of the State, such as foreign students and tourists, can potentially receive benefits under the rent supplement program. Your Committee intends that the Hawaii Housing Authority would further define the residency restriction and other eligibility requirements in rules adopted pursuant to section 359-126, Hawaii Revised Statutes. In this regard, your Committee notes that federal housing assistance is generally restricted to those persons who are resident citizens or nationals of the United States or aliens lawfully admitted to the United States for residence as immigrants as defined in 42 U.S.C. 1426a(1)-(6). The Hawaii Housing Authority may wish to consult the federal standards in refining eligibility requirements for the state rent supplement program.

Your Committee has amended the bill to change the effective date of the residency restriction to July 1, 1990 rather than June 30, 1990. Your Committee has also made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3151, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2366      Judiciary on S.B. No. 2280**

The purpose of this bill is to clarify sections 352-9 and 352-25, of the Hawaii Revised Statutes, by eliminating the Family Court's authority to affect a minor's release from the Hawaii Youth Correctional Facility.

Your Committee heard testimony from the Prosecutors Office expressing grave reservations about allowing the Department of Corrections unfettered authority to release minors who are considered dangerous and pose a threat to public safety. These minors have either committed violent crimes or have extensive records and have not responded to rehabilitative programs.

Your Committee has amended this bill by requiring that thirty days prior to the furlough, parole or discharge of a minor, notice shall be given to the prosecutor's office of the appropriate county so as to afford opportunity for meaningful input.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2280, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2367      Judiciary on S.B. No. 2869**

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii repealing Article II, Section 7, thereby eliminating the requirement that elected public officers must resign from office before being eligible as candidates for another public office.

Testimony in support of the bill was given by Benjamin J. Cayetano, Office of the Lieutenant Governor, and Frank Fasi, Mayor of the City and County of Honolulu. No testimony in opposition to the bill was offered. Supporting testimony revealed that the subject constitutional provision has proven to have disparate application which causes it to be inequitable. Currently, as a result of a ruling by the Hawaii Supreme Court, it does not apply to candidates running for federal office. Moreover, it does not apply to incumbents seeking re-election. Further, pursuant to an Attorney General Opinion, it does not apply to City Council members running for governor. Finally, it does not apply to candidates until such time as they actually file their nomination papers, notwithstanding the fact that they may devote an inordinate amount of time campaigning prior thereto.



Based on the testimony offered, as well as the research independently conducted by your Committee, it is of the opinion that the exceptions to the application of the subject constitutional provision are so numerous as to defeat its original intent. Your Committee is also of the opinion that the disparate application of the provision may create viable questions as to its constitutionality. Specifically, your Committee feels that the disparate application offers an unfair advantage to incumbents, who, although their status as candidates is not, or should not, be any different than that of their opponents, are immune from the resignation restriction when running for re-election. This creates an atmosphere of "incumbent preservation", as it discourages qualified candidates, who must resign from their own public office, from competing with incumbents for another office. Moreover, your Committee is concerned that the resignation restriction has a chilling effect on candidates holding public office, from running for a higher office, for which they may be eminently qualified. Further, your Committee is of the opinion that any abuses brought on by an elected official holding one office and campaigning for another can be addressed by the State Campaign Spending Commission, by the State Ethics Commission, and directly by the electorate, through the voting process.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2869 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2368      Judiciary on S.B. No. 2875**

The purpose of this bill is to require that all pre-sentencing reports submitted to the court include information concerning the physical, psychological or financial effect that the crime committed by the defendant has had upon the victim.

Testimony in favor of the bill was submitted by the Prosecuting Attorney of the City and County of Honolulu and the Sex Abuse Treatment Center. Testimony was also submitted by the Judiciary and the Public Defenders Office. The Judiciary and the Public Defenders Office both indicated that, at present, victim impact statements are routinely submitted, as part of the pre-sentencing report to the court for consideration. The Judiciary submitted that if the probation division was required to include information of such a nature, in virtually every case, it would require additional staff to meet the need. Both the Judiciary and the Public Defenders Office contended that, in many instances, such reports would be of little use, if any, depending on the nature of the crime. They proposed that the bill be amended to require the submittal of information regarding the impact on a victim in all cases where such information is made available by the victim, or by agencies that work with victims, such as the Victim/Witness Kokua Service.

Your Committee on Judiciary is amending the bill, based on the proposals made by the Judiciary and the Public Defenders Office. The amendments delete the requirement that victim information be submitted as part of the pre-sentencing report in all criminal cases, and limit the requirement to instances where such information is made available by the victim or agencies assisting the victim.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2875, and recommends that it pass Second Reading in the amended form attached hereto as S.B. No. 2875, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2369      Judiciary on S.B. No. 2942**

The purpose of this bill is to amend H.R.S., Section 12-41(b), to reduce the threshold of primary election votes needed for a nonpartisan candidate to be listed on the general election ballot.

Testimony in support of the bill was submitted by the Lieutenant Governor, who noted that under current law, a nonpartisan candidate must receive a primary vote equal to the lowest number of votes received by a party primary winner for the office, or must receive a primary vote equal to or at least 10% of the total votes cast for the office. The bill would reduce the 10% requirement to 5%. The Lieutenant Governor indicated that to reduce the requirement would create a more equitable balance between nonpartisan candidates and those running as qualified candidates. Under the present law, once a party is qualified, pursuant to H.R.S., Sections 11-62 through 11-64, party candidates running in the primary are not subject to any minimum voting threshold requirements in the primary election, in order to proceed to the general election. The Lieutenant Governor testified that, in light of the foregoing, he felt the 5% requirement would maintain a sufficiently high threshold, while, at the same time, create a more equitable position between those running as qualified party candidates and those running as nonpartisan candidates, and would encourage wider participation in the electoral process.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2942 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2370      Judiciary on S.B. No. 2946**

The purpose of this bill is to create a more uniform method of voter registration to permit registration by mail. The bill provides that the requisite registration affidavit confirming the registrant's qualifications will take the form of a self-subscribing oath, thus eliminating the need for the presence of a clerk.

Testimony in support of this bill was offered by the Lieutenant Governor, the Office of Hawaiian Affairs, the Association of Clerks and Election Officers of Hawaii, the League of Women Voters of Hawaii, Hawaii Centers for Independent Living, Common Cause Hawaii and the Hawaii State Teachers Association. Written supporting testimony

was also submitted by U.S. Senators Daniel K. Inouye and Spark Matsunaga, U.S. Representative Patricia Saiki, the Sandy Beach Initiative Coalition, Alu Like, and the Rehabilitation Hospital of the Pacific. Testimony indicated that the change would allow disabled, home-bound and overseas citizens to register more readily, which will not only streamline the process, but encourage more qualified voters to register. To date, twenty-seven other states permit mail registration, and have experienced an increase in the voter rolls, with few, if any, problems with fraudulent registration.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2946. It has amended the bill to clarify that the statutory changes are for the purpose of providing for registration by mail. Your Committee recommends that S.B. No. 2946 pass Second Reading, in its amended form, attached hereto as S.B. No. 2946, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2371      Judiciary on S.B. No. 2947**

The purpose of this bill is to increase the number of days between the primary and general election by holding the primary election on the second Saturday of September in every even numbered year instead of the last Saturday of September.

Testimony in support of this bill was offered by the Lieutenant Governor and the Association of Clerks and Election Officers. It was stated that the additional time permitted by the change will give greater flexibility to election officials, who are presently under strict time constraints to prepare for the general election. Specifically, the Lieutenant Governor disclosed that under federal law, his office must mail absentee ballots at least 35 days prior to an election, which, under the present law, provides insufficient time to prepare for the general election. Supporting testimony also indicated that additional time will allow election officials to deal with unanticipated events such as challenges to an election or untimely candidate vacancies.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2947 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2372      Judiciary on S.B. No. 2948**

The purpose of this bill is to provide for the permanent appointment of sixteen and seventeen year old precinct workers.

Testimony in support of this bill was offered by the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii. In 1987, The Lieutenant Governor, pursuant to Act 209, recruited approximately 300 sixteen and seventeen year olds to serve as precinct workers in the 1988 general election. This enabled election officials to have flexibility in hiring precinct workers, and were, thus, better staffed to handle election responsibilities. Because of the sunset clause in Act 209, these young workers can no longer be recruited, notwithstanding the fact that over 96% of the precinct chairpersons expressed a desire to have them return. This bill would provide for their permanent appointment.

Your Committee on Judiciary has made a minor change to the bill with a technical amendment that clarifies that persons between the ages of sixteen and eighteen may be appointed to work as precinct officials. This amendment eliminates any questions that persons over the age of sixteen, but not yet eighteen, may be qualified.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2948, and recommends that it pass Second Reading its amended form, attached hereto as S.B. No. 2948, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2373      Judiciary on S.B. No. 2949**

The purpose of this bill is to amend the filing deadlines for special elections held to fill vacancies occurring during the term of office of a state senator, board of education member or Office of Hawaiian Affairs trustee, so that they comply with federal recommendations for mailing of absentee ballots.

Testimony in support of this bill was offered by the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii. They emphasized that the bill does not alter the procedures for special elections, but merely changes the deadlines imposed to comply with federal law. The Lieutenant Governor requested amendments to H.R.S., Sections 12-5 and 12-6, so that they conform with the proposed amendments to H.R.S., Sections 17-3, 17-6 and 17-7.

Your Committee has amended the bill so that it reflects the changes to H.R.S., Chapter 12, as proposed by the Lieutenant Governor.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2949, and recommends that it pass Second Reading in its amended form, attached hereto as S.B. No. 2949, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2374      Judiciary on S.B. No. 2951**

The purpose of this bill is to clarify, streamline, and update statutory provisions relating to voter challenges and the questionable address procedures taken during elections.

Testimony in support of this bill was offered by the Lieutenant Governor and the Association of Clerks and Election Officials. They confirmed that the bill would give registered voters an opportunity to verify their registrations, encourage voters to register in the proper precincts, and assist election officials in updating their registers. It also clarifies the appeal rights of parties whose registration has been challenged, and the procedures for taking such an appeal.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2951 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2375      Judiciary on S.B. No. 2953**

The purpose of this bill is to allow the county clerk to remove a voter from the registration list upon the voter's request.

Testimony in support of this bill was offered by the Lieutenant Governor and the Association of Clerks and Election Officials. Testimony indicated that under the present law, the clerks are not provided with explicit statutory authority to remove a voter's name from the registration rolls upon the voter's request.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2953 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2376      Judiciary on S.B. No. 2954**

The purpose of this bill is to expressly charge the chief election officer with the responsibility of educating the public regarding voter registration and voter information.

Testimony in support of the bill was offered by the Lieutenant Governor, the Office of Hawaiian Affairs, the Association of Clerks and Elections Officers, and the League of Women Voters of Hawaii. Testimony indicated that the Lieutenant Governor's Office is already conducting public education regarding voter registration and information, and that the authority of the Lieutenant Governor to do so is implicit in the statutory duties of the position. The proposed statutory change in this bill would merely clarify the Lieutenant Governor's responsibilities in this regard.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2954 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2377      Judiciary on S.B. No. 3511**

The purpose of this bill is to propose an amendment to the Hawaii State Constitution which would allow the Judicial Selection Commission flexibility, if circumstances warrant, to submit three nominees to the governor for consideration, in lieu of the requisite six nominees.

Testimony in support of the bill was received by the Honorable Melvin Soong, Administrative Judge for the District Court of the First Circuit. Judge Soong, who also serves as the Co-chair for the Judicial Administration Committee of the Hawaii Bar Association, revealed that there have been isolated instances where applicants, who were not necessarily considered qualified by the Judicial Selection Commission, had to be submitted for consideration in order to meet the quota mandated by the constitution. Specifically, this situation occurred regarding a vacancy that had to be filled for a circuit court judge position in the Third Circuit, Third Division (Kona). Judge Soong testified that it was the recommendation of the Citizens Conference on Judicial Selection, held August 3, 1989, that the constitutional provision requiring the submittal of six nominees be amended to provide for a range of from three to six nominees to take into account instances when a list of six qualified candidates for a judicial vacancy cannot be compiled.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3511, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2378      Judiciary on S.B. No. 3521**

The purpose of this bill is to mandate that all judgments recorded with the Land Court, or the Bureau of Conveyances either reflect the judgment debtor's social security number, general excise taxpayer number, or federal employer identification number, or be accompanied by an affidavit reflecting that such information does not exist or cannot be reasonably ascertained.

Testimony in support of the bill was offered by the Hawaii Bankers Association, the Hawaii League of Savings Institutions, the Escrow Association of Hawaii, the Mortgage Bankers Association, and the Chaney Brooks and Company. The Hawaii Bankers Association proposed two amendments to the bill. It submitted that the exception to the requirement that an identification number be reflected on a judgment, for the stated reason that it could not be "reasonably ascertained" was unclear. It proposed that this language be changed to read that the identification number "is not in the possession of the party seeking registration of the judgment." The Hawaii Bankers Association further proposed that the

bill include a provision that insures the enforceability of the judgment lien, notwithstanding the fact that an identification number was not disclosed or was erroneous.

Your Committee on Judiciary accepts the changes proposed by the Hawaii Bankers Association and has amended the bill to include them.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3521, and recommends that it pass Second Reading in the amended form attached hereto as S.B. No. 3521, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2379      Agriculture on S.B. No. 2186**

The purpose of this bill is to repeal the Department of Agriculture's authority to investigate emergency pest infestations without prior notice to an offender.

The bill also clarifies the extent of a department pest investigator's liability for damage caused by his or her acts.

Your Committee finds that the department's emergency investigation rule is unnecessary. In practice, the department requires at least 48 hours to determine the extent of a reported pest infestation before determining whether an emergency exists. Therefore, 48 hours notice is always possible and the emergency no-notice provision serves no purpose.

Your Committee received testimony from the department concerning problems with the present procedure for gaining entry to private property for the purpose of maintaining pest control or eradication programs. Under current law, whether the district court has the power to enjoin a refusal of entry is questionable. The department recommended, and your Committee agrees, that it is more appropriate to have a procedure analogous to an inspection warrant to assist investigators with access. The bill has been amended accordingly.

Your Committee has also amended the bill by requiring an offender to pay for any eradication program conducted as a result of the offender's action or inaction, providing penalties for repeat offenders, and making technical changes that have no substantive effect.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2186, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2380      Agriculture on S.B. No. 2482**

The purpose of this bill is to amend the law relating to the introduction of a prohibited animal or plant into the State.

Specifically, the bill would: (1) provide that organizations may also be held liable for introducing a snake or any other prohibited animal into the State; (2) raise the fine for introducing such an animal from \$1000 to \$50,000; and (3) make any person or organization responsible for the introduction of the prohibited animal or plant bear the cost of developing and implementing a control program for the prohibited plant or animal.

Your Committee finds that in many cases, organizations are responsible for the introduction of prohibited animals or plants. Furthermore, by raising the penalties and requiring the violating party to be responsible for a related control program would deter future acts from occurring.

Your Committee has received testimony in support of this bill from the Board of Agriculture, the Hawaii Farm Bureau Federation, the Hawaiian Sugar Planters Association, and The League of Women Voters.

Your Committee has amended the bill by adding six new sections to the bill that:

- (1) Adds a definition of "passed" in section 150A-2, HRS;
- (2) Amends section 150A-5, HRS, to provide that a violation of the section occurs if the appropriate airline personnel do not distribute and collect agricultural declaration forms.
- (3) Clarifies what constitutes importation in section 150A-5.5, HRS;
- (4) Amends section 150A-6, HRS, to require the Board of Agriculture establish lists of prohibited or conditionally approved animals or plants and provides terms and conditions for these requirements;
- (5) Adds specific section references for violations in section 150A-7, HRS; and
- (6) Exempts the advisory committee on plants and animals in section 150A-10, HRS, from the provisions of chapter 92, except for its role in interim rulemaking pursuant to section 150A-9.5, HRS.

Your Committee has amended the bill further by incorporating in the proposed amendment for section 150A-14, HRS, a graduated penalty structure for first, second, and third offenses.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2482, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2381      Agriculture on S.B. No. 2890**

The purpose of this bill is to amend the laws relating to ozone depletion and global warming.

Specifically, the bill amends Act 77, Session Laws of Hawaii 1989 (SLH 1989), by expanding the definition of "CFC" or chlorofluorocarbon to include all mixtures containing CFC compounds and establishing a new chapter within the Hawaii Revised Statutes (HRS) on ozone layer protection.

Your Committee finds the proposed expansion of the definition of CFCs enhances the State's ability to regulate all CFCs utilized in the State. Furthermore, the establishment of a new chapter on ozone layer depletion that includes the provisions of Act 77, SLH 1989, is necessary due to the repeal of chapter 342, HRS, in 1989.

Your Committee has amended the bill by deleting the proposed phrase "and any combination or mixture containing any of these chlorofluorocarbon compounds" in sections 1, 2, and 4 of the bill. Furthermore, your Committee has added a new section 5 to the bill that amends section 437B-11, HRS, to allow the motor vehicle repair industry to continue to use refrigerant recovery and recycling equipment purchased before December 31, 1989.

Your Committee understands the necessity to control the release of CFCs into the atmosphere, but without the use of certain CFC mixtures, the refrigeration and air conditioning industry would not be able to operate. For example, refrigerant R-22, a partially halogenated CFC and a mainstay of the industry, has no current replacement available. Even though the compound has only five per cent of the effect of R-11 and R-12, it would become a banned substance. Without readily available CFC substitutes, the industry would not be able to survive.

The second amendment allows members of the motor vehicle repair industry who purchased recovery and recycling equipment prior to the date Underwriter Laboratories started approving such devices, to utilize their equipment instead of requiring them to purchase new units.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2890, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2890, S.D. 1, and be placed on calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2382      Agriculture on S.B. No. 3011**

The purpose of this bill is to amend the laws relating to meat inspection.

Specifically, the bill:

- (1) Adds a new part to chapter 159, Hawaii Revised Statutes (HRS), which provides the State establish a revolving fund for a reimbursable inspection services program for the butchering of exotic animals for meat and meat products and provides standards and requirements to be met;
- (2) Adds definitions and gives the Department of Agriculture the necessary authority to be used in regard to the new part;
- (3) Amends the penalties for bribery;
- (4) Provides exemptions for slaughterhouses engaged in the custom operation of slaughtering exotic animals;
- (5) Clarifies and defines the overtime and compensation provision for meat inspectors; and
- (6) Makes various housekeeping amendments to conform with other provisions of the HRS.

Your Committee finds there is a need to establish certification requirements for the slaughtering of exotic animals due to the possibility of starting a new industry in this area.

Furthermore, the remaining amendments are necessary to strengthen and clarify existing statutes and to bring them into conformity with federal laws.

Your Committee has amended the bill by: (1) deleting from section 7 of the bill, the proposed subparagraphs "(A)" through "(C)"; (2) deleting on page 29, line 18, the reference and inclusion of a representative of the Secretary of Agriculture as a part of the Department's proceedings; and (3) deleting on page 31, line 2, the phrase "or preparing".

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3011, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2383      Agriculture on S.B. No. 3012**

The purpose of this bill is to prevent profiteering from the sale of agricultural park leases and to restrict the use of agricultural parks to qualified farmers.

The bill also provides the Board of Agriculture direct authority over the agricultural park program, and allows the Board to dispose of agricultural park lands by means other than lease.

Currently, the law allows the assignment of an agricultural park lease to a corporate assignee who is not a bona fide farmer. This was never the intention of the legislature. This bill provides the Board with broader and more direct authority over agricultural parks to benefit farmers, not profiteering corporations.

Your Committee has amended the bill by making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3012, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator B. Kobayashi.

**SCRep. 2384      Judiciary on S.B. No. 2941**

The purpose of this bill is to clarify ambiguities in the election laws which could arise if a candidate vacates the candidacy after the ballots have been printed by setting specific time lines and procedures for handling such vacancies. Specifically, the bill addresses instances in which a vacancy is created by death, withdrawal, or determination of disqualification. Upon notice of the vacancy, the affected political party will have an opportunity to fill the vacancy and insert the alternate's name on the ballot. If the affected party fails to do so, no candidate's name will be reflected on the ballot. If the ballots have already been printed and reflect the vacating candidate's name, by proclamation, the public will be advised by the chief election officer that a vote for the vacating candidate identified on the ballot will be counted according to specific formulas devised for partisan and non-partisan races in primary or special elections, as well as for general elections. The bill further mandates that parties shall adopt rules to comply with these new provisions and submit them to the chief election officer.

Testimony in support of the bill was offered by the Lieutenant Governor. He stated that passage of the bill would give political parties greater flexibility in filling candidate vacancies, yet protect the ability of election officials to finish balloting in conformance with federally required guidelines.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2941 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2385      Judiciary on S.B. No. 2950**

The purpose of this bill is to raise the penalty for voter registration fraud from a misdemeanor to a class C felony.

Testimony in support of the bill was given by the Lieutenant Governor, the Office of Hawaiian Affairs, the Honolulu Police Department and the Association of Clerks and Election Officers of Hawaii.

The Honolulu Police Department proposed amendments to the bill. Specifically, the Honolulu Police Department suggested that the word "or" should be added to subsection 1 of Section 2 of the bill, so that persons construing the provision would not assume that the requirements of both subsection 1 and subsection 2 would be necessary to constitute the elements of the offense. Additionally, the Police Department submitted that the fraudulent acts pertaining to registration, alone, should not constitute a class C felony unless the offender actually registers to vote, or votes. Your Committee has incorporated these proposals in the amended version of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2950, and recommends that it pass Second Reading in its amended form attached hereto as S.B. No. 2950, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2386      Consumer Protection and Commerce on S.B. No. 2311**

The purpose of this bill is to enable the Real Estate Commission to investigate and enforce the right of condominium apartment owners to examine information about their projects.

The bill also clarifies that the fidelity bond required of a managing agent protects the association of apartment owners against loss due to fraud or dishonest acts of an employee of the managing agent, and gives associations the right to proceed against the real estate recovery fund if it cannot recover its loss from the managing agent's bond.

Your Committee received testimony in support of this bill from the Real Estate Commission, the Hawaii Independent Condominium and Cooperative Owners, the Hawaii State Bar Association, and the Hawaii Council of Associations of Apartment Owners, and finds that this bill will clarify the powers of the Real Estate Commission relating to condominiums, make it easier for managing agents to obtain fidelity bonds, and facilitate recovery of losses incurred by condominium associations.

Your Committee has amended this 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 S.B. No. 2311, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2311, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2387      Transportation on S.B. No. 3133**

The purpose of this bill is to amend the laws relating to the bumper height of motor vehicles.

Specifically, this administration bill lowers the maximum height limit of a motor vehicle bumper to a level that assures a more stable center of gravity for vehicles with raised suspensions.

Your Committee received testimony from the Department of Transportation in support of this bill.

Your Committee finds engineering studies and tests conducted by the Specialty Equipment Market Association Foundation, Inc. have determined safe and stable configurations of vehicles with raised suspension systems. The studies show that bumper heights higher than those set in this bill create an unsafe high center of gravity which may cause the vehicle to tip over in the event of an accident.

Your Committee finds the bumper height limits set in the bill are the same as the limits set by the Vehicle Equipment Safety Commission in their regulation 12 which was adopted in 1982.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3133 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 George.

**SCRep. 2388      Transportation on S.B. No. 3137**

The purpose of this bill is to amend the law relating to immediate notification of an automobile accident.

Specifically, the bill eliminates the requirement to immediately notify the police in an accident where no injury occurs and when the estimated amount of property damage is less than \$1000.

Your Committee received supporting testimony from the Department of Transportation.

Under existing law, the requirement to immediately report an accident to the police occurs if there is an injury caused by the accident or the resulting property damage is estimated at over \$300.

Your Committee finds that the costs of parts and repairs to damaged cars have increased over seventy percent between 1976 and 1987 and that raising the threshold for the mandatory reporting of accidents is consistent with the rising cost of repairs.

Furthermore, your Committee finds that by raising the threshold, fewer motor vehicle accident investigations involving no personal injury will occur, thereby reducing staff related costs for the performance of these duties.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3137 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 George.

**SCRep. 2389      Judiciary on S.B. No. 2277**

The purpose of the bill is to amend Section 706-605(1)(e), Hawaii Revised Statutes, by mandating that as a condition of sentencing, all persons sentenced to perform community service shall be screened and assessed for appropriate placement by a governmental agency coordinating public service work placement. Further, that such persons shall not be deemed an employee of the governmental agency or assigned work site.

Testimony in support of the bill was received from the Judiciary and Department of Corrections. The Judiciary expressed concerns that under existing law, a felony offender awaiting trial and/or probation for other offenses can be adjudicated on a minor traffic offense, and can request a direct placement at a community agency without any prior screening, potentially jeopardizing both the agency and the community-at-large. The Department of Corrections testified that mandatory screening and assessment of the offender's vocational skills and aptitude would ensure appropriate placement.

Since no justification was provided for the deletion of the phrases "of this chapter" and "of this section," your Committee has amended the bill by removing the bracketing and restoring the original language of the affected parts of the subsection.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2277, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2390      Judiciary on S.B. No. 2418**

The purpose of this bill is to elevate the penalties for prostitution or "pimping" of minor children to the same level as other sexual offenses involving children.

Testimony in support of the bill was offered by the Attorney General, City and County of Honolulu Police Department, Waikiki Improvement Association, American Association of University Women and Waikiki Health Center. Testimony in opposition to the bill was received from the Public Defender who expressed concern that the elevation of penalties for promoting prostitution of minors would create a greater discrepancy between related offenses and would not be in concert with other sexual offenses involving children.

At the heart of the concerns expressed by those who testified in support of the bill was the exigency to deter those who are sexual exploiting minors for financial gain. In addressing such concerns, your Committee amended Section 712-1202(1)(b) by increasing the age provision to include all children under the age of eighteen. Further, in order to provide congruity, Section 712-1203(1)(b) was deleted.

While your Committee recognizes the importance of imposing severe sanctions in order to rid our community of this malady, the preservation of the internal consistency of the sanctions provided for all sexual offenses involving children needs to prevail in this instance. Accordingly, the subject penalties were not elevated.

Further, in order to reflect this Committee's intent, the purpose clause has been rewritten.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2418, as amended herein, and recommends that it pass Second Reading in form attached hereto as S.B. No. 2418, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2391      Judiciary on S.B. No. 2713**

The purpose of this bill is to clarify the application of H.R.S., Section 712-1217 by specifying what circumstances and conduct will constitute a lewd act.

Testimony in support of this bill was offered by the Honolulu Police Department; City Councilwoman Rene Mansho; Sondra Kapepa for Concerned Women for America of Hawaii; Terri L. Garleb, individually; Danielle Garleb, individually; Sue Arakawa, individually; Lola Taylor, individually; Esther Poor, individually; Leslie Llanos, individually; Mike Oppenheimer, individually; David J. Serrone, individually; Cecilia Huckestein, individually; and Michael J. Stangel, individually. Testimony was also offered by the Department of Land and Natural Resources and the Honolulu Police Department. Testimony indicated that there is confusion on the part of the law enforcement community as to whether H.R.S., Section 712-1217 applies to lewd acts involving the exposure of women's bare breasts in public places.

For example, Terri L. Garleb testified about an incident in which a pornographic publisher chose a North Shore beach as a location to shoot nude and semi-nude women for their magazine. One scene which was being shot involved a bare breasted woman wearing only baggy black pants in a position of bondage, which Ms. Garleb and passers-by found offensive. When Ms. Garleb complained to the police, she was advised that the film crew, who had been utilizing the location for several weeks, was doing nothing illegal. Subsequently, Ms. Garleb was advised by then Chief Douglas Gibb of the Honolulu Police Department in a letter written to her that the conduct complained of was not considered criminal. Chief Gibb relied on State v. Crenshaw, 61 Haw. 68, 597 P.2d 13 (1979) in support of this position. In Crenshaw, the Hawaii Supreme Court held that female breasts are not "private parts" or genitalia, the exposure of which would constitute a "lewd act" under the statute.

Your Committee is concerned about the apparent confusion which the Crenshaw case has caused within the law enforcement community about the applicability of H.R.S. Section 712-1217, to the kind of lewd acts described above which the statute was clearly intended to cover. The narrow interpretation of law enforcement of the lewdness statute may also be creating an anomaly in the law since the State Supreme Court in defining a lewd act has held that the intentional exposure of a person's private parts such as genitalia to public view in a lewd manner is violative of H.R.S. Section 712-1217. State v. Bull, 61 H.62, 597 P.2d 10 (1979). Your Committee can see no reason why the lewdness statute should apply to lewd acts involving the exposure of genitalia and not to such acts if they involve the exposure of bare female breasts. Accordingly, your Committee has amended the bill to incorporate a definition of "private parts", which includes uncovered female breasts, and to specify when exposure thereof will constitute open lewdness. These amendments would codify the ruling in State v. Bull, and add clarification that the public exposure of a person's private parts, including bare female breasts, in a lewd manner is proscribed under H.R.S. Section 712-1247.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2713 and recommends that it pass Second Reading in the amended form attached hereto as S.B. No. 2713, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2392      Judiciary on S.B. No. 2952**

The purpose of this bill is to extend that amount of time in which challenges to the validity of a candidate's nomination may be made by the chief election officer or a county clerk, and to provide for the substitution of the Attorney General to review objections if they involve an incumbent Lieutenant Governor.



Testimony in support of the bill was offered by the Lieutenant Governor and the Attorney General. Both parties proposed an amendment to the bill that would clarify that the day of the election is the deadline for bringing a challenge, in lieu of the original language, which provides for a challenge up until the time the candidate is deemed elected. The Lieutenant Governor further requested an amendment that would substitute the current evidentiary hearing procedure under which the Lieutenant Governor reviews candidacy challenges with an alternative procedure under which the chief election officer renders a preliminary decision based on the merits of the complaint. If the preliminary decision of the Lieutenant Governor is to recommend disqualification, a complaint would be submitted to the circuit court for determination. The Lieutenant Governor also requested an amendment which would limit candidacy challenges to those brought by registered voters.

Testimony was also submitted by Common Cause Hawaii. It expressed concern that the bill did not impose a deadline before which the chief election officer or the county clerk had to take action on a complaint. It was suggested that this situation may create an opportunity for abuse of power, where, for political motives, an invalid objection could be held in abeyance until just before an election, thus deterring voters from casting ballots for the challenged candidate, resulting in an unqualified defeat. Common Cause Hawaii submitted that this problem could be avoided by imposing a deadline by which action must be taken on a challenge.

Your Committee on Judiciary has considered the proposed amendments to the original bill and incorporates all of them. It has amended the bill to reflect that the day of the election is the deadline for challenging candidate nominations. It has further amended the bill to limit challenges to those brought by registered voters. It has further imposed a deadline of five working days from the day a challenge is brought in which the chief election officer or county clerk must render a preliminary decision thereon.

Your Committee on Judiciary is in accordance with the intent and purpose of S.B. No. 2952 and recommends that it pass Second Reading in the amended form attached hereto as S.B. No. 2952, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2393      Judiciary on S.B. No. 3203**

The purpose of this bill is to include under the act of criminal trespass, the situation where a person knowingly enters or remains in or upon a premises after receiving a written or oral warning from the owner, manager or legal occupant thereof, that he is not permitted to enter or remain in or upon the premises again. This provision broadens criminal trespass to areas that are not necessarily enclosed, or designed to exclude intruders.

Testimony in support of the bill was submitted by the Honolulu Police Department and the Retail Merchants Association who indicated that the new provision would address instances not covered under the existing trespass law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3203 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2394      Consumer Protection and Commerce on S.B. No. 52**

The purpose of this bill is to clarify the law allowing banks to open branches without restrictions.

The bill also requires the bank commissioner to ensure the solvency of a bank before allowing the bank to open additional branches, and repeals the law allowing only one branch at the University of Hawaii as of February 6, 1994.

Your Committee finds that the banking industry serves a critical function for the great majority of the community. Allowing banks to open more branches provides more people with more efficient and effective banking services. Your Committee, however, has learned through public testimony that certain safeguards are necessary to protect the interests of small banks and the University of Hawaii.

Therefore, your Committee has amended the bill to retain the "electronic funds transfer device" provisions of section 403-53, Hawaii Revised Statutes, which allows smaller banks to reduce costs and compete more effectively with larger banks; and to remove the proposed repeal of section 403-56, Hawaii Revised Statutes, allowing one bank branch at the University of Hawaii campus. A determination concerning banking on campus would be more prudently made by the current lessee at the expiration of the lease in 1994.

Your Committee has also substituted the word "application" for "petition" as used in the bill to more accurately describe the procedure for opening or maintaining a bank branch; and by removing "of 1931" from the title of chapter 403, Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 52, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 52, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Matsuura and Nakasato.

**SCRep. 2395      Consumer Protection and Commerce on S.B. No. 1398**

The purpose of this bill is to require all health insurance policies issued in this State to include coverage for a minimum schedule of mammographic screenings.

Your Committee first heard the bill on February 27, 1989, but opted to approve Senate Concurrent Resolution No. 6 which, pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, requested the Legislative Auditor to study the issue, and resulted in Report No. 90-3 entitled "Study of Proposed Mandatory Health Insurance For Mammogram Screening." On January 29, 1990, your Committee considered the Auditor's report and written comments from interested parties at another public hearing.

The Insurance Division testified that it did not have the capacity to adopt rules for screening or to establish the contents of informational brochures. The Department of Health testified in support of the measure and recommended an evaluation of mammogram screening after five years to uncover appropriate cost containment measures.

Your Committee finds that regular mammogram screening is a necessary precaution against breast cancer and should be covered in any policy offering basic health insurance to members of the general public.

Your Committee has amended this bill as follows:

- (1) Clarified that the purpose of the bill is to "encourage the use of mammogram screening among the women of Hawaii and to ensure that policies providing health insurance in the State of Hawaii cover a minimum schedule of screening for all beneficiaries";
- (2) Changed the title of the new section under chapter 432 to "Mammogram screening;"
- (3) Changed references to "females" to "women";
- (4) Deleted the provision which required a screening at age forty;
- (5) Provided that mammogram screening shall be included in coinsurance as well as deductible provisions in current policies or contracts;
- (6) Provided that the age and frequency guidelines of the American Cancer Society, rather than the American College of Radiology, shall be adopted and reviewed annually by the Insurance Commissioner;
- (7) Deleted the requirement that insurers provide informational brochures regarding mammogram screening;
- (8) Authorized insurers to provide mammogram screening through contracts with high-volume providers as long as this method is cost efficient without sacrifice of quality and meets the approval of the Director of Health;
- (9) Provided for a sunset review of mammogram screening by the Legislature Auditor in 1995;
- (10) Required the Director of Health to monitor the equipment and personnel for mammogram screening and modify coverage guidelines if necessary to assure that demand does not exceed the availability of quality services;
- (11) Changed the effective date of this bill to February 1, 1991; and
- (12) Made other nonsubstantive technical and language changes for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1398, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Matsuura and Nakasato.

#### **SCRep. 2396      Consumer Protection and Commerce on S.B. No. 2117**

The purpose of this bill is to reorganize the schedule of sunset evaluations provided in section 26H-4, Hawaii Revised Statutes, and add attorneys (chapter 605) and solicitors in the business of taking orders (chapter 468) to the review cycle.

Currently, professions and occupations which are subject to state regulation under chapter 26H are scheduled to be reviewed by the Legislative Auditor every seven years, necessitating as many as ten reviews in a single legislative interim. This bill would spread out the reviews over a ten year period, thus enabling the Auditor to thoroughly examine each of Hawaii's regulated professions and vocations without borrowing critical time from other important duties placed in that office.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs (DCCA) and finds that this bill will help to ensure that the State's regulatory functions are carefully reviewed and responsive to consumer needs.

Your Committee has amended this bill by rearranging some of the review schedules to facilitate specific administrative and regulatory needs of the DCCA and the Auditor.

Your Committee also finds that inclusion of attorneys and solicitors within the sunset review cycle should not place these professions under the regulation of DCCA pursuant to section 26-9 nor require practitioners to contribute to the Compliance Resolution Fund under subsection (n) of that section. Therefore, your Committee has further amended this bill by adding a new section to chapter 26H clarifying that sunset review does not in itself confer regulatory prerogative to an authority other than that which currently has jurisdiction, and by excluding persons licensed under chapters 605 and 468 from the requirements of section 26-9(n).

Finally, your Committee has amended this bill by providing that the Auditor's review of acupuncture academic standards, required by section 2 of Act 161, Session Laws of Hawaii 1988, be submitted to the 1997 rather than the 1992 legislature.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2117, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Matsuura and Nakasato.

**SCRep. 2397      Consumer Protection and Commerce on S.B. No. 2235**

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes to protect consumers who buy used cars.

The bill would require dealers to provide customers with written warranties on used cars with less than 100,000 miles which they sell for more than \$1,500.

Your Committee finds that although consumers need protection from dealers who fail to give satisfactory service, administration of this new chapter would be too time consuming and expensive to enforce. Therefore, your Committee has amended this bill by deleting its substance and inserting a new section into chapter 437 that will allow consumers to rescind a used car sales contract within seventy-two hours if the vehicle develops a mechanical malfunction in the engine, transmission, brakes, electrical system, suspension, or steering.

If a trade-in is involved in the transaction, the trade-in shall be kept at the dealer's premises for a seventy-two hours cooling off period before it may be traded or sold, and in any case where the consumer elects to rescind the sales contract, the dealer must refund the full purchase price including excise tax, less a reasonable allowance for damage not attributable to normal wear or usage. All seventy-two hour periods will commence at the hour of the day on which the consumer signs the sales contract.

Your Committee finds this approach to be equitable to all parties and enforceable without undue administrative requirements or expenses.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2235, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Matsuura and Nakasato.

**SCRep. 2398      Consumer Protection and Commerce on S.B. No. 2343**

The purpose of this bill is to limit the commissions payable to trustees of charitable trusts.

The bill prohibits trustees from receiving commissions on capital gains income from the sale of the estate's real property, and specifically limits the gross salary for each trustee to the amount paid the Governor of Hawaii. However, trustees would be reimbursed for the cost of obtaining officers and directors liability insurance.

Your Committee finds that the income derived by a trustee of a charitable trust should reflect the purpose of the trust. High personal remuneration is inconsistent with the concept of "charitable."

Your Committee has amended this bill as follows:

- (1) Changed the reference to a trustee's "salary" to "commission" to be consistent with the language of this section;
- (2) Deleted the exclusion of commissions on capital gains income on the sale of the estate's real property. Your Committee finds that an overall cap on commissions is adequate to remove the hypothetical risk that trustees will sell the estate's real property for personal profit; and
- (3) Capped all charitable trustee commissions at twice the Governor's salary. Your Committee finds this to be a satisfactory resolution to the issue for two reasons. A Governor is generally compensated beyond his salary by substantial perquisites, a contention which is supported by the 1986 Executive Compensation Report, 21st ed., by Sibson & Co., which reported that executives who are paid \$100,000 generally receive an equal amount of compensation in non-salary items. Second, taxation of commissions paid to trustees is substantially greater than taxation of regular employees because trustees are considered independent contractors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2343, S.D. 1, and be placed on the Calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2399      Consumer Protection and Commerce on S.B. No. 2599**

The purpose of this bill is to increase the penalty for contracting without a license.

Section 444-23(a), Hawaii Revised Statutes, provides penalties ranging from \$500 to \$5,000 for violation of section 444-9.3 ("aiding and abetting") and section 444-17(18) ("knowingly entering into a contract with an unlicensed contractor involving work or activity for the performance of which licensing is required under this chapter."). Other violations of the contractors law are punishable under section 444-23(b) by a minimum fine of \$100 and a maximum of \$5,000 per violation.

This bill would delete the reference to section 444-17(18) from the penalty section (but retain the reference to section 444-9.3), insert specific reference to sections 444-10.5 ("citation for unlicensed activity") and 444-17(17) (failure to have workers' compensation), and provide for a fine of forty percent of the total contract price if such exceeds the appropriate statutory monetary fine for these offenses.

Your Committee received testimony from the Building Industry Association of Hawaii opposing this bill on the grounds that deletion of section 444-17(18) from section 444-23(a) would result in the increased penalty being applied only to licensed contractors who conspire or abet an unlicensed contractor and contractors who are not covered by workers' compensation. Section 444-10.5 is not an actionable offense and is therefore not subject to penalties.

Since the intent of this bill is to increase the penalty for contracting without a license, your Committee has amended it by deleting the proposed amendment to section 444-23(a) and inserting an amendment to section 444-23(b) providing that first violations of section 444-9 ("Licenses required") shall be punishable by \$500 or forty percent of the contract price, whichever is greater, second offenses shall be punishable by a fine of \$1,000 or forty percent, and subsequent offenses shall be punishable by a fine of \$5,000 or forty percent. Your Committee has also deleted the inappropriate reference to section 444-17(17).

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2599, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Matsuura and Nakasato.

**SCRep. 2400      Consumer Protection and Commerce on S.B. No. 2696**

The purpose of this bill is to repeal the continuing education requirement for licensing as a naturopathic physician.

The Legislative Auditor, in a 1987 Sunset Evaluation of Naturopathy, recommended that the continuing education requirement be deleted. Subsequently, the Board of Examiners in Naturopathy reviewed this issue and arrived at the conclusion that continuing education and competency are not substantially related, and that maintaining the requirement creates problems in carrying out the program.

Your Committee finds that deletion of the continuing education requirement will improve regulation of naturopathy without affecting the quality of naturopathic services available to consumers in Hawaii.

Your Committee has amended this 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 S.B. No. 2696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2696, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Matsuura and Nakasato.

**SCRep. 2401      Consumer Protection and Commerce on S.B. No. 2697**

The purpose of this bill is to strengthen laws relating to licensure of pharmacists under chapter 461, Hawaii Revised Statutes.

Specifically, this bill:

- (1) Changes the work experience requirement for licensure from one year to 2,000 hours;
- (2) Establishes temporary license provisions for pharmacists licensed in other states who are not eligible for reciprocity;
- (3) Allows reinstatement of expired licenses by payment of all current and penalty fees, rather than all back fees, and allows the Board to establish rules for reinstatement of licenses which have been inactive for five years or more; and
- (4) Imposes a 2,000 hour practical experience requirement for reciprocity and allows the Board to establish additional requirements by rule.

Your Committee received supporting testimony from the Board of Pharmacy and finds that these provisions will facilitate licensing and ensure that all pharmacists practicing in Hawaii have appropriate experience.

Your Committee has amended this bill by making technical 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. 2697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2697, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Matsuura and Nakasato.

**SCRep. 2402      Legislative Management on S.B. No. 2668**

The purpose of this bill is to repeal the statutory provision that requires the Legislative Auditor to serve as the liaison between the legislature and the federal government.

In its study of the Auditor's Office, the National Conference of State Legislatures (NCSL) found that the Auditor has not served in the capacity of federal liaison because the Legislature has not specified its requirements. The study also found that it is highly unusual to require a legislative auditor to serve as a liaison between the state and the federal government. The Auditor concurs with NCSL's findings. Your Committee believes that the repeal of the liaison provision would serve to clarify the Auditor's actual duties.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 2668 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 George.

**SCRep. 2403      Consumer Protection and Commerce on S.B. No. 2468**

The purpose of this bill is to authorize the Real Estate Commission to void the sale of a condominium residential unit designated for owner-occupancy, when the prospective owner-occupant in fact fails to take and maintain occupancy of the unit or sells, leases, rents, assigns, or otherwise transfers the unit within one year. The bill is intended to eliminate apparent abuses of the owner-occupancy set aside provisions of chapter 514, Hawaii Revised Statutes, by speculators.

Your Committee received testimony from the Real Estate Commission and the Condominium Property Regime Committee, Real Property and Financial Services Section of the Hawaii State Bar Association, both of which recommended substantial revisions to the bill to make it more effective and simpler to administer and enforce.

Your Committee finds that speculation in condominium units designated for owner-occupancy is a substantial problem. Legitimate purchasers are being denied the opportunity to buy and occupy these units and sales prices are being driven up at a rapid pace, as speculators take their profits. Your Committee further finds that efforts must be made to stop this abuse.

Your Committee has made major revisions to the bill consistent with the recommendations of the Real Estate Commission and the Hawaii State Bar Association Committee. Your Committee has amended the bill to, among other things:

- (1) Add provisions requiring that owner-occupants occupy the condominium unit as their primary residence for at least one year and dispose of all other residential property they own;
- (2) Add provisions allowing a developer the option of conducting a public lottery for purposes of determining the order of names on reservation lists for units designated for owner-occupants;
- (3) Add provisions prohibiting the sale, lease, assignment, or other transfer of a contract to purchase an owner-occupant unit without the approval of the developer and the Real Estate Commission, or the sale, lease, rental, assignment, or other transfer of the unit (after conveyance to the original purchaser) without the approval of the Commission;
- (4) Add provisions placing on the original purchaser the burden of proving that any sale, lease, rental, assignment, or other transfer was not in violation of the conditions imposed by the bill, and imposing strict sanctions if it is determined that a violation has occurred, including loss of the net proceeds from any transfer, injunctive relief, and a fine of up to \$2,500; and
- (5) Add provisions imposing sanctions against developers and real estate brokers or salespersons assisting an individual in violating the owner-occupant set aside provisions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2468, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Matsuura and Nakasato.

**SCRep. 2404      Judiciary on S.B. No. 2936**

The purpose of this bill is to require every legislator and certain State employees, as defined in Section 84-3, Hawaii Revised Statutes, to disclose information to the State Ethics Commission regarding air travel and overnight lodging paid for or provided by a business and accepted by the legislator or employee in the performance of their official State duties.

Testimony in support of the bill was offered by the State Ethics Commission and Common Cause Hawaii. Both parties indicated that while they preferred the original form of the bill, they endorsed it in its amended form.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2936, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 2405 Higher Education on S.B. No. 2958**

The purpose of this bill is to provide that the Community College Division of the University of Hawaii (UH) shall be solely responsible for the instruction and coordination of instruction for apprentices.

Your Committee finds that although present law allows for either the Community College Division of the UH or the Department of Education to provide for related instruction and coordination of instruction for apprentices, in practice, the Community College Division has been doing it.

Your Committee received testimony in support of the bill from the Chancellor for Community Colleges indicating that this bill is essentially a housekeeping measure for them and would not in any way affect their ability or commitment to provide related instruction and coordination of instruction for apprentices. The Department of Education also supported the intent of the bill

Your Committee believes it appropriate to amend the law to reflect the current practice.

Your Committee on Higher Education is in accord with the intent and purpose of S.B. No. 2958 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2406 (Joint) Agriculture and Government Operations on S.B. No. 2254**

The purpose of this bill is to amend the laws relating to grants, subsidies, and purchases of service.

Specifically, the bill amends section 42-1, Hawaii Revised Statutes (HRS), by amending the definition of the words, "grant", "purchase of service", and "subsidy" to exclude agricultural promotion and research activities from being affected under these definitions.

Your Committees find that by excluding agricultural promotion and research activities from these definitions, the Legislature will be able to provide funding for certain agricultural promotion and research activities which are not currently allowed by law.

Pursuant to Article VII, Section 4 of the State Constitution, all grants of public money shall be made pursuant to standards provided by law. Since the grants to be made under this bill will not be in accordance with chapter 42, HRS, your Committees find it necessary to include specific standards which allow for such disbursements.

Consequently, your Committees have amended the bill by adding a new section that creates a new chapter in the HRS relating to agricultural research and promotion grants, subsidies, and purchases of services to further delineate the funding power of the Legislature for these projects.

Your Committees on Agriculture and Government Operations are in accord with the intent and purpose of S.B. No. 2254, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2254, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator George.

**SCRep. 2407 Ways and Means on S.B. No. 2159**

The purpose of this bill is to provide a vehicle for substantive amendments regarding capital improvement projects.

Your Committee has amended this bill by inserting the technical language necessary to facilitate future discussions on the topic of capital improvement projects. Your Committee finds that this bill, in its final form, will reflect the legislature's intent to appropriate funds for the development of capital improvement projects where they are needed the most.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2159, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 2159, 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 George.

**SCRep. 2408 Ways and Means on S.B. No. 2331**

The purpose of this bill is to establish the Ka'u economic initiative special fund. Under this bill appropriations equal to the annual appropriations for the promotion of a spaceport in Ka'u would be deposited into the fund and would be used to explore and promote economic growth in Ka'u.

Your Committee has amended this bill by changing the dollar-for-dollar appropriation to an annual appropriation to the special fund equal to 0.05 per cent of the annual appropriation made for promoting the spaceport. The uses of the fund have also been amended. Moneys from the fund are to be used for education and training of local residents so that they may work at the spaceport at all levels of employment.

The purpose of this amendment is to ensure that Ka'u residents will benefit directly from the increased employment opportunities that will be generated by the location of the spaceport in their district.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2331, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2331, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2409      Ways and Means on S.B. No. 3086**

The purpose of this bill is to provide loans to assist in the re-establishment and continuance of small businesses in Kakaako that are displaced due to redevelopment of the area.

Your Committee finds that the rapid rate of redevelopment in Kakaako makes it difficult for businesses to implement appropriate adjustments to their business strategies. Your Committee further finds that chapter 206E, Hawaii Revised Statutes, which mandates the redevelopment of Kakaako, has resulted in a government initiative displacing small businesses. Accordingly, your Committee considers this bill necessary to perpetuate the small business community displaced by the Kakaako redevelopment.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated from \$1,000,000 to \$1 for the purpose of continuing discussions at a future date;
- (2) Specifying that the appropriation section shall take effect on July 1, 1990; and
- (3) Making several technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3086, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3086, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2410      Ways and Means on S.B. No. 3088**

The purpose of this bill is to establish a Hawaii community-based enterprise development loan and grant program to assist traditional and small community-based enterprises in building their own communities to be self-sufficient and encourage diversification of opportunities for Hawaii's residents and communities. In addition, the bill establishes a revolving fund to assist community-based projects and enterprises with funds to enable them to become self-sufficient. An advisory council is also established to review applications for funds to ensure that the objectives of the program are being met.

Your Committee finds that there is a need for a program that supports the establishment of community-based economic development ventures, and that the bill represents an opportunity to promote the creation of economic alternatives for communities throughout the State.

Your Committee has amended this bill by:

- (1) Clarifying that the department of business and economic development has the general authority to adopt implementing rules, rather than solely for purpose of requiring information on grant applications;
- (2) Limiting loans to any one person to an outstanding balance of \$500,000, rather than a \$500,000 limit on the loans made to any one applicant at any one time. Your Committee does not intend that people be allowed to borrow unlimited amounts of money by submitting applications at different times;
- (3) Inserting the sum of \$1 in the appropriation provision for the purpose of continuing discussions at a future date; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3088, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3088, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2411      Ways and Means on S.B. No. 2288**

The purpose of this bill is to establish a special fund into which will be deposited fines and fees collected from supreme court law library patrons.

Your Committee finds that enabling the supreme court law library to retain control of these funds will give it the same level of operational flexibility now enjoyed by the state library system, and increase its ability to improve services to patrons.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2288 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2412      Ways and Means on S.B. No. 2357**

The purpose of this bill is to establish the judiciary history center and attach it to the office of the administrative director of the courts for administrative purposes. The judiciary history center has been developed over the past ten years and has been relying on grants from federal, state, and private sources. Now that the center is established, it requires funding and structure to assure its viability.

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. 2357, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2357, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2413      Ways and Means on S.B. No. 2569**

The purpose of this bill is to make an appropriation to the city and county of Honolulu for the Honolulu police department to study the planning, engineering, installation, training, and implementation of a trunking radio system backbone and a mobile data terminal system backbone.

Your Committee finds that the present telecommunications system of the Honolulu police department is obsolete, ineffective, and dangerous. Problems with the system include congested radio channels which cause dispatchers and officers to wait too long to make calls, poor radio coverage in valleys and high rise areas, inability for officers on the same radio channel to communicate with each other, manual selection of transmitter sites by dispatchers, disruption of public safety communications through lost or stolen portable and mobile radios, identification of units only by their verbal call signal, and insufficient non-interfering frequencies allocated to the police radio service. As a result, there is a decreasing ability to provide adequate safety for both the public and police officers.

A mobile data terminal system and an enhanced trunking radio system will solve the foregoing problems by relieving traffic congestion on voice channels, reducing dispatcher workload, enabling faster response in securing data information from field officers, improving radio coverage in valley and high rise areas, increasing communications between units through elimination of simultaneous transmissions, eliminating manual selection of transmitter sites, providing automatic identification of all officers operating in the system, allowing supervisory control of all portable and mobile radios, and offering flexible restructuring of new radio channels for emergencies and future growth.

Your Committee finds that there is a critical need to upgrade the telecommunications systems of the Honolulu police department to enhance public and police officer safety.

Your Committee has made technical nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2569, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2569, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2414      Ways and Means on S.B. No. 2606**

The purpose of this bill is to require blood testing of convicted sex offenders and repeat offenders, for the purpose of obtaining a DNA identification profile that will allow law enforcement officials to identify reoffenders.

Your Committee finds that the potential for apprehending suspects and solving crimes using DNA testing is invaluable, particularly in instances where fingerprints and positive identification are not possible. Your Committee recognizes the special value that this technology offers in solving sex crimes where victims are children or mentally and emotionally disabled individuals, who are unable to offer reliable testimony at trial and who frequently are the victims of repeat offenders. Further, your Committee concludes that, because a DNA profile can be obtained by hair samples and other body fluids and tissues, it is not intrusive in nature. Your Committee is satisfied that the requirement for DNA testing will withstand legal challenge, as such tests are permissible under rule 16 of the Hawaii rules of penal procedure, and have been upheld in this and other jurisdictions.

Your Committee has amended this bill by changing "shall" at page 3, line 11, of the bill as received to "may" to give the court discretion in ordering DNA testing because of present uncertainty as to how expensive DNA testing will prove to be. Your Committee also has made technical, nonsubstantive changes to this bill for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2606, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2606, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2415      Ways and Means on S.B. No. 2938**

The purpose of this bill is to increase the number of exemptions permitted under section 76-16(9), Hawaii Revised Statutes, by adding one law clerk for the civil administrative judge, first circuit; one law clerk for the civil motions judge, first circuit; one law clerk for the criminal motions judge, first circuit; and two law clerks for the administrative judge of



the district court, first circuit. While all of these positions are currently filled and have received funding, the bill seeks to change the law by conferring statutory authority on the judges to fill them.

Your Committee finds that maintaining these positions as exempt positions on a permanent basis will help to maintain a high level of judicial operations by enabling the judiciary to fill the positions in a timely manner.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2938 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2416      Ways and Means on S.B. No. 3016**

The purpose of this bill is to provide general fund appropriations to satisfy claims against the State of Hawaii for refunds, reimbursements, payments of judgments, settlements, and other payments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3016, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2417      Ways and Means on S.B. No. 3040**

The purpose of this bill is to require that a sign language interpreter be made available at every judicial function and every courtroom proceeding that is open to the public in which the person requesting the interpreter is a blood relative to a party or a witness.

Your Committee has amended this bill to clarify that the sign language requester may be a witness or a party or a blood relative to a party. This change merely instates an amendment intended to be made by your Committee on Judiciary, as indicated by Standing Committee Report No. 2135, which was accidentally omitted.

Your Committee has also amended this bill to require any person requesting a sign language interpreter to give the court two days' notice before the proceeding or function.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3040, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3040, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2418      Ways and Means on S.B. No. 3144**

The purpose of this bill is to repeal the June 30, 1993, sunset date of Act 381, Session Laws of Hawaii 1989, which established the adult protective services law.

In affording permanency to the adult protective services law, the department of human services can effectively implement the mandates of that law. Further, the repealing of the law in 1993 would have resulted in no laws pertaining to adult abuse, neglect, or exploitation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3144 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2419      Ways and Means on S.B. No. 3358**

The purpose of the bill is to establish and fund an intrafamily sexual assault program within the adult probation unit of each judicial circuit. The first circuit is the only circuit presently scheduled to start this type of program.

Your Committee finds that sexual assault between family members is a serious and significant problem. The specialized focus of the program is to benefit the offenders as well as the families involved.

Your Committee has amended the bill by changing the appropriation amount to \$561,583.48. Your Committee has also made a technical, nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3358, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3358, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2420      Tourism, Recreation and Planning on S.B. No. 3225**

The purpose of this bill is to prohibit thrill craft or parasailing activities on weekends and state holidays.

Your Committee received supporting testimony from several citizens. Your Committee also received testimony from the Ocean Recreation Council of Hawaii and several commercial ocean recreation companies and their employees generally opposing any further restrictions on thrill craft and parasailing activities. Many of these witnesses recommended that the

Department of Transportation be allowed to revise its Ocean Recreation Management Plan in line with recent National Marine Fisheries Service (NMFS) recommendations. Your Committee also received testimony from the Department of Transportation, indicating that it was working to revise its Ocean Recreation Management rules to incorporate the NMFS recommendations. The Department recommended that the bill be amended to ban only commercial thrill craft operations on weekends and state holidays, leaving non-commercial thrill craft users and parasailing activities free to operate during these periods. The Department indicated that parasailing activities are generally well offshore and do not affect crowded shoreline areas.

Your Committee finds that thrill craft operations should be banned on weekends and state holidays because of the serious adverse impacts on ocean congestion and public safety. Your Committee also finds that additional water sports activities, namely water sledding and commercial high speed boating, are in need of regulation.

Your Committee has amended the bill to:

- (1) Add definitions of "commercial high speed boating," "open ocean racing boat," and "water sledding;"
- (2) Authorize the Department of Transportation to designate waters on which and the time periods during which persons may engage in commercial high speed boating and water sledding;
- (3) Require the Department of Transportation to comply with National Marine Fisheries Service official recommendations with regard to the protection of protected marine life and habitats; and
- (4) Eliminate the ban on parasailing activities on weekends and state holidays.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of S.B. No. 3225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3225, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

#### **SCRep. 2421      Government Operations on S.B. No. 2181**

The purpose of this bill is to clarify when the two-year time period begins in which to bring a civil action against a government agency for denial of access to a personal record or the failure to correct or amend an individual's personal record under the Uniform Information Practices Act (UIPA).

The UIPA, which took effect on July 1, 1989, is the State's new public records law which promotes open government while protecting an individual's constitutional right to privacy. The Office of Information Practices (OIP), which is attached to the Department of the Attorney General, was created to assist all state and county agencies meet their duty to implement and administer the UIPA.

This bill clarifies the intent of the law that an individual may bring an action against a government agency in circuit court no later than two years after notification of the agency's denial, or if the individual first appealed to the OIP, no later than two years after the date of receipt of the final determination of the OIP, whichever occurs last.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2181 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 George.

#### **SCRep. 2422      Government Operations on S.B. No. 2342**

The purpose of this bill is to make several housekeeping amendments to the laws pertaining to the counties.

Specifically, this bill: (1) provides that the publication of comprehensive ordinance codes of all counties be updated and indexed as provided by ordinance; (2) repeals the requirement that the counties publish the supplements to the codes each year; (3) provides that the head of each county council immediately submit to the county's budget director a schedule of expenditures following the enactment of the operating budget ordinance; (4) repeals the prohibition on the imposition or collection of ad valorem assessments by the counties to replenish the reserve fund; and (5) allows the medical examiner of a county to assist the medical examiner of any other county.

Your Committee received supporting testimony for all provisions of this bill from the Corporation Counsel of the City and County of Honolulu.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. 2342 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 George.

#### **SCRep. 2423      Government Operations on S.B. No. 2434**

The purpose of this bill is to broaden the bid deposit requirements for public contracts to include credit union instruments.

In 1988, amendments to the bid deposit requirements for public contracts added share certificates as acceptable security. Other credit union instruments such as credit union cashier's checks, certified checks, and teller's checks were

not included in the amendment solely because credit unions do not issue instruments regularly. However, credit unions are allowed to issue these instruments and do so with growing frequency because they are widely acknowledged as secure financial instruments.

Your Committee received supporting testimony from the Hawaii Credit Union League and finds that this bill will safely and appropriately facilitate the bidding process for public contracts and is therefore in the public interest.

Your Committee has amended this bill to correct a typographical error which had no substantive effect.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2434, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2424      Government Operations on S.B. No. 2491**

The purpose of this bill is to raise the level at which informal bids are required for the expenditure of public monies.

This bill proposes to raise the expenditure level for informal bidding from between \$4,000 and \$8,000 to between \$8,000 and \$15,000. The exception to these limits would be for: (1) public works or repairs and maintenance of buildings, roads, and other site improvements, for which the expenditure levels would be raised from between \$4,000 and \$15,000 to between \$8,000 and \$25,000; and (2) repair of publicly owned or leased heavy equipment, automotive equipment, sewage treatment plants, utility lines, and emergency roadway work, for which the expenditure levels would be raised from between \$4,000 and \$10,000 to between \$8,000 and \$15,000.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and the Department of Finance of the County of Hawaii. Testimony indicated that raising the expenditure levels for informal bidding will encourage smaller businesses which may have found the bonding requirements of formal bidding to be prohibitive to participate in the bidding process.

Your Committee has amended this bill by increasing the expenditure level for formal bidding in section 103-22(a) from \$8,000 to \$15,000. This amendment will conform the formal bidding expenditure minimum with the proposed changes to the informal bidding levels.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2491, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2425      Government Operations on S.B. No. 2600**

The purpose of this bill is to broaden the bid deposit requirements for concessions on public property to include all credit union instruments.

Under current law, credit union members are not allowed to support their bids for concessions on public property with credit union instruments; only cash or instruments issued by federally insured banks or savings and loan institutions are permissible bid deposits. However, credit union instruments are also federally insured instruments.

Your Committee received supporting testimony from the Hawaii Credit Union League and finds that since credit unions can provide the same assurances of security for their instruments as banks and savings and loan associations, allowing them to secure bids for concessions on public property is appropriate.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2600 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 George.

**SCRep. 2426      Government Operations on S.B. No. 2691**

The purpose of this bill is to amend the law relating to maximum amounts payable from petty cash funds of State and county agencies.

Specifically, the bill lowers the maximum dollar amount from \$100 to \$25 from which a payment must be made by a State or county agency's petty cash fund. Under the existing law, State and county agencies are required to pay for goods or services rendered from their petty cash fund if the amount does not exceed \$100.

The Department of Accounting and General Services (DAGS) offered testimony in support of this bill. They explained that the intent of the law was to expedite payment to vendors, reduce the workload of department and agency personnel, and provide cost savings to the State. DAGS indicated that while this system has benefitted smaller departments, many of the larger departments and agencies are experiencing longer delays in paying vendors. The major problem has been a significantly increased workload in processing payments because the number of transactions under \$100 make up approximately thirty to forty percent of their total payments.

Inasmuch as such a substantial portion of each agency's payments falls under \$100, this suggests that the threshold may be too high for many agencies to handle efficiently. Lowering the threshold to \$25 would reduce the number of payments made out of petty cash to about eight percent of the total payments made by an agency.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2691 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 George.

**SCRep. 2427      Government Operations on S.B. No. 2801**

The purpose of this bill is to establish a new classification of "single room occupancy dwelling" under chapter 445, Hawaii Revised Statutes.

Your Committee finds that providing adequate housing for the elderly remains a serious problem for the state. Whenever possible, the state must solicit the resources of the private sector to eliminate or reduce the demand for elderly housing. However, private owners desiring to provide housing for the elderly are often faced with building code requirements that force rents to be set at rates beyond the financial means of older persons.

This bill was an attempt to exempt certain buildings from building code requirements to allow the elderly to rent decent and affordable housing. The bill, however, included rather than excluded these buildings from the code. Therefore, your Committee has amended the bill to distinguish "single room occupancy dwelling" (SROD), which is the type of building in question, from "hotel." The distinction allows buildings housing the elderly to escape the code requirements meant for hotels. Your Committee has also exempted SRODs from the licensing requirements of chapter 445, Hawaii Revised Statutes.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2801, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2428      Government Operations on S.B. No. 2920**

The purpose of this bill is to amend section 46-1.5, Hawaii Revised Statutes, relating to the general powers of the counties.

This bill repeals the authority of the counties to impose civil fines and criminal penalties for building or zoning code violations, and allows each county to impose fines and penalties for violation of any county ordinance or rule, after reasonable notice and request to correct or cease the violation. Additionally, the bill allows for civil fines to be administratively imposed after the violator has had an opportunity for a hearing pursuant to chapter 91, Hawaii Revised Statutes, but provides that the hearing process is not a prerequisite for any civil fine or injunctive relief ordered by the circuit court.

Testimony in support of this measure was received from the Department of Parks and Recreation of the City and County of Honolulu, the Hawaii County Council, and the Department of Public Works of the County of Hawaii. The Department of Parks and Recreation stated that under existing laws, it has been difficult to deal with unauthorized encroachment and commercial uses in City parks. The Department has to rely on the Prosecuting Attorney to file a criminal misdemeanor complaint or the Corporation Counsel to seek a civil injunction. Neither option brings timely or desired results.

Your Committee finds that expanding the authority of the counties as proposed in this measure is appropriate and an important means of streamlining and expediting code enforcement efforts.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2920 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 George.

**SCRep. 2429      Government Operations on S.B. No. 2781**

The purpose of this bill is to require state agencies to award contracts preferentially to vendors offering recycled products.

Generally, the bill requires preference to vendors offering recycled paper or plastic products and to contractors utilizing recycled steel materials; provided that the product does not exceed the lowest bid by ten percent.

Your Committee finds that the State must take the lead in recognizing not only the finite quality of the earth's natural resources which is needed to produce consumer goods, but also recognizing the finite space devoted to garbage disposal. Recycling addresses both concerns by reducing the use of our natural resources and reducing the amount of space devoted to garbage disposal.

Your Committee has amended the bill by adopting the recommendation made by the Department of Accounting and General Services to condense the proposed part into a section. The amendment does not compromise the purpose of the bill and allows for greater administrative flexibility.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2781, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2781, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2430      Government Operations on S.B. No. 2817**

The purpose of this bill is to provide special motor vehicle license plates for residents of Hawaii who are former prisoners of war, Pearl Harbor survivors, or recipients of the Purple Heart.

Your Committee finds that this bill is an excellent means of distinguishing and honoring our veterans, who have made great contributions to our country by ensuring the democratic freedom of its citizens. They deserve the public recognition and acclamation accorded to those who fight to protect our country.

These survivors have given so much and asked for so little. Your Committee strongly believes these heroes should be recognized and honored for their gallant service above and beyond the call of duty.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. 2817, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Cobb and George.

**SCRep. 2431      Energy and Natural Resources on S.B. No. 2220**

The purpose of this bill is to exclude private shared telecommunications service (STS) from regulation by the Public Utilities Commission.

Your Committee heard testimony both in support of and in opposition to the bill. Generally, those who testified agree that STS should be introduced in Hawaii, but disagree about the extent to which STS providers should be deregulated.

The Public Utilities Commission, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and GTE Hawaiian Telephone Company (HawTel) expressed reservations with respect to the complete deregulation of STS providers. Their concerns center on the impact of deregulation on the customers of telecommunications services. For example, without regulatory oversight, HawTel customers may be required to bear a disproportionate share of stranded investment costs, or an unregulated STS provider may indiscriminately deny service to a potential customer because providing the special services requested may be unprofitable.

Your Committee finds that these concerns are not unique to STS. As other innovative telecommunications services emerge, the Legislature will in all likelihood be asked to address the issue of regulation and the demand for swift introduction of such services. Rather than requiring a legislative response to each emerging telecommunications service, your Committee believes that the Public Utilities Commission should be given the flexibility to regulate or deregulate, partially or fully, any telecommunications service or provider, as required by the public interest. The Commission is equipped to consider the ramifications of deregulation and, as an administrative agency, is able to respond quickly to conditions that may militate against continued deregulation.

Accordingly, your Committee has amended this bill to provide the following:

1. Telecommunications providers are included in the definition of "public utility," subject, however, to a new section to be added to chapter 269, Hawaii Revised Statutes.
2. Under that new section, the Public Utilities Commission may exempt a telecommunications provider or service, permanently or on a trial basis, from any or all regulatory requirements if such exemption is in the public interest.
3. The Commission shall streamline the regulatory process for the granting of exemptions, where practicable, and shall formulate guidelines for the equitable provision of telecommunications services.
4. The Commission may attach conditions to the exemption.
5. An exempted telecommunications provider must provide written notice of any intent to terminate its service. Upon such termination, the basic local exchange service provider shall ensure that all affected customers continue to receive basic local exchange service.
6. If appropriate, the Commission may reassert its regulatory oversight over any exempted provider or service.

Your Committee believes that the bill, as amended, will allow for the timely introduction of new telecommunications services. As public utilities, the providers of these new services may be exempted from any or all regulatory requirements, but with a reservation of regulatory powers by the Commission. Regulatory flexibility will enable the Commission to streamline procedures affecting the introduction of new services.

Your Committee intends that this bill, as amended, will address the concerns specific to STS. It provides the vehicle by which the Public Utilities Commission can act promptly to prevent any discontinuance or threatened discontinuance of STS services until a final Commission ruling is made. The bill, as amended, also allows the Commission to respond quickly to STS providers or users who wish to update and modernize equipment now in use.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2220, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2220, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2432      Energy and Natural Resources on S.B. No. 2705**

The purpose of this bill is to amend section 188-29 of the Hawaii Revised Statutes to clarify that shrimp or opae may be taken with traps of smaller mesh than the present legal mesh size.

The Director of the Department of Land and Natural Resources testified that, when section 189-29 was amended in 1989 to establish a one-inch by two-inch minimum mesh size for traps made of rigid materials, it was intended that an exception would be provided for shrimp and opae traps, as was done in the case of nets. This administration bill includes the provision that was inadvertently omitted.

With the concurrence of the Department of Land and Natural Resources, your Committee on Energy and Natural Resources amended the bill to allow entrance cones for shrimp or opae traps to also be constructed of smaller sized mesh.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2705, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2433      Energy and Natural Resources on S.B. No. 3285**

The purpose of this bill is to exclude from the definition of "geothermal resources", all water and other fluids and gases found below ground with a temperature of 150 degrees Fahrenheit or less.

Your Committee finds that redefining "geothermal resources" in this manner would encourage new industries, such as the bottling and sale of mineral water and spa and resort development, by not subjecting them unnecessarily to the permit and other requirements applicable to geothermal development.

The Department of Land and Natural Resources testified that it would support the bill for these purposes.

Your Committee has amended the bill to clarify that the excluded fluids and gases are those not used for electric power generation, and made a few technical amendments which have no substantive effect.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 3285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3285, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2434      (Majority) Energy and Natural Resources on S.B. No. 2223**

The purpose of this bill is to make it unlawful to sell any ahi (yellow fin and bigeye tuna), opakapaka, and onaga less than three pounds in weight.

Your Committee finds that Ahi, opakapaka, and onaga are all commercially important fishes for Hawaii today. The present minimum weight of one pound for these species does not ensure protection for reproductive purposes and more stringent requirements are warranted. By prohibiting the sale of ahi, opakapaka and onaga under three pounds, the smaller fish would be afforded some degree of protection as they grow to maturity.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2223, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.  
Senator Crozier did not concur.

**SCRep. 2435      Energy and Natural Resources on S.B. No. 2475**

The purpose of this bill is to provide that any premium payable to the Board of Land and Natural Resources as a condition precedent to assignment of a lease of public lands shall be assessed, in the case of a foreclosure or sale, only after all other claims are paid off.

Under current law, the premium payable to the Board is based on the amount by which the consideration for the assignment, whether by cash, credit, or otherwise, exceeds the depreciated cost of the improvements and trade fixtures being transferred to the assignees, and has priority over all debts of the lessee relating to the lease.

Your Committee finds that the original intent of this bill was to exempt agricultural leases from the premium fee requirement altogether. However, as amended in Senate Draft 1, this intent was not achieved. Instead the effect became overly broad in that it failed to specify agricultural leases and assigned last priority to payment of premium fees due the Department in cases of transfer due to foreclosure or sale of all State leases.

After full consideration of this issue, your Committee has determined that premiums payable to the Board for transferring agricultural lands should be paid after all other encumbrances and other liens or debts of the lessee relating to the property have been paid, regardless of the reason for transfer. Your Committee has amended this bill accordingly and has also restored other references to agricultural leases which were deleted in the S.D. 1.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2475, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2475, S.D. 1, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2436      Health on S.B. No. 1630**

The purpose of this bill is to establish a two-year pilot project to provide for the autonomous operation of Hilo Hospital.

This bill authorizes the decentralization of Hilo Hospital operations within the State's public hospital system to foster greater local participation in healthcare matters, enhance administrative accountability, and ultimately provide a more caring and personal healthcare system.

Testimony in support of this bill was received from the Department of Health and the State Health Planning and Development Agency.

Your Committee has amended this bill by incorporating the language of a similar measure, S.B. No. 3113, which establishes a two-year autonomy pilot project at Maui Memorial Hospital.

In addition, your Committee made the following amendments to the bill:

- (1) Allowing the Director of Health to maintain existing support services provided by Maui Memorial and Hilo Hospitals;
- (2) Deleting the waiver of applicable State Health Planning and Development Agency (SHPDA) policies, rules, and procedures; and
- (3) Authorizing the Department of Health to limit the autonomous operation of Hilo Hospital as deemed appropriate by the Director of Health.

Your Committee believes that Maui Memorial Hospital is a good choice for this pilot project because it already has a strong foundation of local community support, and is self-supporting in that it is not dependent on general funds for operation. Therefore, your Committee is confident that Maui Memorial Hospital is equipped and ready to function autonomously at this time.

Presently, it appears that Hilo Hospital is nearing the level of readiness necessary to operate autonomously. Since full autonomy may not be feasible immediately, your Committee has included Hilo Hospital in this pilot project with a provision authorizing the Department of Health to limit autonomous operation as deemed appropriate by the Director.

Your Committee finds that this bill will make public hospitals more responsive to local needs and will allow for greater autonomy of hospital operations at the community level. Your Committee further finds that the results of this pilot project are important for the future planning and administration of other facilities in the State's community hospital system.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1630, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1630, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2437      Health on S.B. No. 2122**

The purpose of this bill is to implement the recommendations of the legislative auditor in the report entitled: "Sunset Evaluation Report, Regulation of Tattoo Artists, Electrologists and Sanitarians."

This bill creates two new parts to chapter 321, Hawaii Revised Statutes, establishing the licensing requirements and regulation of tattoo artists and electrologists by the Department of Health. The Department is authorized to adopt rules: (1) prohibiting the use of anesthetics, medications, and prescription drugs by licensees; (2) establishing procedures and conditions for sterilization, storage, and disposal of needles and equipment; (3) establishing examination standards; and (4) fixing penalties and fines for violations. Under this bill, any person who practices as a tattoo artist or electrologist in the State must pass a written examination and be issued a license by the Director of Health. The bill also establishes grounds for suspension or revocation of licenses, and prohibits the application of facial tattoos by anyone other than a licensed physician, and provides for the regulation of tattoo artists and electrologists until December 31, 1996.

Your Committee made several amendments to the bill by:

- (1) Deleting the purpose section;
- (2) Prohibiting the use of injections, unless administered by a physician or other health care professional authorized by the Director, and deleting references to "anesthetic" injections, "medication", and "prescription drugs";

- (3) Prohibiting the use of topical anesthetics except under the general supervision of a physician;
- (4) Deleting the requirement that examination standards meet nationally established standards for validity, reliability, and fair administration;
- (5) Allowing the Department of Health to adopt rules providing for separate standards for facial tattoos;
- (6) Deleting the requirement that the licensing examination be a written examination;
- (7) Adding that facial tattoos may be applied under the general supervision of a physician;
- (8) Providing that a license to practice as a tattoo artist does not necessarily give the licensee the right to apply facial tattoos;
- (9) Deleting Section 3 of the bill relating to the regulation of electrologists and incorporating H.B. No. 3377 in part, which authorizes the Department of Commerce and Consumer Affairs to regulate electrologists, require the Department of Health to assist in formulating rules and have jurisdiction over sanitation requirements, establish requirements for licensing and grounds for disciplinary actions, and allow persons holding valid licenses on the day before the effective date of the Act to be considered licensed;
- (10) Incorporating the sections of H.B. No. 3377 relating to discipline, complaints, grounds, proceedings, hearings, penalties, biennial renewal, failure to renew, fees, and licensing without examination into the new part regulating tattoo artists;
- (11) Adding a section of H.B. No. 3377 which requires any board, commission, program, or entity subject to the sunset law formed pursuant to the Hawaii Regulatory Licensing Reform Act (chapter 26H), Uniform Land Sales Act (chapter 484) the Condominium Property Regimes Act (chapter 514A), or the Time Sharing Plans law (chapter 514E) to be placed under and regulated by the Department of Commerce and Consumer Affairs;
- (12) Extending the sunset provision for the regulation of sanitarians to December 31, 1992;
- (13) Restoring the provision allowing the Department of Health to prescribe necessary public health or safety rules regarding the occupations of electrologists and sanitarians;
- (14) Providing that the Department of Health administrative rules governing licensure and regulation of electrologists shall continue until amended or repealed by the Department of Commerce and Consumer Affairs;
- (15) Providing that the regulation of electrologists by the Department of Commerce and Consumer Affairs shall take effect on January 1, 1991; and
- (16) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2122, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2438      Health on S.B. No. 2141**

The purpose of this bill is to amend section 329-1, Hawaii Revised Statutes, by inserting additional compounds into the definition of "anabolic steroid".

Your Committee finds the provisions of the bill clarify and strengthen the definition of "anabolic steroid" by adding compounds and including derivatives used for the same purposes as steroids already listed. This makes for a more complete list of anabolic steroids.

Your Committee received supporting testimony from the Office of the Attorney General who stated that the proposed amendment would remove inconsistencies and ambiguities in the current law.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2141 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2439      Health on S.B. No. 2581**

The purpose of this bill is to prohibit the sale of cigarettes from vending machines in any area open to the public.

Your Committee finds that, despite efforts by the government and many private organizations to publicize the health hazards of cigarette smoking, it continues to pose problems in the community. One problem that your Committee finds especially troubling consists in the fact that accessibility to cigarettes is relatively easy for minors because they can purchase them from vending machines which are often left unattended in public areas.

While this bill addresses the problem of minors purchasing cigarettes from vending machines, it also infringes upon the rights of cigarette smoking adults who would be denied easy access to cigarette machines. Although your Committee



would prefer all smokers, both adults and minors, to stop smoking, it believes that a more reasonable approach to this problem is to tailor the cigarette machine ban so as not to infringe unreasonably upon the rights of adult smokers.

Your Committee has therefore amended the bill to prohibit the sale of cigarettes from cigarette vending machines only in places where minors are most likely to have unrestricted access to them.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2581, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2581, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2440      Health on S.B. No. 3111**

The purpose of this bill is to allow the director of health to use Waimano Training School and Hospital for respite care.

This bill authorizes the provision of respite care to eligible individuals with developmental disabilities for whom respite care in community settings is unavailable, and limits care to thirty calendar days per client per year. In addition, respite care at Waimano will not be considered an admission or re-admission to the institution.

Your Committee received testimony in support of this measure from the Department of Health, Department of Human Services, State Planning Council on Developmental Disabilities, Commission on Persons with Disabilities, Kapiolani Medical Center for Women and Children, and the Protection and Advocacy Agency of Hawaii.

Your Committee has amended this bill by:

- (1) Providing a definition of "Respite care";
- (2) Requiring the Department of Health to develop and maintain needed respite services in the community;
- (3) Making a technical, clarifying amendment on page 2, line 22, by changing "community clients" to "clients in the community";
- (4) Allowing for the provision of respite care at Waimano only after every reasonable alternative for respite care in a community setting has been exhausted;
- (5) Requiring the Department of Health to submit an annual report on the progress of and recommendations for the respite care program at Waimano and the development of respite care programs in the community; and
- (6) Providing a sunset clause which will terminate the use of Waimano Training School and Hospital for respite care on June 30, 1995.

It is the intent of your Committee that Waimano Training School and Hospital be used for respite care as long as the existing staff is able to serve clients effectively and adequate bed space is available. To this end, your Committee has been assured that no additional state funding will be needed now or in the future to implement this program.

In the event additional funds are required to provide respite care at Waimano, your Committee believes that these funds should be redirected to develop respite care programs in the community and that the Department of Health must take an active role in pursuing community respite services as more individuals are deinstitutionalized or being diverted from institutionalization.

In addition, it is expected that an informal internal procedure will be developed by the Department of Health in conjunction with client-advocate groups to handle questionable placements.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3111, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2441      Health on S.B. No. 3112**

The purpose of this bill is to: (1) clarify the activities of the Department of Health's epidemiological specialists, and (2) to broaden the scope of the Department's preventive medicine responsibilities to include the field of communicable disease control.

Currently, the law does not define the allowable activities of epidemiological specialists. This bill creates a new section under part II of chapter 321, Hawaii Revised Statutes, allowing epidemiological specialists to collect blood by venipuncture or capillary puncture and through other methods of specimen collection under the direct or indirect supervision of a licensed physician.

Section 321-31, Hawaii Revised Statutes, limits the Department of Health's responsibility in the area of preventive medicine to tuberculosis and venereal disease. This bill broadens the scope of the Department's functions to include communicable disease control.

Testimony in support of this bill was received from the Department of Health.

Your Committee finds it appropriate to clarify the activities of epidemiological specialists since these activities are necessary and traditional in conducting disease investigations for the Department of Health, and that requiring a licensed physician to oversee specimen collection activities will ensure proper training and supervision of epidemiological specialists. Your Committee further finds that by broadening the scope of the Department of Health's preventive medicine responsibilities to include communicable disease control will allow more effective public health intervention by the Department.

Your Committee has amended this bill by adding language to allow the Department of Health to formulate and effectuate programs to reduce disease and disability. Present law provides for prevention programs only.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3112, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2442      Health on S.B. No. 3167**

The purpose of this bill is to allow pharmacists, registered nurses, and licensed practical nurses to administer or dispense methadone under the supervision and order of a duly licensed and registered practitioner.

This bill would apply to the administration and dispensing of methadone as part of a State-registered and Federal Food and Drug Administration-approved program for the treatment of narcotic-dependent persons.

Testimony in support of this measure was received from the Department of Health and the Drug Addiction Services of Hawaii, Inc. (DASH).

Your Committee finds that by allowing agents of licensed or registered practitioners to administer and dispense methadone under certain circumstances, Hawaii law will become consistent with Federal law. Your Committee believes that this bill will provide more efficient and cost-effective treatment for narcotic-dependent persons.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3167 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2443      Transportation on S.B. No. 46**

The purpose of this bill is to increase the fee towing companies can charge for towing vehicles left unattended on private or public property.

Your Committee finds that towing companies are presently allowed to charge \$25 for a regular tow, \$37.50 for a tow using a dolly, \$1 a mile extra for towing mileage over 5 miles, and \$6 for each 24 hours of storage. These rates were established in 1976. Since that time the costs of doing business for tow operators have increased dramatically to the point where many tow companies will not tow away unattended vehicles.

This bill will allow towing companies to charge \$35 for a regular tow, \$40 for a tow using a dolly, \$1 a mile extra for towing mileage over 5 miles, and \$5 for each 24 hours of storage.

Your Committee has amended the bill to retain \$6 as the amount charged for each 24 hours of storage.

Your Committee finds this bill will increase the competition for towing unattended vehicles because the increased rate will allow smaller tow companies to compete with larger companies.

Your Committee received testimony from the Hawaii Automotive and Retail Gasoline Dealers Association and Trouble Call Service in support of this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 46, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 46, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Menor and George.

**SCRep. 2444      Transportation on S.B. No. 3130**

The purpose of this bill is to exempt commercial driver licenses issued in Canada and any state of the United States from state licensing requirements.

Your Committee finds that commercial drivers licenses issued by a province of the Dominion of Canada, under the Canadian National Safety Code, and by any state of the United States, under the provisions of the Commercial Motor Vehicle Safety Act of 1986 (CMVSA), are based on compatible testing and licensing standards.

Your Committee received strong supporting testimony from the Department of Transportation on this bill.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3130 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 George.

**SCRep. 2445      Transportation on S.B. No. 3132**

The purpose of this bill is to amend the formula for assessing gross vehicle weight.

Specifically, this administration bill amends section 291-35, Hawaii Revised Statutes, by making typographical corrections to the formula for loads on interstate highways. Furthermore, the bill corrects the definition of "L" in the formula  $W = 900(L + 40)$  for loads imposed on highways and other than interstate highways.

Your Committee received supporting testimony from the Department of Transportation.

Your Committee finds the definition of "L" in the formula  $W = 900(L + 40)$  was incorrectly defined when the statute was amended in 1977. The correct formula should be based on the distance between two consecutive sets of axles rather than the distance between the first and last axles.

Consequently, the defect in the current law allows excessive weights to be concentrated on certain axles of vehicles resulting in the overstressing of many existing bridges in the State.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3132 and recommends that it pass Second Reading and be placed on calendar for Third Reading.

Signed by all members of the Committee except Senators Menor and George.

**SCRep. 2446      Transportation on S.B. No. 3168**

The purpose of this bill is to allow the Department of Transportation to dispose of abandoned vessels more efficiently.

The bill allows the Department of Transportation to dispose of abandoned vessels with an appraised value of \$250 or less without the requirement of a public auction or a newspaper notice. Presently, the law requires that a newspaper notice be issued before abandoned vessels with an appraised value of \$100 or less can be disposed of without a public auction.

Your Committee received strong supporting testimony from the Department of Transportation.

Your Committee finds that the \$100 value was set in 1970, and the administrative costs of placing a notice in the newspaper and conducting a public auction have increased to the point where the Department of Transportation is unable to recover their costs from the sale of vessels of less than \$250 in value.

Furthermore, your Committee finds that although the bill will not require a newspaper notice, a notice must be placed on the vessel itself stating the vessel's disposition and a deadline for response.

Consequently, the bill will not only save money, but will also provide a more expeditious means of disposing of abandoned vessels with a value of \$250 or less.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3168 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 Menor and George.

**SCRep. 2447      Ways and Means on S.B. No. 2338**

The purpose of this bill to establish an independent fiscal policy office in the legislative branch. More specifically, the bill creates an office of the legislative analyst which is to be administered by a commission on planning and fiscal policy composed of eight legislators, including the presiding officers. The commission, with the assistance of the office of the legislative analyst, will provide the legislature with research, evaluation, analyses, and recommendations regarding state revenues and expenditures, the governor's budget, and economic and fiscal policy.

Your Committee is in agreement with the findings and intent of the Committee on Legislative Management as noted in Senate Standing Committee Report No. 2073. Your Committee has left the appropriation amount blank since it is awaiting information for a more accurate determination of the cost requirements for establishing an independent fiscal policy office.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2338, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2448      Ways and Means on S.B. No. 2109**

The purpose of this bill is to establish a permanent, civil service exempt condominium specialist in the department of commerce and consumer affairs and to provide for an exempt secretary for the condominium specialist.

Your Committee is aware there is considerable support within the department, the real estate profession, and the condominium community to establish a permanent condominium specialist position.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2109, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2449      Ways and Means on S.B. No. 3117**

The purpose of this bill is to clarify that the exemption from general excise taxes granted to financial corporations applies only to the income earned from dealings in moneyed capital.

Presently, under the franchise tax law, section 241-1, Hawaii Revised Statutes, provides that a financial corporation is subject to the franchise tax imposed by section 241-3 if it is exempted from the income tax law (chapter 235) or the general excise tax law (chapter 237), or both. As amended in 1987, section 235-9 specifically exempts financial corporations; therefore, if a corporation qualifies as a financial corporation, it will be taxable under the franchise tax law (chapter 241).

Although every entity taxed under chapter 241 is exempt from the payment of the net income tax, not every entity taxed under chapter 241 is completely exempt from the general excise tax imposed by chapter 237 as, for example, a financial corporation which engages in both mortgage lending and mortgage brokering activities.

Your Committee finds that the term "moneyed capital" is a term of art that does not lend itself to exact definition and therefore your Committee has amended this bill to specify that the exemption shall apply only to interest, discount, points, loan fees, loan origination charges and finance charges which are part of the computed annual percentage rate of interest and which are contracted and received for the use of money.

Your Committee has further changed the effective date to July 1, 1990.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3117, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3117, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2450      Ways and Means on S.B. No. 3464**

The purpose of this bill is to appropriate \$900,000 to enable the legislature to obtain important information relating to the markets for automobile parts, liquid fuels, and building supplies. The bill also expands the investigatory authority of the attorney general as to investigations conducted on monopolies and other unfair methods of compensation.

The funds will be used to contract with nationally recognized analysts to study the markets, develop models for future monitoring, and propose strategies for making the markets more competitive in Hawaii. The contracts will be executed by the department of the attorney general, with input from the office of state planning and the office of consumer protection regarding specifications.

Your Committee finds that Hawaii's high prices in virtually all markets are not due solely to our geographic location. If markets for goods and services are operating improperly or unfairly, or even merely inadequately, it behooves the legislature to find out and develop legislation or policies that will ameliorate the situation. Your Committee considers this to be a duty directly related to the public interest that the legislature owes to the consumers of this State.

The markets for automobile parts, liquid fuel, and building supplies have been selected for study because the high prices of these commodities affect a broad segment of Hawaii's population and may limit the ability of many of our citizens to achieve a standard of living commensurate with their income and aspirations. Also, it is generally recognized that these markets are substantially different in Hawaii than in other regions of the country. Your Committee is not implying that suppliers in these markets engage in illegal, predatory, or unfair practices. Rather, your Committee believes that information, models, and strategies that would enable the legislature to make appropriate adjustments in these markets would be relevant to other markets as well through establishment of a general policy or application on a case-by-case basis.

Your Committee has amended this bill by changing the appropriated amount to \$1 to allow discussion to continue at a future date.

Your Committee has also made technical nonsubstantive changes 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. 3464, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3464, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2451      Ways and Means on S.B. No. 2919**

The purpose of this bill is to share with the counties revenues collected by the State pursuant to the transient accommodations tax under chapter 237D, Hawaii Revised Statutes by:

- (1) Amending the definition of "gross rental" or "gross rental proceeds" in the transient accommodations tax law to exclude taxes imposed by that law;
- (2) Raising the basic transient accommodations tax rate from five per cent to five and one-quarter per cent;
- (3) Requiring that sixty per cent of the tax revenues be retained by the State and used for tourism-related activities, while the other forty per cent be made available for appropriation to the counties for improvements to infrastructure and other tourism-related activities;
- (4) Requiring that the director of finance establish a separate special account into which forty per cent of the transient accommodations tax revenues shall be deposited;
- (5) Providing an appropriation of \$75,000 for fiscal year 1990-1991 to the department of budget and finance to implement the provisions of the bill; and
- (6) Requiring the director of finance, in consultation with the director of taxation, to report on the actions, findings, and recommendations relating to the implementation of the bill to the 1991 legislature.

Your Committee has amended Section 4 of this bill by substituting (1) the percentage of revenues collected in subsection (a) from sixty per cent to an undetermined amount, and (2) the percentage of revenues made available for appropriation in subsection (b) from forty per cent to an undetermined amount. In addition, Section 5 is amended by similarly substituting the percentage of funds collected from forty per cent to an undetermined amount. Your Committee has determined that these amendments are necessary to allow more time to consider the total assistance to the counties being provided through all measures being considered by the legislature during this session.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2919, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2919, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2452      Ways and Means on S.B. No. 2968**

The purpose of this bill is to:

- (1) Create a new division of fish and wildlife within the department of land and natural resources;
- (2) Create the position of deputy director of fish and wildlife to head this new division;
- (3) Appropriate \$100,000 to develop plans and specifications for the establishment of this new division;
- (4) Make conforming amendments to sections 76-16, 183-3, and 189G-1, Hawaii Revised Statutes, to reflect the creation of this new division and the position of deputy director of fish and wildlife; and
- (5) Authorize the chairperson of the board of land and natural resources to appoint such deputy directors as the exigencies of the public service may require.

The authorization for the abovementioned reorganization, including the creation of a position for the deputy director of fish and wildlife, will take effect on July 1, 1992, to give the department of land and natural resources sufficient time to plan and implement the reorganization required by this bill.

Your Committee as amended this bill by:

- (1) Deleting all references to the "director" of the board of land and natural resources and substituting in its place the term "chairperson";
- (2) Created three additional sections within section -2 of the new chapter established under Section 2 of this bill relating to:
  - (A) The deputy director of fish and wildlife;
  - (B) The powers and duties of the board of land and natural resources; and
  - (C) The reorganization of the department of land and natural resources;
- (3) Consolidating Sections 6 and 8 of this bill relating to the expenditure of funds by the department of land and natural resources and renumbering Sections 9 and 10;
- (4) Making the appropriation section of the bill (rather than the amendments to the aquaculture advisory council law) effective on July 1, 1990; and
- (5) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2968, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2968, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2453      Ways and Means on S.B. No. 2969**

The purpose of this bill is to change the titles of the stadium manager and deputy manager to director and deputy director and to provide that the compensation received by persons employed in these positions will be consistent with that of department directors and deputy directors. This bill also allows for the appointment of an additional deputy director to the stadium authority.

Your Committee finds that this bill will restore the compensation payable to the administrators of the stadium authority to the level believed to be commensurate with the rate originally envisioned by the legislature. Your Committee further finds that the additional deputy position is necessary to address current workload increases due to additional maintenance and operational demands.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2969, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2454      Ways and Means on S.B. No. 3127**

The purpose of this bill is transfer various parks, recreation areas, and beaches between the State and the counties. The transfer is effective only if the legislature provides the counties with taxing powers. The bill transfers all state officers and employees who are assigned to or service state land and parks listed in the bill to the appropriate county to continue to service the land and parks. Similarly, the bill transfers all county officers and employees who are assigned to or service county land and parks listed in the bill to the State to continue to service the land and parks. The costs associated with the transfers under this bill will be borne by the State or county making the transfer.

Your Committee finds that these transfers are necessary to eliminate jurisdictional overlaps, and enhance public services and the use of resources in each jurisdiction.

Your Committee has amended this bill by deleting redundant language on page 5, lines 22 to 24, which was inadvertently inserted.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3127, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3127, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2455      Ways and Means on S.B. No. 3220**

The purpose of this bill is to (1) require every person engaging in a recreational ocean use to obtain a permit and to remit a surcharge based on the gross receipts of the business; (2) have the permit fees and surcharge revenues be deposited into the boating special fund; and (3) delete enforcement of shore waters and beach laws and rules as permissible uses of the boating special fund.

Your Committee finds that the rapidly expanding use of State waters for commercial recreational purposes has resulted in the need for increased enforcement efforts and necessitated other capital and operating cost expenditures.

Your Committee finds it appropriate to require recreational ocean use businesses to obtain permits and pay reasonable fees. In addition your Committee also finds it appropriate to authorize the Department of Transportation to establish the level of the surcharge with a cap at ten per cent of the gross income of the business.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3220, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2456      Ways and Means on S.B. No. 3221**

The purpose of this bill is to amend the law relating to wildlife conservation and hunting in Hawaii to: (1) clarify that fines and bail forfeitures resulting from violations of the law are to be deposited into the wildlife revolving fund; (2) provide that moneys collected from the sale of any article required to be purchased from the department of land and natural resources in order to hunt be deposited into the fund, regardless of whether or not the person purchasing the article is a prospective hunter; and (3) provide that moneys collected from the sale of any works of art related to the sale of the articles referred to under item (2) be deposited into the fund.

Your Committee finds that this bill authorizes new sources of revenue for the wildlife revolving fund. Because the beneficiaries of these moneys will be the hunting community in Hawaii, your Committee finds that it is entirely appropriate that the various license, bail, penalty, and sales revenues collected by the department of land and natural resources in the course of regulating hunting in the State be deposited to the credit of the wildlife fund.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3221 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2457      Ways and Means on S.B. No. 3229**

The purpose of this bill is to require the office of state planning to conduct periodic studies of the carrying capacity of the State in light of projected increases in both resident populations and visitors. The bill would appropriate funds for fiscal year 1990-1991 for the office of state planning to conduct these studies.

The bill would also require the office to report to the legislature on the need for additional data collection. Finally, the bill would authorize the office of state planning to review development proposals within the water front area of the Kakaako community development district, in accordance with current procedures and applicable county rules. If the office approves the proposals, the developments would be allowed without a special management area permit or shoreline setback variances.

Your Committee finds that it is essential for the office of state planning to study the potential impact of increasing resident populations and visitors on the State and its various regions.

Your Committee also finds that the office needs additional resources to accomplish the required tasks.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3229, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2458      Ways and Means on S.B. No. 3233**

The purpose of this bill is to transfer the duties and functions of the stadium authority, with the exception of the responsibility to manage sports facilities of the University of Hawaii system, to a newly created Hawaii sports authority. This bill also creates a Hawaii sports facility revolving fund and authorized the sports authority to issue revenue bonds for the purpose of financing sports project developments.

Your Committee finds that the establishment of a Hawaii sports authority with jurisdiction over the Aloha stadium as well as other sports programs and facilities will enhance the availability of recreational opportunities for residents of the State and visitors alike.

Your Committee has amended this measure by making nonsubstantive changes for purposes of consistency with the standard conventions of legislative bill drafting. Rather than inserting two new sections to chapter 109 by designating their section numbers and renumbering each subsequent section of the chapter, your Committee has assigned the proposed sections new section numbers that do not interfere with the designations existing under the present law. Your Committee finds that this will prevent the possibility of interfering with the accuracy of any citation of any other provision of law which may reference any existing section of chapter 109.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3233, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3233, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2459      Ways and Means on S.B. No. 3306**

The purpose of this bill is to resolve conflicting uses of Kaneohe Bay by placing the bay under the jurisdiction of the department of land and natural resources. This bill requires the department, through the board of land and natural resources, to develop and adopt rules to preserve and protect the bay, and to resolve conflicts between the general public, marine and ocean research programs, and commercial ocean recreation activities.

Your Committee has amended this bill by:

- (1) Deleting a reference to the classification of Kaneohe Bay as a unique state natural resource that appeared to have been inadvertently left in the findings section; and
- (2) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3306, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3306, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2460      Ways and Means on S.B. No. 3403**

The purpose of this bill is to authorize the counties to provide lifeguard services at state beach parks where the department of land and natural resources and the affected county agree that these services are needed. This bill also appropriates funds to reimburse the counties for providing lifeguard services.

Your Committee finds that lifeguard services at certain state beach parks is warranted due to conditions such as natural safety hazards, the number of swimmers, and other dangerous or unsafe conditions. State beach parks are often among the highest attended beach areas in the State. Assistance to the counties in providing lifeguard services will promote the health, safety, and welfare of the public.

To promote further discussion at a later date in regard to the funds necessary to carry out the purposes of this measure, your Committee has left the appropriated sum of \$1 unamended. Your Committee finds that it would be inappropriate to attempt to estimate the sum necessary before the actual cost of implementing this measure is ascertained.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3403, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2461      Ways and Means on S.B. No. 2695**

The purpose of this bill is to authorize the Hawaii public broadcasting authority to create temporary positions exempt from civil service and compensation laws, funded through the Hawaii public broadcasting revolving fund.

Your Committee finds that in the last two years, the Hawaii public broadcasting authority has become a major producer of public television programs for broadcast to local, national, and international audiences. The work load associated with producing these programs often exceeds the capabilities of the authority's limited permanent staff. In order for the authority to continue its mission, it must be granted the power to hire temporary workers.

Your Committee has amended the prefatory language in Section 2 of the bill to prevent the repeal of all other provisions of the Hawaii public broadcasting authority law. Your Committee has also made technical, nonsubstantive amendments to reflect proper drafting style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2695, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2695, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2462      Ways and Means on S.B. No. 2980**

The purpose of this bill is to appropriate the sum of \$500,000 for the construction and maintenance of a plantation village at the Waipahu Cultural Garden Park, provided that matching funds are contributed from the community and private sources.

The plantation village is planned as a multi-cultural, action-oriented, hands-on learning center that will educate present and future generations about the plantation lifestyle and the diverse cultures present in Hawaii.

Your Committee finds that in 1989, the legislature appropriated \$500,000 to the Waipahu Cultural Garden Park for the first year of construction of this project. Since that time, over \$1,300,000 has been raised from the private sector, demonstrating the overwhelming support of the community for the development of the village. This bill will provide the funds necessary toward the completion of the project.

While it concurs with the intent and purpose of this bill, your Committee finds that further discussion is necessary to determine the level of funding necessary to carry out the purposes of this project. In this regard, your Committee has amended this bill by replacing the sum appropriated with the sum of \$1. Your Committee finds that this action will promote future discussions on the level of funding necessary. Your Committee has also made a technical nonsubstantive amendment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2980, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2980, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2463      Ways and Means on S.B. No. 2981**

The purpose of this bill is to enhance current procedures relating to proper care and protection of burial sites and the enforcement thereof. This bill:

- (1) Creates five island burial councils that, among other things, will determine whether preservation in place or relocation of previously identified native Hawaiian burial sites is warranted;
- (2) Revises the process for handling inadvertent discoveries of burial sites by including the input of the appropriate island burial council;
- (3) Increases the penalty for violations of the historic preservation law from a maximum of \$1,000 for each offense to a maximum of \$10,000 per offense;
- (4) Prohibits the sale of human skeletal remains or burial goods;
- (5) Requires a permit from the department of land and natural resources for out-of-state transport of human skeletal remains or burial goods;
- (6) Requires the department of land and natural resources to consult with the island burial councils, office of Hawaiian affairs, and other appropriate Hawaiian organizations, such as Hui Malama I Na Kupuna O Hawaii Nei, when making decisions regarding burial sites; and



- (7) Appropriates \$100,000 to the department of land and natural resources for fiscal year 1990-1991 to carry out the purposes of this measure, including the hiring of necessary personnel.

Your Committee has amended this bill by:

- (1) Requiring the department of land and natural resources to also consult with representatives of development and large property owner interests when making decisions regarding burial sites;
- (2) Amending Section 2 by deleting reference to section 92-51, Hawaii Revised Statutes, which has been repealed, and substituting in its place a reference to section 92F-12, Hawaii Revised Statutes;
- (3) Amending Section 12 to delete the following statement:  

"All burial sites are significant and shall be preserved in place until compliance with the provisions of this section are met, except as provided in section 6E- .";
- (4) Amending Section 12 to specify that the criteria used to determine whether preservation in place or relocation of previously identified native Hawaiian burial sites is warranted, will include recognition that burial sites of high preservation value are to receive greater consideration for preservation in place;
- (5) Deleting Section 14 relating to the general fund expenditure ceiling and renumbering Sections 15, 16, 17, 18, and 19, accordingly; and
- (6) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee finds that this bill will enhance the ability of the State to appropriately maintain and preserve ancient burial sites, human skeletal remains, and burial goods.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2981, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2981, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2464      Ways and Means on S.B. No. 2259**

The purpose of this bill is to appropriate \$2,567,895 for the school priority fund and to give each school complete discretion in its use of school priority funds without requiring approval from the district superintendent.

Your Committee finds that the additional funding is necessary for personnel, equipment, and supplies which could not otherwise be obtained, and for remedial training in basic skills and other needs related to school improvement. These uses allow schools to address their particular needs and are essential to the successful implementation of school community-based management. Your Committee further finds that an increase in funds for these purposes is consistent with public education policy and should be approved whenever possible and appropriate.

Your Committee has amended this bill by substituting the amount of \$1 in the appropriation provision for the purpose of continuing discussions at a future date.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2259, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2259, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2465      Ways and Means on S.B. No. 2596**

The purpose of this bill is to appropriate \$2,600,000 to provide supplemental compensation for coaches.

Your Committee finds that coaches are primarily concerned for and committed to teaching and motivating students in athletic programs. However, current compensation is inadequate and coaches deserve compensation which is more reflective of the long hours and efforts coaches devote to their profession. Your Committee further finds that in order to attract and retain qualified coaches for our public schools, supplemental compensation for coaches is necessary.

Your Committee has amended this bill by substituting the amount of \$1 in the appropriation provision for the purpose of continuing discussions at a future date.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2596, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2596, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2466      Ways and Means on S.B. No. 2881**

The purpose of this bill is to authorize the department of education to develop formal procedures for obtaining verifiable information regarding the criminal history of persons who are employed or seeking employment in public or private schools in positions affording close proximity to children.

Your Committee recognizes that unverified personal information provided by an applicant may be unreliable and finds that this bill will allow the department of education to verify information relating to the criminal history of applicants.

Your Committee has accepted the recommendations made jointly by the department of education, the Hawaii State Teachers Association, the attorney general, and the Honorable Leland Spencer and, accordingly, has amended this bill as follows:

- (1) In subsection (c) on page 2:
  - (a) By deleting the words "criminal history checks, statements, and other information gathered pursuant to this section" and inserting "the person has been convicted of a crime";
  - (b) By adding "a" before the word "minor" and changing the word "violations" to "offense";
  - (c) By deleting the word "indicate" and inserting "and if the employer or prospective employer finds by reason of the nature and circumstances of the crime"; and
  - (d) By deleting the word "might" and changing the word "pose" to "poses";
- (2) On page 2 following subsection (c), by adding a new subsection (d) which exempts persons who have been employed continuously by the department of education on a salaried basis prior to July 1, 1990 from criminal history record checks authorized under this section;
- (3) On page 5, at lines 4 and 5, by deleting the words "history record information" and inserting "convictions";
- (5) On page 5, at line 20, by deleting the word "conducting"; and
- (6) On page 5, by deleting section 3 and renumbering the remaining sections consecutively.

Your Committee has also changed the amounts appropriated to the departments of education and the attorney general for purposes of further discussion and clarification. Your Committee has also made technical nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2881, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2881, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2467      Ways and Means on S.B. No. 3024**

The purpose of this bill is to allow the comptroller to issue warrants to the department of education to establish a checking account and provide working capital.

Your Committee finds that previous legislation authorized the department of education to pay its vendors, but it did not give the department the means to establish a checking account for working capital without charging the request for funds to an appropriation account. Reimbursement from the department of accounting and general services takes approximately ten days and causes difficulty in the vendor payment system since the department of education does not have any funds for working capital. This bill will allow the comptroller to furnish the department of education with working capital while it waits for reimbursement of actual expenditures.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3024, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2468      Ways and Means on S.B. No. 3025**

The purpose of this bill is to establish a storeroom for department of education supplies and a revolving fund for receiving proceeds from the storeroom's activities and purchasing new supplies and services needed to operate the storeroom.

Moneys in the fund would be derived from charges to schools for supplies and the cost of issuing supplies and from transfers from other accounts and funds. Balances in the fund in excess of \$400,000 will lapse into the general fund at the end of the fiscal year.

Currently, revenues derived from sales to schools are immediately deposited into the general fund.

Your Committee finds that this bill will allow the department of education to make purchases according to the best economical quantity and to accumulate money to make larger purchases.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3025 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2469      (Majority) Ways and Means on S.B. No. 3026**

The purpose of this bill is to establish a statewide after-school program in the public schools to provide affordable and quality services for students enrolled in grades K-6.

This program, known as "A+," would be facilitated by allowing the department of education to employ civil service exempt persons necessary to carry out the program and obtain criminal history record checks from the Hawaii criminal justice data center.

The bill also provides an appropriation for fiscal year 1990-1991 to be expended by the department of education to conduct the after-school program.

Your Committee finds that there is a compelling public interest in providing after-school care for young children who would otherwise be unsupervised after school hours until their parents get home from work. Your Committee also finds that the State has a duty to provide such after-school care, whether or not including education, to protect these "latchkey" children. The program enabled and funded by this measure is therefore considered to be in the public interest.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3026, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.  
Senator Koki did not concur.

**SCRep. 2470      Ways and Means on S.B. No. 3305**

The purpose of this bill is to appropriate funds for fiscal year 1990-1991 to be expended by the department of education to give room cleaners and adult supervisors a raise from \$4 to \$6 per hour.

Your Committee recognizes that the base salary for room cleaners and adult supervisors in the public schools is too low to ensure a pool of qualified individuals to carry out these important duties. The raise contemplated by this measure would help to ensure that our schools maintain health and safety standards and provide a good learning environment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3305, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2471      Ways and Means on S.B. No. 3327**

The purpose of this bill is to appropriate \$25,000 for fiscal year 1990-1991 to be expended by the department of education to begin implementing the school inspection program required by section 296-39, Hawaii Revised Statutes, as enacted by Act 369, Session Laws of Hawaii 1989.

Your Committee agrees with the findings of the Committee on Education in Standing Committee Report No. 2120.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3327 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2472      Legislative Management on S.B. No. 2204**

The purpose of this bill is to amend the criteria used in the report conducted by the Legislative Auditor assessing the financial and social impact of any proposed changes to mandatory health insurance coverage.

Specifically, the bill eliminates the evaluation of the impact of indirect costs from the report and requires the Legislative Auditor to include an assessment of the impact of providing coverage for a treatment or service using such factors as morbidity, mortality, quality of care, change in practice patterns, provider competition, and related items.

Testimony in support of this bill was received from the Hawaii Medical Service Association, the Legislative Auditor and the Department of Health.

Your Committee has amended the bill by deleting the proposed language which prohibits the legislature from considering a measure prior to the submission of the Auditor's report. The language is redundant and unnecessary.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 2204, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2204, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2473      Consumer Protection and Commerce on S.B. No. 2347**

The purpose of this bill is to amend the "Lemon Law" as it relates to the definition of "new motor vehicle" and resolve an apparent conflict in the provisions of the State Certified Arbitration Program ("SCAP").

Section 490:2-313.1, Hawaii Revised Statutes, does not specify whether mopeds, motorcycles, and motor scooters are included in the definition of "new motor vehicle" provided in subsection (h). This bill expands the definition in order to exclude owners of these vehicles from the protection of motor vehicle warranties.

Relating to SCAP, section 490:2-313.2(c) requires all parties to submit to binding arbitration if the claimant so chooses, while subsection (d) appears to allow a trial de novo upon written application of either party whether or not binding arbitration has been invoked. This contradiction has been the source of frustration for several lemon law claimants over the past year. This bill expressly provides that either party may request a trial de novo only if the claimant opts for non-binding arbitration.

Regarding the exclusion of mopeds, motorcycles, and motor scooters from the definition of "motor vehicle," your Committee finds that motorcycles and motor scooters are considered motor vehicles under chapter 286, the "Hawaii Highway Safety Act," indicating a clear intent to include them under the laws relating to motor vehicles. Although the definition in chapter 286 excludes mopeds, your Committee finds that they should also be afforded the coverage provided to owners of motor vehicles under the Lemon Law. Therefore, your Committee has amended this bill by deleting the exclusion of mopeds, motorcycles, and motor scooters under section 490:2-313.1(h), and including mopeds under the definition of motor vehicle in that subsection.

As for arbitration, your Committee finds that the amendment to section 490:2-313.2(d) satisfactorily resolves the issue and is consistent with the intent of the law as originally enacted.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2347, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2474 Consumer Protection and Commerce on S.B. No. 2833**

The purpose of this bill is to provide grounds and a mechanism for an apartment owner to seek removal of a specific member of a board of directors of a condominium owners association, and amend the provisions relating to scheduling of special board meetings to remove officers or directors.

Specifically, the bill provides that a board member may be removed from office by a mediator or arbitrator for failing to:

- (1) Allow an owner to speak at a board meeting;
- (2) Comply with notice, posting, and other meeting requirements;
- (3) Record the vote of each member;
- (4) Provide owners with pertinent records; or
- (5) Disclose conflicts of interest.

A written demand would be delivered by the aggrieved owner to the board member, who would have one month to correct or address the alleged failure to comply. If the member fails to correct or address the problem, the owner would then be entitled to make a written demand for the Condominium Specialist to remove the board member. The Condominium Specialist would then send a copy of the written complaint to the board member requesting a written response. If no response is received in fourteen days, or if the Condominium Specialist considers the claim valid, the matter would be referred to mediation or arbitration, the costs of which would be paid by the association. The period of removal would be at the discretion of the mediator or arbitrator, and refusal of mediation or arbitration would entitle the complainant/owner to pursue the issue in court.

This bill also requires condominium bylaws to allow petitioners to set the time, date, and place of a special meeting to remove an association officer or director if the secretary or managing agent schedules the meeting more than sixty days after the petition is submitted.

Your Committee finds that establishing a mechanism for resolving disputes between owners and board members, where the costs of arbitration or mediation is automatically paid by the association, will expedite the grievance resolution process in condominium property regimes. However, the responsibility for administratively pursuing such complaints should not be delegated to the Condominium Specialist, whose duties are more in line with answering questions and providing information relating to condominiums. Therefore, your Committee has amended this bill by:

- (1) Placing the administrative functions relating to complaints against board members with the Real Estate Commission;
- (2) Granting the Commission discretion to refer the complaint to mediation or arbitration;
- (3) Clarifying the authority of the Commission to investigate facts and the law;
- (4) Requiring complaints to be in writing; and
- (5) Requiring that the response to the complaint be made by the board of directors of the association rather than the individual who is the subject of the complaint.

This amendment will also serve to give the Real Estate Commission more flexibility in discharging its duties relating to condominium property regimes.

Your Committee has further amended this bill by deleting the statutory references from paragraph (4) of the new section proposed for addition to Chapter 514A and inserting reference to section 514A-83.5. Obligations required of the board are contained in section 514-83.5. Obligations stated in the deleted sections are the responsibility of the managing agent or are shared equally by the managing agent and the board.

Additionally, your Committee has made nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2833, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2475      Consumer Protection and Commerce on S.B. No. 3238**

The purpose of this bill is to implement recommendations of the Legislative Auditor relating to regulation of radiologic technologists.

The Auditor's sunset evaluation found that regulation of radiologic technologists should be continued since there is significant potential for public harm from the practice of radiology and current statutes are inconsistent and require clarification.

This bill transfers regulation and licensing to the Department of Health and relegates the Board to an advisory capacity. Also, the bill adds provisions for licensing reciprocity with other states, changes references to "radiologic technologists" to "radiologists" and the practice of "radiologic technology" to "radiography," requires the Department of Health to issue radiography licenses by July 1, 1990, and permits current licensees to continue practicing until the new licensing takes effect.

Your Committee received supporting testimony from the Director of Health and finds that these measures are necessary to protect the consuming public and facilitate the licensing and regulation of radiologic technology.

Your Committee has amended this bill by deleting the reference to "C.R.T.T." on page 17, line 2. This acronym is the registered trademark of the National Board for Respiratory Care, Inc. and stands for "Certified Registered Therapy Technician." In this bill, C.R.T.T. would stand for "Certified Radiation Therapy Technologist," but since the trademark is previously registered, its use by another specialty under state law is inappropriate.

Your Committee has also made several technical 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. 3238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3238, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2476      Transportation on S.B. No. 2115**

The purpose of this bill is to allow a disabled driver to park in any metered parking space and be exempt from paying meter fees.

Your Committee finds that there are many disabled drivers who are unable to feed meters and risk parking tickets when they have to park in metered spaces because designated disabled spaces are full. These drivers need and should have greater access to parking lots statewide.

To resolve the problem of potential abuse of the privilege, your Committee has amended the bill to provide a maximum on the amount of time a disabled person may park in a metered stall. Furthermore, your Committee has amended the bill by requiring disabled persons to pay for parking fees in parking lots serviced by parking attendants.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2115, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2477      Transportation on S.B. No. 3186**

The purpose of this bill is to allow a motor vehicle driver to attend a retraining program once every two years in lieu of having a traffic violation placed on their driving abstract.

Your Committee finds the bill will allow motor vehicle drivers a choice once every two years when they plead guilty to a traffic violation between paying the fine and accepting the points assessed against their driving record or paying a \$5 fee and take a driver retraining program approved by the court. This will result in a large number of drivers being retrained, thereby making them safer drivers and making the roads safer for everyone.

Your Committee, based on the recommendations of the Judiciary, amended the bill by making amendments to clarify and strengthen the provisions of the bill. Furthermore, your Committee deleted on page 1, lines 16-18, and added the phrase "infraction that are classified as crimes, misdemeanors, or petty misdemeanors as defined by section 701-107; and."

On page 2, lines 9-11, delete sentence beginning with "Donations" and add: A mandatory \$5 fee shall be paid to the court which shall be deposited into the driver education and training fund."

On page 2, line 16, your Committee added after the word "defendant," the phrase ", and shall expunge from the defendant's driving record and drivers abstract any reference to the charge against the defendant except that the court may maintain a record of the charge, disposition, and date the defendant completed the court approved driver retraining program."

Finally, your Committee deleted subsection (d) of the bill and added a new section to the bill that amends section 287-3, Hawaii Revised Statutes, by requiring that driver's abstracts contain only moving violation convictions, rather than including alleged moving violations.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3186, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Ikeda and George.

**SCRep. 2478      Transportation on S.B. No. 3280**

The purpose of this bill is to require every rental motor vehicle to contain a decal, instead of a permanently affixed notice, informing renters of Hawaii's seat belt, child passenger restraint, and driving under the influence (DUI) laws.

Your Committee finds that the present requirement of a conspicuously displayed, permanently affixed notice in every rental motor vehicle offered to the public is onerous, as the notices must be reprinted each time the statutes are amended. The Department of Transportation (DOT) informed the Committee that it has decals ready for distribution to all of Hawaii's rental car companies, which provide general information on Hawaii's seat belt, child restraint, and DUI laws. Given the ready availability of these DOT decals and the difficulties rental companies are experiencing under current law, your Committee believes a change in the system is called for.

Your Committee has amended the bill to provide that the decals be printed in no less than ten-point type to ensure readability, and that the requirements, prohibitions and penalties associated with our seat belt, child restraint, and DUI laws be printed on cards to be placed in the glove compartments of rented motor vehicles.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3280, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Menor and George.

**SCRep. 2479      Transportation on S.B. No. 3399**

The purpose of this bill is to reasonably regulate the use of sound amplification systems in motor vehicles in order to protect the constitutional rights of the citizens of the community to privacy and freedom from public nuisance of loud and unnecessary noise.

Your Committee finds the bill prohibits the operation of any sound amplification system which can be heard outside the vehicle from a distance of 150 feet or more, or at a decibel level to be set by the Department of Health. The intent behind using 150 feet or more as opposed to using a lesser distance is to single out the "boom" systems in vehicles as opposed to regulating the use of "normal" or "average" sound systems in motor vehicles.

Your Committee received strong supporting testimony from the Honolulu Police Department, Kauai Police Department, Kauai County Council member James Tehada, Mayor of Maui County, and the American Automobile Association on the bill.

Your Committee finds that presently the police investigate noise complaints of this nature as "disorderly conduct" under section 711-1101 of the Hawaii Revised Statutes which requires the police to wait for a complainant other than a police officer, and to give a warning to the violator which makes enforcement virtually impossible. The bill will allow police officers to issue a citation to the violator without having to wait for a complaint from the public, and without having to issue a warning first. Presently, by the time the police respond to a complaint the violator has usually left the area.

Your Committee finds the bill imposes a fine up to \$250 for the violation which will substantially deter the "boom" vehicle operators from turning up the volume of their amplified sound systems to the point where it interferes with the peace, quiet, or comfort of the surrounding neighborhood.

Your Committee has amended the bill by changing subsection (b) to subsection (c), and subsection (c) to be subsection (d), and by adding subsection (b) as follows: "No person shall operate a motor vehicle with sound amplification system within any residentially zoned district, in a manner that creates a noise which:

- (1) Is audible to the human ear at a distance of one hundred fifty or more feet from the motor vehicle or vehicle that is the source of the noise; or
- (2) Is audible to the human ear at a distance of one hundred fifty or more feet from the property line of any house, condominium, apartment, or other dwelling occupied by human beings."

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3399, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2480      Transportation on S.B. No. 3454**

The purpose of this bill is to extend for one year the prohibition of construction, repairs, or maintenance on Interstate H-1 between the Kapiolani and Kahauiki interchanges between 6:00 a.m. and 6:00 p.m., Monday through Friday until June 30, 1991.

Your Committee received testimony from the Department of Transportation in support of this bill.

Your Committee has amended the bill to allow the Department of Transportation to expedite the process by which night work may be approved for this portion of Interstate H-1.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3454, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2481      Transportation on S.B. No. 2213**

The purpose of this bill is to prohibit vessels from being moored in a state harbor if it has been found by law enforcement authorities to have been carrying illegal drugs.

Your Committee received testimony from the Department of Transportation in support of the bill.

Your Committee has amended the bill to allow law enforcement authorities to moor a vessel which they have seized in a state harbor, and to exempt vessels on which passengers or crew are convicted of carrying illegal drugs so that cruise ships and fishing boats for hire will still be allowed to moor in a state harbor if a passenger is convicted of carrying illegal drugs on board the vessel.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2213, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Ikeda and George.

**SCRep. 2482      (Majority) Consumer Protection and Commerce on S.B. No. 2303**

The purpose of this bill is to prohibit aliens from owning a significant interest in residential, preservation, or agricultural land in the State.

Aliens would be entitled to acquire land interests under specified circumstances such as inheritance but must divest themselves within five years. Improperly held lands would enure to the State through escheat proceedings brought by the Attorney General through civil suit.

Your Committee finds that alien ownership of Hawaii land is an issue of compelling public interest which affects the quality of life of all of Hawaii's people and future generations. This bill is consistent with well-established public policies relating to housing, employment, and other prominent features of contemporary life, and is a direct reflection of the obligation of the legislature to provide for the health, safety, and welfare of the general public.

This bill is not intended to discriminate against any ethnic group or otherwise interfere with legitimate commerce in Hawaii's economy. Rather, by limiting alien ownership of real property, your Committee seeks to curtail speculation which drains Hawaii of precious resources, affects property values, and diminishes the ability of many of our people to own their own homes and improve their employment and earnings potential in the labor market. Your Committee, therefore, finds that this measure will stimulate the economy and improve the quality of life of our residents by helping to ensure that most of the dollars generated and earned by Hawaii's taxpayers remain in the State. This, in turn, will increase the tax base and enable the State and the counties to provide more comprehensive services.

After full consideration of this issue and evaluation of substantial testimony both pro and con, your Committee has elected to keep the intent of this bill intact with the following substantive amendments:

- (1) Addition of a findings and purpose section which clearly delineates the problems which this bill seeks to address and substantiates the prohibition of alien ownership of Hawaii land, if the public purpose would thus be served, through data and expert analysis of one of Hawaii's leading economists and economic forecasters. This section also clarifies that the purpose of the bill is to create a cooling-off period until July 1, 1996, during which foreign

purchases of certain classifications of real estate will be prohibited and the subject of alien land ownership will be studied;

- (2) Provision for comprehensive annual reports on the status of alien ownership of property in Hawaii to be provided to the legislature by the Department of Business and Economic Development and made public;
- (3) Granting to the counties power to require landowners to divulge alien investments in real property;
- (4) Clarification of the term "alien";
- (5) Addition of a definition of "person" referencing the definition in section 1-19, Hawaii Revised Statutes, and a definition of "resident alien";
- (6) Clarification of escheat provisions and the role of the Attorney General;
- (7) Provision for the Legislative Auditor to study the effects of this bill in 1995 and report to the 1996 legislature on findings and recommendations; and
- (8) Provision of a repeal date of July 1, 1996, which would be subject to reconsideration by the 1996 legislature.

It is the intention of your Committee that during the cooling-off period between the enactment of this bill and its repeal in 1996, enough information will be generated to enable Hawaii to appropriately welcome beneficial foreign investment and prohibit inimical speculation.

Your Committee has also amended this bill by making several technical and nonsubstantive language changes for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 2303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2303, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
Senators Chang and Matsuura did not concur.

**SCRep. 2483      Consumer Protection and Commerce on S.B. No. 3066**

The purpose of this bill is to increase the education requirement for licensure to practice chiropractic.

Present law requires two years of college study to qualify for licensure. This bill would increase the study requirement, effective January 1, 1995, to four years of liberal arts or science study at a college or university and a B.A. Chiropractors who are actively practicing as of January 1, 1995 would be exempt.

Your Committee heard testimony opposing this bill on the grounds that it would entirely eliminate any college study requirement between its effective date and January 1, 1995. Your Committee agrees that as introduced, this bill would have that effect.

Since the intent of this measure is to strengthen licensure requirements to ensure that chiropractors in Hawaii are well qualified to serve the general public, your Committee has amended the bill to expressly retain the two year college requirement until the new four year requirement becomes effective.

Your Committee has further amended this bill by making several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 3066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3066, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2484      Ways and Means on S.B. No. 2171**

The purpose of this bill is to:

- (1) Authorize the issuance of grants to replace lead-contaminated water catchment systems used for human consumption. Upon certification by the department of health that a water catchment system used for human consumption contains unsafe amounts of lead, the owner or lessee of a building with such a water catchment system is entitled to a grant of not more than \$5,000 per system to replace the contaminated system, and to reimburse the actual cost of materials and the installation of a new system, including roofing; and
- (2) Increase the amount of loans that can be made to any one applicant under the state disaster relief law, from \$25,000 to \$50,000 in the case of commercial loans, and from \$5,000 to \$15,000 in the case of personal loans.

Your Committee finds that this bill will improve the health and economic well-being of the people of this State.

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. 2171, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2171, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2485      Ways and Means on S.B. No. 2356**

The purpose of this bill is to establish an emergency response trauma program to provide psychological assistance to persons and communities impacted by catastrophic events.

Your Committee finds that the State of Hawaii has a commitment to the well-being of its citizens and visitors especially in the wake of disaster. This commitment can only be fulfilled by planning and specially focused programs. Your Committee finds that the department of health is in the best position to administer an emergency trauma program and can bring together a team of professionals that will be able to deal with future catastrophies in an effective and expedient manner.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2356, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2486      Ways and Means on S.B. No. 2587**

The purpose of this bill is to establish, and appropriate the first year planning and set-up funds for, a statewide newborn hearing screening and surveillance program.

Your Committee finds that about ten per cent of new infants born in the State are at serious risk of deafness or of the development of impaired hearing. Either gravely limits a child's acquisition of all language skills and consequently the child's cognitive development. An adequate screening and surveillance program would identify all children at risk by the age of seven to nine months. Parental, pediatric, and educational intervention should begin immediately upon either diagnosis of serious risk of, or of deafness. A ten-minute screening by a nurse trained to administer it normally suffices to identify ninety per cent of newborns with auditory responses within the normal range.

Your Committee is also of the belief that hearing impaired children who receive early and appropriate parental, pediatric, and educational help require much less costly special educational services during their school years.

The bill requires the involvement of the department of education's statewide center for students with hearing or visual impairments in the planning and the program, and includes rule making authority for the department of health to implement and carry out this program.

Your Committee believes that the establishment and implementation of the statewide screening program will produce significant benefits in the health and education of the children of this State that will far outweigh its costs.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2587, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2487      Ways and Means on S.B. No. 2822**

The purpose of this bill is to appropriate funds to supplement the federally funded Special Supplemental Food Program for Women, Infants, and Children (WIC).

The WIC program targets high risk pregnant and nursing women, infants and children under five years of age. The program provides food coupons for specific foods and nutrition education. It is estimated that there are forty-three thousand eligible WIC individuals in Hawaii. In 1986, a study by the Food and Research Action Center showed Hawaii ranking last in the nation in serving only twenty per cent of eligible individuals.

Your Committee finds that Hawaii is presently receiving its maximum allotment of federal funds for this program. Supplemental funding by the State is essential. The bill appropriates \$650,000 for the next fiscal year.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2822, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2488      Ways and Means on S.B. No. 2849**

The purpose of this bill is to allow the director of health to maintain and enhance caregiving in community-based private homes by providing family and caregiver support.

This bill will provide services allowing the developmentally disabled to remain in private homes for as long as possible, by providing a variety of options such as respite, counseling services, purchase of special adaptive equipment, homemaker and chore services, and modifications to dwelling units.

Your Committee finds that this bill will better enable people to care for family members at home, thereby enabling them to provide better care while reducing the need for institutionalization.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2849, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2489      Ways and Means on S.B. No. 2907**

The purpose of this bill is to appropriate funds to:

- (1) Establish a perinatal care hotline referral and resource service for pregnant women and women of child-bearing age to inform them about the value and importance of early perinatal care;
- (2) Establish a three-year maternal care incentives demonstration project to provide incentives to pregnant women to seek perinatal care at the earliest stages of pregnancy;
- (3) Establish a three-year comprehensive perinatal care in needy areas demonstration project to provide:
  - (A) At least three demonstration projects for comprehensive perinatal services; and
  - (B) Reimbursement for comprehensive services for low-income or high-risk pregnancies, including nutrition education, health education, psychosocial, and the provision of perinatal vitamins and minerals;
- (4) Establish a three-year medicaid patient delivery supplement demonstration project to provide flat rate medicaid reimbursement for physicians and certified nurse midwives to make payment schedules comparable to prevailing rates of reimbursements and to encourage physicians to accept and promote early pregnancy care for medicaid patients; and
- (5) Supplement the federally funded Women, Infants, and Children (WIC) program to expand eligibility to include all medicaid-eligible pregnant women without regard to their nutritional risk, thereby enabling them to obtain adequate food and nutrition during pregnancy.

Your Committee has amended this bill by:

- (1) Amending Section 10 relating to the WIC program to establish adjunctive eligibility for the federally funded Women, Infants, and Children (WIC) program so that:
  - (A) All women receiving medicaid assistance are considered automatically income eligible for the WIC program; and
  - (B) All members of families in which a pregnant women or infant receives medicaid assistance are considered automatically income eligible for the WIC program;
- (2) Amending Section 8 relating to the medicaid patient delivery supplement demonstration project to require the department of human services to submit recommendations in addition to findings in its status and final reports; and
- (3) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2907, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2907, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2490      Ways and Means on S.B. No. 3077**

The purpose of this bill is to establish a revolving fund within the department of health to support recovering alcohol and drug abusers in compliance with the federal Anti-Drug Abuse Act of 1988 (Public Law 100-690).

This bill provides for loans to establish programs to provide housing for recovering alcohol and substance abusers and give these individuals the opportunity to develop a new lifestyle free of drugs or alcohol.

Your Committee finds that the State must establish this revolving fund in order to be in compliance with Public Law 100-690 and not endanger the approximately \$7,000,000 it receives in federal mental health and substance abuse/anti-drug abuse grants.

Your Committee has made technical, nonsubstantive amendments for purposes of style and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3077, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3077, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2491      Ways and Means on S.B. No. 3110**

The purpose of this bill is to authorize the department of health to establish and administer special funds for the deposit and expenditure of federal funds for community program services for the developmentally disabled.

Your Committee finds that this bill is necessary to facilitate the implementation of medicaid community programs by allowing the department of health to expand services for this population through the pursuit of matching medicaid funds.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3110 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2492      Ways and Means on S.B. No. 3169**

The purpose of this bill is to create a registered nurse student financial support program and the registered nurse student loan fund to provide low interest loans to qualified students who intend to become licensed registered nurses and work in Hawaii.

Your Committee finds that the State of Hawaii is in the midst of a critical nursing shortage and it is anticipated that by 1991 there will be over thirteen hundred vacant nursing positions. Your Committee finds that in addition to the increasing demand for skilled nurses, the costs associated with earning a degree in nursing are considerable and in many cases, prohibit interested persons from pursuing a nursing education. Your Committee believes that this bill addresses both the recruitment and retention of nurses in the State, assuring the availability of appropriately trained registered nurses to meet the growing demand for quality health care services.

Your Committee has amended this bill by reducing the appropriations for the financial support program and the student loan fund to \$1 each, in order to continue discussion at a future date. Your Committee has also made technical nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3169, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3169, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2493      Ways and Means on S.B. No. 3443**

The purpose of this bill is to appropriate \$70,000 for the planning of services for the frail elderly at Maluhia Hospital and to provide training for appropriate staff and for the salary of an interim project director.

This bill provides planning money for the replication of the innovative and nationally recognized On Lok model of health care services. Founded in San Francisco's Chinatown district, On Lok is one of the nation's most effective programs providing affordable health care services and housing for the frail elderly.

Specifically, the program has three objectives: (1) to rehabilitate participants through a variety of therapeutic services; (2) to maintain participants' health and independence by providing comprehensive medical, social, and nutritional services; and (3) to sustain the highest possible quality of life and control health care costs through the flexible use of resources.

In 1986, the On Lok program received landmark approval by the United States Congress which allows it to operate under special medicare/medicaid provisions. On Lok has succeeded in developing a capitated, risk-based system that provides maximum flexibility for services at a fixed rate. Once clients are accepted into the program, they are no longer subject to program limitations because of eligibility requirements tied to different funding sources.

On Lok services range from home visits to on-site adult day health care services to medically assisted housing for the community's low-income elderly, with the goal of working with participants to promote maximum independence.

The need for long term care is rapidly reaching crisis proportions, with the older adult population in Hawaii growing at a staggering rate of two and one-half to three times faster than the rest of the State's population. Your Committee finds that this increased demand on the long term care system calls for innovation in service delivery and financing mechanisms such as those developed in the On Lok program.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3443, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2494      Ways and Means on S.B. No. 3509**

The purpose of this bill is to:

- (1) Require every person who is liable for the expenses attending the person's, a child's, or a spouse's reception, maintenance, and treatment at a psychiatric facility that:
  - (A) Is under the jurisdiction of the State or a county; or
  - (B) Derives more than fifty per cent of its revenues from the general fund of the State;

to make reasonable efforts to utilize any available insurance coverage to offset these costs, including, as appropriate, private insurance, medicare, and medicaid; and

(2) Require the courts to order any person who is hospitalized pursuant to court order to:

(A) Make payment for the expenses attending the person's, a child's, or a spouse's reception, maintenance, and treatment at a psychiatric facility that is under the jurisdiction of the State or a county, or that derives more than fifty per cent of its revenues from the general fund of the State; and

(B) Apply for medicare or medicaid coverage, if the person is potentially eligible.

Your Committee has made technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3509, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3509, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2495      Ways and Means on S.B. No. 2604**

The purpose of this bill is to establish a year of the family commission to oversee all aspects of the commemoration of 1992 as the Year of the Family in Hawaii.

Your Committee finds that a strong family unit is the nucleus from which a positive and cohesive society may grow and develop, but that increasing strains of modern life are threatening the stability of the family unit. Accordingly, your Committee finds that steps should be taken to recognize the importance of the family and to enhance and reinforce the family unit.

Your Committee has amended this bill to clarify that the commemoration or celebration of the family as a fundamental institution of society also should focus on strengthening the family unit in a way that will assist families in dealing with the problems of modern society that threaten family unity and stability. Specifically, your Committee has amended this bill by:

- (1) Adding the words "and to sustain and nurture family life" after the word "family" in Section 1, line 9;
- (2) Adding the words "and encourage and foster strong family relationships to assist families in dealing with problems that threaten family unity and stability, such as drug or alcohol abuse and gang membership" to the end of the first sentence in section 4; and
- (3) Making a number of technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2604, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2604, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2496      Ways and Means on S.B. No. 2813**

The purpose of this bill is to appropriate funds for the office of veterans services to create and develop a special medal of commendation to Hawaii's veterans.

Your Committee finds that a special commemorative medal is well deserved and is an appropriate means of recognizing the unselfish contributions and sacrifices made by Hawaii's veterans.

Your Committee has amended the bill by changing the amount appropriated from \$1,000,000 to \$1 for the purpose of continuing discussions at a future date, and by making a technical nonsubstantive amendment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2813, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2813, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2497      (Majority) Ways and Means on S.B. No. 3128**

The purpose of this bill is to authorize each county to levy a general excise and use tax surcharge for various county transportation needs and related functions including infrastructure and parks.

The percentage amount of the surcharge has been left blank to allow more time to consider the total assistance to the counties and to gather more information on the mass transit system.

Your Committee finds that a transportation problem exists at both the county and the state levels, especially in Honolulu. Without sufficient revenues these problems cannot be fixed and Urban Mass Transit Authority funding cannot be assured. Your Committee finds the surcharge to be the least burdensome on residents.

Your Committee, in the interest of making the administration of the surcharge more manageable, has amended the bill by:

- (1) Providing that written contracts entered into after the effective date of this Act shall be construed to include a provision for increased taxes for the purposes of the general excise tax;
- (2) Providing for the filing of a short fiscal year for those taxpayers whose fiscal year ends after December 31, 1990 or after December 31, 2000 for both the general excise tax and the use tax;
- (3) Amending the definition of tangible personal property to include the county surcharge;
- (4) Including the county surcharge in the collection of the use tax by the seller;
- (5) Amending the time for depositing the funds collected from ten days to ten working days;
- (6) Including refunds or reductions of income taxes in the costs attributable to the surcharge which may be assessed each county and retained by the State;
- (7) Amending the capital goods excise tax credit to include the county surcharge to the benefit of the taxpayer; and
- (8) Making technical and nonsubstantive changes for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3128, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3128, S.D. 2.

Signed by all members of the Committee except Senator George.  
Senators Tungpalan and Koki did not concur.

**SCRep. 2498      Ways and Means on S.B. No. 3472**

The purpose of this bill is to afford the counties additional revenues from sources presently collected and kept by the State from certain taxes and fees. The bill provides for the following sources of revenue to the counties:

- (1) A credit to the counties for excise taxes paid by them;
- (2) Sharing with the counties amounts collected under the State's public service company tax to the extent that they exceed three per cent of the gross income of each public service company paying the tax;
- (3) Transfer to the counties of all fines and forfeitures under the State's dog licensing chapter; and
- (4) Sharing with the counties certain fines and forfeitures resulting from violations of the traffic code.

Your Committee agrees with the Committee on Government Operations that the counties need and should receive additional sources of revenue from the State.

Your Committee has amended this bill by:

- (1) Leaving blank the percentage amount of the public service company tax over which the State is required to transfer moneys to the counties. The reason for this amendment is to allow more time for consideration of the total amount of assistance to be provided the counties from this revenue source; and
- (2) Changing the "credit" for general excise taxes "paid by county governments" to a reimbursement for amounts of taxes passed on to county governments by licensees under the general excise tax law. This amendment was made because the counties do not pay the general excise tax. The tax is levied upon the gross receipts of people who sell goods and services to the counties. These sellers in turn pass the amounts of the tax on to the buyers. Accordingly, the counties, under this bill, are being reimbursed for amounts of taxes passed on to them by the sellers.

Your Committee also made technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3472, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3472, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2499      Ways and Means on S.B. No. 1569**

The purpose of this bill is to establish within the department of land and natural resources a temporary advisory committee to be known as the Hawaiian fishpond advisory committee.

The advisory committee will be composed of seven ex officio and appointed members.

The advisory committee will study fishponds on O'ahu, except the Loko Ea and Heeia fishponds, and will create a plan for a facility that will utilize one of these fishponds, excluding Loko Ea and Heeia, as a living exhibit of Hawaiian aquaculture by:

- (1) Restoring the fishpond for research and productive use;
- (2) Recovering knowledge of ancient fishponds; and
- (3) Generating new technologies to create aquacultural resources for the future.

The advisory committee is required to submit its plan to the legislature not later than May 31, 1991, and will cease to exist on June 30, 1991, when the Act is repealed. This bill appropriates \$150,000, which will be expended by the department of land and natural resources, to carry out the purposes of the Act, including the hiring of necessary staff.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1569, 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 George.

**SCRep. 2500      Ways and Means on S.B. No. 2252**

The purpose of this bill is to:

- (1) Amend Section 155-9, Hawaii Revised Statutes, by raising the limits on agricultural loans from \$100,000 to \$200,000 for farm ownership and improvement loans (class "A") and farm operating loans (class "C"); and
- (2) Amend Section 155-11(c), Hawaii Revised Statutes, to provide that no farm ownership and improvement (class "A") loan shall exceed eighty per cent of the value of the security offered.

Your Committee has made technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2252, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2252, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2501      Ways and Means on S.B. No. 2505**

The purpose of this bill is to amend the general excise tax law to include in its definition of sales at wholesale, sales made to licensed producers and cooperative associations; provided that a minimum of fifty per cent of the equipment's total use and supplies are used for the growing of agricultural or aquacultural products. The bill also makes a housekeeping amendment to add the words "of the feed lot operator's service to a licensed producer of poultry or animals".

Your Committee finds that supplies and equipment that are used at a minimum of fifty per cent to produce agricultural or aquaculture products is a broad category. This vague determination to tax at a .5 per cent rate sales of items that are not incorporated into the product would give an unfair advantage to those businesses.

Your Committee agrees with testimony from the Hawaii Farm Bureau that certain items are "essential to the growth, nurturing, and production of certain agricultural products" and therefore your Committee has amended this bill by:

- (1) Deleting the new paragraph (4) which allowed for sales of supplies and equipment to producers of agriculture and aquaculture products to be taxed at .5 per cent;
- (2) Renumbering the paragraphs to the existing form;
- (3) Adding polypropylene shade cloth, polyfilm, and polyethylene film or fiberglass panels for greenhouse use (for other than skylighting purposes) to the list of supplies subject to a .5 per cent tax rate upon sales to a producer or cooperative association; and
- (4) Changing the effective date to July 1, 1990.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2505, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2505, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2502      Ways and Means on S.B. No. 3015**

The purpose of this bill is to reestablish until June 6, 1991, the Molokai irrigation system water users advisory board to advise and serve as a liaison between the department of agriculture and the users of the system.

Your Committee finds that the reestablishment of the board is necessary because of the conflicting provisions of Acts 179 and 306, Session Laws of Hawaii 1987. Act 179 (subsequently codified as section 175-2.5, Hawaii Revised Statutes (HRS)), originally established the board to serve until June 6, 1991. Conversely, Act 306 repealed chapter 175, HRS, effective July 1, 1989, thus shortening the life of the board.

Your Committee further finds that it was the original intent of the legislature to maintain the board's existence until June 6, 1991, as the board can serve a useful purpose in improving communications between the users of the irrigation system and the state agency operating it.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3015, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3015, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2503      Ways and Means on S.B. No. 3129**

The purpose of this bill is to appropriate funds and to amend the commercial drivers license law enacted in 1989 to reduce the work load on the county examiner of drivers by permitting non-county driver examiners to administer the commercial motor vehicle skills test.

The bill also exempts military personnel and federal firefighters from commercial driver license requirements.

This bill also provides that counties shall be reimbursed the incremental costs of administering the commercial driver licensing program, at an amount determined by the director of transportation.

Your Committee has amended the bill by:

- (1) Changing the appropriated amount to \$1 to allow discussion to continue at a future date;
- (2) Setting out separately each section of Act 320, Session Laws of Hawaii 1989, being amended in section 3 for the reason that these sections do not appear contiguously in Act 320;
- (3) Changing the effective date of the appropriations section to July 1, 1990; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3129, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3129, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2504      Ways and Means on S.B. No. 2648**

The purpose of this bill is to increase the percentage of students in the University of Hawaii system to whom financial aid and tuition waivers may be awarded. Your Committee finds that this will give more students the opportunity to remain in school and still participate in valuable extracurricular activities. Participation in these activities often requires students to forego employment opportunities.

Your Committee has amended this bill by:

- (1) Deleting the provision authorizing the University of Hawaii to expend appropriations because the appropriation provision was previously deleted from the bill; and
- (2) Making technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2648, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2648, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2505      Ways and Means on S.B. No. 2935**

The purpose of this bill is to authorize a study by a committee headed by the University of Hawaii's office of student affairs to determine the best means of financing higher education for Hawaiian students and to appropriate \$50,000 for fiscal year 1990-1991 to conduct the study. A report by the committee of findings and recommendations will be submitted to the 1991 legislature.

Your Committee finds that education continues to be a top priority of the legislature. The State must provide its young people with a solid educational foundation to compete actively for jobs not only within the State, but on a worldwide level as well. Unfortunately, educational opportunities are not always equitably distributed. Hawaiians comprise 20.6 per cent of Hawaii's population, but represent less than 9.5 per cent of the University of Hawaii's student body. The State must make a special effort to provide higher education to Hawaiians and bring parity to educational opportunities at the University of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2935, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2506      Ways and Means on S.B. No. 3140**

The purpose of this bill is to establish a revolving fund for the conference center program of the University of Hawaii's College of Continuing Education.

Your Committee agrees with the Committee on Higher Education that in order for the conference center to provide efficient logistical support services for conference programs a revolving fund should be established. In addition, the program should also be exempted from certain requirements of the public bidding law.

Your Committee has amended this bill by making two minor technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3140, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3140, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2507      Ways and Means on S.B. No. 3142**

The purpose of this bill is to establish a special fund to financially assist underrepresented ethnic groups to further their education at the University of Hawaii.

Education continues to be a priority of the legislature and, as such, has received generous funding. The legislature understands the value of an education and has acted to provide our young people with the knowledge and skills they need to compete in our dynamic and competitive society. Unfortunately, some never get the chance at a higher education. Your Committee finds that certain ethnic groups are grossly underrepresented at the University of Hawaii. If the legislature is to provide educational opportunities that are equitably distributed among all its people, then it must make a special effort to assist those with special needs.

This bill addresses this concern by allowing and motivating financially disadvantaged students from underrepresented ethnic groups to continue their education at the University of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3142, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2508      Ways and Means on S.B. No. 1611**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for the purpose of assisting Wailuku River Hydroelectric Power Company, Inc., in the establishment of a hydroelectric power plant and related facilities.

Your Committee finds that it is in the public interest to encourage the development of nonfossil fuel projects that make electric energy available to members of the general public by its sale to an electric utility serving the public.

Your Committee has amended this bill by changing the sum appropriated from \$18,000,000 to \$1 for the purpose of continuing discussion at a future date and by making a technical, nonsubstantive change for the purpose of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1611, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1611, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2509      Ways and Means on S.B. No. 2212**

The purpose of this bill is to require the State to pay to the office of Hawaiian affairs twenty per cent of all mineral royalties collected from state issued mining leases. The bill also requires the State to pay twenty per cent of all royalties from geothermal resources to the county in which mining operations covered under a state geothermal resource mining lease are situated.

Your Committee notes that the State and the county of Hawaii have already established a geothermal asset fund to address potential community impacts created by geothermal resource development. The State has committed an initial \$250,000 to fund this program and Ormat Energy Systems has committed an additional \$60,000. In view of the existence of the asset fund, the bill gives the office of Hawaiian affairs twenty per cent of all mineral royalties and the counties twenty per cent of the royalties from geothermal resources only.

The bill establishes a community assistance fund to be funded with any net revenues derived from the sale of steam from the Hawaii geothermal project HGP-A well to further assist in mitigating proven harmful effects resulting from geothermal development activities.

Your Committee has amended the bill by making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2212, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2212, S.D. 2.

Signed by all members of the Committee except Senator George.



**SCRep. 2510      Ways and Means on S.B. No. 2222**

The purpose of this bill is to raise the tax credit for solar energy devices to fifty per cent after December 31, 1989 to December 31, 1992, to provide a tax credit for solar thermal electric generation systems after June 30, 1990 to December 31, 1992, to raise the tax credit for wind energy devices, heat pumps, and ice storage systems from twenty per cent to twenty-five per cent after December 31, 1989 to December 31, 1992, and to add a twenty-five per cent credit for efficient gas water heaters meeting specified standards, after June 30, 1991 until December 31, 1992.

Your Committee finds that offering tax credits is a good stimulus to encourage the use of alternate energy systems and an effective way to decrease Hawaii's consumption of and dependence upon fossil fuels.

Your Committee amended this bill by:

- (1) Adding solar thermal electric generation systems to the list of devices to which the credit applies on page 1, line 11;
- (2) Allowing solar thermal electric generation systems to qualify for the fifty per cent tax credit; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2222, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2222, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2511      Ways and Means on S.B. No. 2414**

The purpose of this bill is to consolidate the management and organization of the natural energy laboratory of Hawaii (NELH) and the Hawaii ocean science and technology (HOST) park under one authority to be known as the Hawaii island natural resource and development authority.

Your Committee upon further consideration has amended this bill by:

- (1) Inserting the sum of \$1 in Section 6 for the purpose of continuing discussions at a future date;
- (2) Changing the effective date from July 1 to upon approval, with the exception of the appropriation section; and
- (3) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2414, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2414, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2512      Ways and Means on S.B. No. 2706**

The purpose of this bill is to extend the provisions of Act 237, Session Laws of Hawaii 1988, through June 30, 1992; to appropriate an additional \$500,000 for the purposes of that Act; and to delete the provision in Act 237 requiring reimbursement for the cost of surveying a parcel of land acquired through the Act.

Your Committee finds that the repayment requirement hinders the original intent of Act 237 to allow long-time permittees of the State to convert to long-term leases so as to facilitate the financing of improvements to their farms, and should be deleted. Your Committee also finds that the funds appropriated by this bill are necessary to further the purposes of Act 237.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2706 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2513      Ways and Means on S.B. No. 3247**

The purpose of this bill is to amend chapter 101, Hawaii Revised Statutes, by adding a new section to provide relocation assistance to commercial or industrial lessees or tenants who are displaced from private property acquired by the State or a county by condemnation. The bill would provide these displaced lessees or tenants first priority in leasing public lands in state industrial parks. The bill also appropriates an unspecified sum to the department of transportation to provide funds for relocation costs incurred by lessees and tenants as a result of the condemnation of private property for the expansion of Honolulu international airport.

Your Committee finds that owners of private lands acquired through government condemnation proceedings receive just compensation for their lands. However, commercial and industrial lessees and tenants of the condemned land are often displaced and suffer substantial financial losses without receiving adequate compensation from either the owner of the land or the government. The government also incurs substantial indirect costs, by way of decreased tax revenues, increased unemployment, and increased social services for displaced workers.

Your Committee finds that it is in the public interest to provide appropriate relocation assistance to commercial and industrial businesses dislocated as a result of condemnation proceedings.

Your Committee has amended the bill by specifying \$2 as the amount to be appropriated by section 3 of the bill. The purpose of this amendment is to continue the discussion of funding at a future date. Your Committee has also made technical amendments to the bill which have no substantive effect.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3247, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3247, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2514      Ways and Means on S.B. No. 3287**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$119,000,000 for capital improvement projects relating to furnishing electric energy to the general public.

The bill also extends the statutory authorization to issue such special purpose revenue bonds under part VI of chapter 39A, Hawaii Revised Statutes, from December 31, 1991 to December 31, 1995.

The bonds issued under this bill will provide up to \$60,000,000 to Hawaiian Electric Company on Oahu, \$19,000,000 to Hawaii Electric Light Company on the island of Hawaii, and \$40,000,000 to Maui Electric Company, Ltd., all for essential capital improvement projects which your Committee has determined will facilitate the distribution of electric energy to the general public and are therefore in the public interest.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3287, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2515      Ways and Means on S.B. No. 3414**

The purpose of this bill is to appropriate a sum total of \$650,000 for the Hawaii Undersea Research Laboratory of the University of Hawaii to purchase:

- (1) A conducting cable to allow the use of remotely-operated vehicles on the ocean floor;
- (2) A long baseline navigation system; and
- (3) A heavy, remotely-operated vehicle to be used for scientific, rescue, and recovery operations.

Your Committee has amended this bill by:

- (1) Appropriating the sum of \$1 for each of the abovementioned purchases to continue discussions at a future date; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3414, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3414, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2516      Ways and Means on S.B. No. 3502**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$15,000,000 for the purpose of assisting Elexs Ltd., a Hawaii corporation, to generate new capital to manufacture electric vehicles and related products in the State.

Your Committee finds that the use of electric vehicles in Hawaii will result in overall decreases in the level of pollution generated by petroleum driven vehicles and will also contribute significantly toward reducing the State's dependence on imported sources of petroleum. The establishment of such an industry in Hawaii will also promote the diversification of the State's economic base and will stimulate the infusion of new capital into the economy.

While it concurs with the intent and purpose of this bill, your Committee finds that further discussion is necessary on the funds needed to implement this measure. In this regard, your Committee has amended this bill by replacing the sum appropriated with the sum of \$1. Your Committee finds that this will encourage future discussion on the level of funding necessary for this measure.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3502, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3502, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2517      Ways and Means on S.B. No. 2617**

The purpose of this bill is to amend the guidelines for qualifying for public assistance by requiring that the department of human services set the community spouse resource allowance at a minimum of \$60,000 and disregard a minimum of \$1,500 in determining the income needs of the spouse of a person applying for or receiving medical assistance.

Your Committee finds that although the federal Medicare Catastrophic Care Coverage Act was recently repealed, the sections which allow the states to raise the community spousal resource allowance and the income limit for spouses were retained. Through this bill, the State exercises its authority to raise the resource and allowance and income limits. Your Committee believes that with the high cost of living in Hawaii, this bill would enable the spouse of an institutionalized person to maintain a decent standard of living.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2617 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SRep. 2518      Ways and Means on S.B. No. 2906**

The purpose of this bill is to amend the procedures under chapter 42, Hawaii Revised Statutes, for the review of grants, subsidies, and purchases of service to improve the process and to establish a mechanism for the continuous review of the process.

Your Committee has amended the bill as follows:

- (1) In the section relating to the biennial review of the law, the first two words, "At least" were deleted from the first sentence and the establishment of an ad hoc committee by the legislative auditor was changed from a mandatory to an optional provision.
- (2) In the section amending section 42-8, Hawaii Revised Statutes, the interest rate in subsection (d) was changed from twelve per cent per annum to an amount equal to the current prime interest rate.
- (3) A few technical, nonsubstantive amendments were made for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2906, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2906, S.D. 2.

Signed by all members of the Committee except Senator George.

**SRep. 2519      Ways and Means on S.B. No. 3022**

The purpose of this bill is to raise the annual maximum compensation of the members of the criminal injuries compensation commission from \$6,600 to \$10,000 and to appropriate moneys to cover this increase.

Your Committee finds that, although the daily compensation rate for commission members was raised last session from \$50 per day to \$100 per day, the annual maximum was not increased. Current projections of the commission's workload predict that the commission will have reached the existing statutory earnings maximum by the end of April 1990. Accordingly, your Committee finds that this bill is necessary to allow the commission to continue its work uninterrupted.

Your Committee has amended this bill by:

- (1) Specifying that the appropriation section shall take effect on July 1, 1990;
- (2) Deleting obsolete language that applied only to the terms of the initial appointees; and
- (3) Making technical, nonsubstantive changes for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3022, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3022, S.D. 2.

Signed by all members of the Committee except Senator George.

**SRep. 2520      Ways and Means on S.B. No. 3023**

The purpose of this bill is to appropriate funds to the criminal injuries compensation fund for the purpose of compensating certain persons who suffer or provide services to those who suffer from criminal injuries.

Your Committee finds this bill is necessary to compensate individuals who have suffered injury due to a criminal act.

Your Committee has amended this bill by inserting \$553,258.18 as the sum to be appropriated and by making a technical, nonsubstantive change for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3023, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3023, S.D. 1.

Signed by all members of the Committee except Senator George.

**SRep. 2521      Ways and Means on S.B. No. 3143**

The purpose of this bill is to establish a mandatory work program for certain applicants and recipients of Aid to Families with Dependent Children (AFDC). The program, to be known as the job opportunities and basic skills (JOBS) program, is to be administered by the department of human services in accordance with the federal JOBS program requirements.

Your Committee believes that many public assistance recipients do not wish to remain on welfare; however, they are unable to end their dependency because they do not possess the necessary skills to seek out or qualify for a job. Your Committee agrees with the program proposed in this bill since it will provide the means for public assistance recipients to end their welfare dependency.

Your Committee has amended the bill to define "AFDC" and "JOBS" and to clarify in the provision permitting transportation assistance that mileage reimbursements be equivalent to that provided in negotiated public employee contracts. Your Committee has also amended the bill by adding a new section which amends section 392-5, Hawaii Revised Statutes, to replace the reference to the repealed workfare program with a reference to the job opportunities and basic skills program established by the bill. Finally, your Committee has made several technical nonsubstantive amendments for purposes of consistency and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3134, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3134, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2522      Ways and Means on S.B. No. 3147**

The purpose of this bill is to amend the standard for the payment of personal care services by the department of human services from a ceiling of sixty-five percent to a ceiling of seventy-five percent of the annual Medicaid cost for comparable care in intermediate care or skilled nursing facilities in order to maintain these services at an appropriate level of home care.

Your Committee emphasizes that these services, provided by the community long term care branch of the department of human services through its nursing home without walls program, are rendered in the homes of patients, thus avoiding the costs to the State, and the stress to patients, of institutionalization.

Your Committee has made a technical, nonsubstantive amendment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3147, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3147, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2523      Ways and Means on S.B. No. 3149**

The purpose of this bill is to establish a revolving fund to receive and disburse income derived under the Randolph-Sheppard Act.

The Randolph-Sheppard Act allows blind and visually handicapped vendors to receive income from various sources, including vending machines situated on government property. The revolving fund established by this bill will serve as the authority by which income received under the Randolph-Sheppard Act may be utilized for the benefit of blind and visually handicapped vendors.

This bill allows the proceeds of the fund to be used for the following purposes:

- (1) To establish and maintain a benefits package for blind and visually handicapped vendors;
- (2) To maintain, repair, and purchase equipment for blind and visually handicapped vendors; and
- (3) To provide other services for blind and visually handicapped vendors.

Your Committee on Ways and Means has amended this bill:

- (1) To allow blind and visually handicapped vendors the opportunity to receive their portion of income directly from vending machines near their vending facilities or from a central fund;
- (2) Adding a section to indicate the effect of the underscoring and renumbering Section 2 accordingly; and
- (3) By making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3149, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3149, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2524      Ways and Means on S.B. No. 2184**

The purpose of this bill is to amend section 201E-205, Hawaii Revised Statutes, to clarify that:

- (1) The existing exemption from general excise taxes for newly constructed or moderately or substantially rehabilitated housing projects applies only to the extent of amounts received from the particular project approved and certified for exemption by the housing finance and development corporation, and not to the entire business of the developer involved; and
- (2) Moderate rehabilitation does not include routine or minor repairs or improvements.

Your Committee finds that the amendments to section 201E-205, Hawaii Revised Statutes, are consistent with the original intent of the legislature in enacting this specific general excise tax exemption.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2184, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2525      Ways and Means on S.B. No. 2275**

The purpose of this bill is to appropriate \$67,176 for fiscal year 1990-1991 to fund salary increases for the administrator and deputy administrator of the office of Hawaiian affairs and for officers and employees of the office of Hawaiian affairs excluded from collective bargaining.

Your Committee finds this bill is appropriate because salary increases for officers and employees of the office of Hawaiian affairs inadvertently were not included in Act 197, Session Laws of Hawaii 1989, which provided salary increases for other 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. 2275, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2526      Ways and Means on S.B. No. 2313**

The purpose of this bill is to appropriate funds for fiscal year 1990-1991 for an updated study of issues relating to leasehold conversion of condominiums and cooperatives in Hawaii, including an update of the report entitled "Leasehold Conversion of Condominiums and Cooperative Housing Projects," prepared for the housing finance and development corporation in 1987. The sum appropriated would be expended by the housing finance and development corporation.

Your Committee finds that additional data collection and analyses are necessary for the legislature, lessors, and lessees to fully understand the facts and issues involved with leasehold conversions. Only with this additional data and analysis can the legislature and the parties involved be expected to pursue productive discussions and actions responsive to the concerns and needs of all parties.

Your Committee has amended the bill by requiring the drafting of enabling legislation if the study finds that leasehold conversion would be in the public interest. Your Committee has also made a technical, nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2313, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2313, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2527      Ways and Means on S.B. No. 2407**

The purpose of this bill is to establish, within the department of labor and industrial relations, a social and employment services incubator project board to study public and private social and employment service needs of residents in the West Oahu region and to develop a plan for the establishment of a model one-stop center at Kapolei to simplify access to such services on a coordinated basis. The bill also appropriates \$98,605 to the department of labor and industrial relations to cover the expenses of the board.

Your Committee is in agreement with the finding of the Committees on Housing and Hawaiian Programs, Human Services, and Labor and Employment that the goals of the social and employment services incubator project are laudable in view of the currently inadequate service delivery system in the West Oahu region and the rapid development taking place in that region.

Your Committee has amended the bill to clarify in the appropriation section that the moneys appropriated are to be used for the expenses of the "board" rather than the "task force" created by this bill, and by making several minor technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2407, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2407, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2528      Ways and Means on S.B. No. 2560**

The purpose of this bill is to create a housing alteration revolving loan fund for persons with physical disabilities. The revolving loan fund would be administered by the housing finance and development corporation and would be used to provide low-interest loans of up to \$15,000 per residence for physically disabled persons to make design alterations to their residences in order to accommodate their physical disabilities. The bill appropriates \$2,000,000 for fiscal year 1990-1991 as initial funding for the housing alteration revolving loan fund.

Your Committee finds that the bill will assist persons with physical disabilities in maintaining independent lifestyles and in continuing to live with dignity and self-respect in their own homes, rather than in institutional settings. Your Committee further finds that a state-funded loan program would allow for greater flexibility than is afforded under the federally-funded programs currently administered by the city and county of Honolulu and the county of Kauai.

Your Committee has amended the bill by reducing the appropriation to \$1 for the purpose of continuing discussion at a later date. Your Committee has also made technical nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2560, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2560, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2529      Ways and Means on S.B. No. 3093**

The purpose of this bill is to:

- (1) Increase the amount of moneys that can be advanced to the homes revolving fund from moneys available in the general fund. Current law allows the director of finance, with the approval of the governor, to advance \$120,000,000 from moneys in the general fund to the homes revolving fund. This bill would increase that amount to \$170,000,000;
- (2) Authorize the housing finance and development corporation, as part of its affordable housing program, to use the homes revolving fund as advances of capital for the rental housing system administered by the corporation;
- (3) Appropriate \$50,000,000 to the homes revolving fund from the proceeds of revenue bonds, short-term projects, and other evidences of indebtedness issued by the corporation; and
- (4) Authorize the corporation, with the approval of the governor, to issue revenue bonds, short-term project notes, or other evidences of indebtedness in an aggregate principal amount sufficient to yield the sum of \$50,000,000.

Your Committee upon further consideration has amended this bill by:

- (1) Amending Section 1 to delete reference to the \$170,000,000 amount and leaving the amount blank for the purpose of continuing discussions at a future date;
- (2) Amending Section 6 to make the Act effective upon its approval, except for the appropriation sections which shall take effect on July 1, 1990; and
- (3) Making a few technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3093, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3093, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2530      Ways and Means on S.B. No. 3098**

The purpose of this bill is to authorize the housing finance and development corporation to issue up to \$100,000,000 in revenue bonds to finance or refinance the development or acquisition of for-sale housing projects.

Your Committee finds that existing moneys in the homes and dwelling unit revolving funds are likely to be insufficient to meet the anticipated demand for such funds because of the housing finance and development corporation's accelerated development schedule to address the State's current housing shortfall. To meet the corporation's goal of developing twenty thousand housing units by the year 2000, additional funds will be necessary.

Upon further consideration, your Committee has amended this bill by replacing the sum appropriated and the amount of bonds authorized with the sum of \$1. Your Committee finds that this will permit further discussion of this issue at a later date.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3098, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3098, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2531      Ways and Means on S.B. No. 2130**

The purpose of this bill is to modify the procedures for recapture of taxes on distributions from individual housing accounts (IHA) used to purchase residential real property. Current law requires that, upon sale of the property, the entire

amount of the distribution is to be included as gross income for individual income tax purposes in the year of the sale and that the taxpayer pay a penalty equal to ten per cent of the distribution. The bill would provide that:

- (1) For residential real property purchased after December 31, 1989 with a distribution from an IHA, the individual must include one-tenth of the total distribution as gross income for individual income tax purposes in the year of the distribution and one-tenth in each of the nine tax years thereafter;
- (2) If the individual sells the property before the end of the ten-year recapture period, an amount equal to the amount of the distribution from the IHA not previously reported must be included as gross income for income tax purposes in the year of the sale and that the taxpayer pay a penalty equal to ten per cent of the total distribution;
- (3) An individual who purchased residential real property before January 1, 1990 with a distribution from an IHA could elect before January 1, 1991 to use the new recapture procedures, rather than follow the procedures in current law;
- (4) Properties "transferred by will or by operation of law" in addition to properties "sold due to death or total disability" as provided in current law are exempt from the recapture provisions;
- (5) The new provisions would be effective in taxable years beginning after December 31, 1988; and
- (6) The ten per cent penalty does not apply to an individual who sells the residential property after having reported the total distribution as gross income during the ten-year period provided in the bill.

Your Committee finds that current recapture procedures impose a substantial burden on taxpayers who sell their homes. The bill would allow affected taxpayers to avoid this burden, as long as they hold the property for at least ten years and make periodic tax recapture payments during that time.

Your Committee finds that modifications to the current individual housing account program to reduce the tax burden on individuals wishing to sell their properties are appropriate and consistent with other policies in effect regarding state-assisted housing purchases.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3120, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2532      Ways and Means on S.B. No. 2730**

The purpose of this bill is to change the method for calculating a member's retirement allowance for ordinary disability by providing a retirement allowance of one and three-fourths per cent of a member's average final compensation for each full year of credited service; provided that the minimum retirement allowance is not lower than thirty per cent of the member's average final compensation.

Your Committee finds that this bill will provide a retirement benefit which is more comparable to that received by retirees for service retirement.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2730, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee Except Senator George.

**SCRep. 2533      Ways and Means on S.B. No. 3092**

The purpose of this bill is to provide salary adjustments for various public officers to establish compensatory parity among comparable positions and to make an appropriation for them.

Specific adjustments are made for the housing finance and development corporation's executive director, the office of veteran services' director, and the members of the public utilities commission, the Hawaii labor relations board, and the labor and industrial relations appeals board. The bill has an effective date retroactive to July 1, 1989.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of consistency and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3092, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3092, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2534      Ways and Means on S.B. No. 3097**

The purpose of this bill is to provide the four hundred fifty-one retirees with less than ten years of service, and their dependents, treatment equal to that of all other state and county retirees under the health fund's drug, vision care, and adult dental plans. Currently, retirees with less than ten years of service are not eligible to participate in these three new plans, and no public employer contribution has been established for this group. This bill equalizes treatment by requiring public employers to pay fifty per cent of the monthly premiums, as is now provided for the health funds medical plan. The costs of these benefits in FY 1990-91 will be \$27,000 for the State and \$6,000 for the counties.

Your Committee has amended this bill by making technical nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3097, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3097, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2535      Ways and Means on S.B. No. 3099**

The purpose of this bill is to clarify the language and address the inequities of Act 385, Session Laws of Hawaii 1989, which established the military service credit.

This bill would: (1) make clear that "active military service" for the purpose of acquiring credit for such service means military service in the armed forces of the United States; (2) make clear that the acquisition of membership service credit for active military service will be at no cost to noncontributory members; (3) provide membership service credit for active military service to retirees who have at least three years of credited service during reemployment; (4) provide that active military service will be considered service in the contributory member's occupation at the time the service is purchased; (5) provide for a refund to noncontributory members who purchased service after June 30, 1989 pursuant to Act 385; and (6) eliminate the bar to receiving military service credit for people who engaged in active military service, are not presently receiving a military pension, but who may be eligible to receive one in the future.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3099, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2536      Ways and Means on S.B. No. 3101**

The purpose of this bill is to amend the employees' retirement system law by giving all employees who first become members before January 1, 1990, an option on their benefits payable. The option is necessary because of certain amendments to the federal tax laws which established new limits on the amount of benefits that can be paid by qualified retirement plans.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3101, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2537      Ways and Means on S.B. No. 3161**

The purpose of this bill is to fund repricing actions for the civil service job classes of secretary, private secretary, and school administrative services assistant as recommended by the public employees compensation appeals board.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3161, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2538      Ways and Means on S.B. No. 3162**

The purpose of this bill is to fund the repricing actions in the recommended compensation plans for the state executive branch, the judiciary, and the counties for certain professional and scientific job classes.

It was brought to your Committee's attention that an additional \$44,520 is required to provide for the repricing of board of water supply professional and scientific employees. Accordingly, your Committee has amended the bill by changing the appropriation amount for the city and county of Honolulu from \$778,788 to \$823,308. Your Committee also made technical, nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3162, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3162, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2539      Ways and Means on S.B. No. 3164**

The purpose of this bill is to fund repricing actions for the civil service job classes of adult corrections and youth corrections officer, registered professional nurse, and anesthetist as recommended by the public employees compensation appeals board.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3164, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2540      Ways and Means on S.B. No. 3165**



The purpose of this bill is to fund repricing actions for the civil service job classes of motor carrier safety officer, highways special services supervisor, and highway lighting worker and supervisor as recommended by the public employees compensation appeals board.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3165, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2541      Ways and Means on S.B. No. 3176**

The purpose of this bill is to develop innovative programs to train individuals to become home child care providers. To accomplish this purpose, the bill appropriates to the office of children and youth, \$500,000 to implement and staff a one-year demonstration project to train home care providers for preschool children; \$500,000 to provide development grants to the counties to improve or develop child care facilities; and \$100,000 to conduct a statewide workshop to address issues in developing a statewide early childhood education and care system.

Upon careful consideration of this bill, your Committee has made the following amendments:

- (1) The sections appropriating \$500,000 for county development grants and \$100,000 for a statewide workshop were deleted;
- (2) The section requiring the submission of a report to the legislature was amended to require that the report be on the demonstration project instead of the statewide workshop; and
- (3) Several technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3176, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3176, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2542      Ways and Means on S.B. No. 3240**

The purpose of this bill is to provide coverage under the collective bargaining law for part-time state and county employees who work at least fifteen hours a week.

Currently, part-time employees are covered under the collective bargaining law provided they work at least twenty hours per week. However, many employees work less than twenty hours per week. Although these employees may work regularly and perform similar or identical tasks as employees who work at least twenty hours per week, their treatment is significantly different in terms of wages and benefits.

Your Committee finds that part-time employees who work at least fifteen hours per week have a sufficient community interest to warrant representation provided under the collective bargaining law.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3240 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2543      Ways and Means on S.B. No. 3334**

The purpose of this bill is to provide employers with a tax credit for the employment of individuals who are a vocational rehabilitation referral, which means having a physical or mental disability which is a substantial handicap to employment. The tax credit is to be forty per cent of the qualified first year wages for the year.

The bill provides an incentive to encourage employers to hire certain "targeted" employees similar to the Targeted Job Tax Credit (TJTC) which is available at the federal level; however, this bill limits the scope of the targeted group to only those individuals who are a vocational rehabilitation referral. Your Committee believes that creating a targeted jobs tax credit program within the State would encourage potential employers to help persons with disabilities in Hawaii to become self-sufficient, contributing members of our community.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3334 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2544      Ways and Means on S.B. No. 1214**

The purpose of this bill is to appropriate the sum of \$750,000 for fiscal years 1989-1990 and 1990-1991 as a grant-in-aid to the Pacific Aerospace Museum to provide furnishings and displays for the museum's start-up. The bill also authorizes a loan to the museum in the amount of \$750,000 to be repaid within eight years.

Your Committee received testimony from the director of the Pacific Aerospace Museum and the superintendent of public schools that aerospace education is one of the State's most imperative needs if Hawaii is to emerge as a leading center of space science and technology for the nation.

Hawaii has the distinction of having the largest concentration of astronomical observatories in the world. Further, the State is on the brink of important new advances in space technology which will enhance and diversify our economy. The space industry needs highly trained, imaginative minds to guarantee its success. Our children need to be challenged and motivated in science, mathematics, and the disciplines that the aerospace industry demands.

Your Committee believes that the Pacific Aerospace Museum will serve to stimulate interest in the general public and the educational community in learning about space science and technology. Moreover, its location at the Honolulu International Airport will showcase Hawaii's role in the space industry to the millions of visitors who pass through our terminal each year.

Your Committee has amended this bill by:

- (1) Substituting the amount of \$1 in the appropriation and loan provisions for the purpose of continuing discussion at a future date;
- (2) Making the appropriation for the 1990-1991 fiscal year rather than the 1989-1991 fiscal biennium;
- (3) Changing the effective date to July 1, 1990; and
- (4) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1214, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1214, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2545      Ways and Means on S.B. No. 2166**

The purpose of this bill is to establish a \$5 surcharge on renewals of drivers licenses and vehicle registration for motorcycles, motor scooters, and similar vehicles to provide funds for an education program for operators of those types of vehicles.

Your Committee finds that the \$5 surcharge will generate funds to conduct operator education courses throughout the State, and specifically intends that the program include the neighbor islands. The fees will be collected by the director of finance of each county and shall be transferred to the state drivers' education fund to be expended by the University of Hawaii community college employment training office for the purposes of this bill.

Your Committee finds that presently there are no education programs offered on the neighbor islands for operators of motorcycles, motor scooters, and similar vehicles, and passage of this bill will remedy the problem. More importantly, the availability and participation in these courses will increase operator safety and reduce accidents involving these types of vehicles.

Your Committee has amended this bill to allow the counties to retain a portion of the surcharge collected to cover administrative costs incurred in the collection and disbursement of the funds, and by appropriating \$20,000 for the University of Hawaii to train and certify trainers for the neighbor islands.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2166, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2166, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2546      Ways and Means on S.B. No. 2526**

The purpose of this bill is to develop a regional recreation plan for the Mahukona coastal area, North Kohala, in the county of Hawaii.

Your Committee finds that, in light of the projected growth for that area, a regional recreational plan is appropriate. The proposed plan could integrate historic and natural existing land, as well as including offshore recreation to serve the needs of the burgeoning population.

Your Committee has amended the bill by changing the appropriation to \$1, and by adding a technical, nonsubstantive change for the purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2526, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2526, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2547      Ways and Means on S.B. No. 2674**

The purpose of this bill is to establish a framework within which the State and counties can develop a comprehensive and environmentally responsible approach to the management of solid waste in Hawaii. To accomplish this purpose, the

bill replaces the current chapter in the Hawaii Revised Statutes on solid waste with a more comprehensive chapter which clearly outlines the roles and responsibilities of the State and counties and integrates source reduction and recycling components into the solid waste program. The bill provides for the creation of a new branch within the department of health to administer the comprehensive solid waste program and appropriates \$1,000,000 to carry out the program.

Your Committee agrees with the Committee on Agriculture that a strong and comprehensive solid waste program which incorporates source reduction and recycling into the present landfill disposal program is essential for Hawaii and is encouraged by the department of health's enthusiastic support of this measure.

Your Committee has made the following amendments to the bill to change certain dates and for purposes of clarity and consistency:

- (1) In section -1(b)(2), the term "reduction" was replaced with the phrase "and composting";
- (2) In section -2, the last sentence concerning extremely hazardous waste and actually hazardous waste was deleted from the definition of "hazardous waste";
- (3) In section -22(a), the year 1991 was inserted after March 1;
- (4) In section -56(c), the two January 1, 1990 dates were changed to January 1, 1992;
- (5) In section -91, the January 1, 1991 date in the definition of "new waste management team" was changed to January 1, 1992;
- (6) In section -92, the reference to the department of health in the second sentence was deleted and the last phrase of the third sentence (regarding the exclusion of aspects of solid wastes solely of county concern from the standards established by the department of health) was deleted;
- (7) In section -93, the June 1, 1991 date was changed to October 1, 1991;
- (8) In section -101, the August 1, 1991 date in subsection (a) was changed to October 1, 1991 and in subsection (f) the second paragraph was changed to remove facilities that accept both hazardous wastes and other solid wastes from county jurisdiction;
- (9) In section -102, the last sentence regarding the department of health's integrated waste management branch's authority at mixed waste facilities was deleted;
- (10) In section -122, the June 30, 1991 date was changed to June 30, 1992 in subsection (a) and the July 1, 1991 date to July 1, 1992 in subsection (c);
- (11) In section -132(b), the filing period was changed from one hundred to one hundred twenty days;
- (12) In section -136(b), the term "local agency" was replaced with "county" and in section -171, the term "local agencies" was replaced with "counties";
- (13) In section -175(h), the June 1, 1991 date was changed to June 1, 1992;
- (14) In section -177(a), the June 1, 1991 date was changed to October 1, 1991;
- (15) In section -185(a), all the 1991 dates were changed to 1992, the 1992 dates to 1993, and the fiscal year date from 1991-1992 to 1992-1993;
- (16) In Section 4, a provision was added to require that the new integrated waste management branch to be established be initially staffed by sixteen new and permanent full-time positions; and
- (17) Minor stylistic amendments were made to sections -30, -41, -101, -135, and -165.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2674, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2674, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2548      Ways and Means on S.B. No. 2784**

The purpose of this bill is to establish and appropriate funds for a comprehensive, statewide rabies awareness program. The purpose of this program is to:

- (1) Increase the public's understanding of rabies and how it is transmitted;
- (2) Explain the role of the World Health Organization and other international, federal, and state programs in monitoring and controlling the spread of rabies;
- (3) Emphasize the importance of Hawaii's "specified rabies-free status" and how the relinquishment of this status could create public health repercussions of international proportions; and
- (4) Conduct a one-year, statewide rabies research and planning study to collect baseline animal serological data.

Your Committee received testimony in support of this bill from the department of agriculture and the department of health, which was predicated on the assumption that the one-year serosurvey study would not be used to prepare baseline data to modify or shorten the current quarantine period for dogs and cats. The department of agriculture suggested that this bill be amended to essentially delete all references to a modified quarantine system.

Accordingly, your Committee has amended this bill by:

- (1) Deleting all references to a modified quarantine system for dogs and cats;
- (2) Deleting all references to a dog and cat population survey;
- (3) Requiring the department of agriculture to submit to the legislature the findings and recommendations of the baseline serological study not less than thirty days prior to the convening of the regular session of 1992; and
- (4) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2784, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2784, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2549      Ways and Means on S.B. No. 2885**

The purpose of this bill is to extend health care services to children ages one to eight living in families with incomes up to one hundred thirty-three per cent of the federal poverty level and appropriate \$563,720 to accomplish this.

Your Committee finds there is a significant number of families which fall into the intermediate category where federal medicaid assistance is not available. Under this bill, the State would provide coverage to those children.

Your Committee has amended this bill by increasing the amount of the appropriation to \$821,823.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2885, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2885, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2550      (Majority) Ways and Means on S.B. No. 2945**

The purpose of this bill is to appropriate moneys to the office of the lieutenant governor to replace the current voting system with a new, totally electronic voting system.

In response to House Concurrent Resolution No. 194, adopted by the Fifteenth Legislature in 1989, the office of the lieutenant governor convened a temporary advisory committee to evaluate the use of totally electronic voting systems and to make recommendations regarding the selection of a vendor, as well as propose standards to be adopted by the State in the use of a totally electronic voting system.

The temporary advisory Committee recommended the State of Hawaii replace its current voting system with one that is totally electronic. The committee further determined that it should continue its investigation and evaluation of such a system prior to recommending selection of a vendor. It further recommended that the standards adopted should comply with state election laws and be consistent with the voluntary standards now being developed by the Federal Election Commission.

Your Committee on Ways and Means has amended this bill by changing the appropriated amount to \$1 for purposes of further discussion. Typographical errors have also been corrected.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2945, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2945, S.D. 2.

Signed by all members of the Committee except Senator George.  
Senator Koki did not concur.

**SCRep. 2551      Ways and Means on S.B. No. 2972**

The purpose of this bill is to create a centralized approach to the management and development of the most important element of the State's economy, the visitor industry. Specifically, the bill would establish an office of tourism within the department of business and economic development headed by a new deputy director of the department of business and economic development. The office of tourism would promote, market, and develop the State's visitor industry; carry out other duties and responsibilities relating to coordination and implementation of the State's long-range tourism policies and plans and coordination with the private sector; and perform other duties currently vested in the tourism branch of the department of business and economic development. The bill would also establish a Hawaii tourism commission consisting of eleven members, within the department of business and economic development to establish state tourism policy, approve actions of the office of tourism, and carry out other functions relating to the oversight and development of the State's tourism program. The bill would take effect on July 1, 1991. This bill is substantially similar to S.B. No. 1297, H.D. 1, H.D. 2, C.D. 1, as passed by the legislature during its 1989 Regular Session. That bill was returned by the governor without his approval on June 16, 1989.

Your Committee finds that creation of an office of tourism headed by a new deputy director of the department of business and economic development will give the visitor industry the profile and level of emphasis that it deserves. It is clear that the State needs a centralized approach for managing and further developing its most important industry. Your Committee further finds that placing the new office of tourism with the department of business and economic development will allow better coordination of tourism and economic development initiatives.

Your Committee has amended this bill by changing the appropriation to a blank amount for the purpose of continuing discussion. Your Committee also made technical, nonsubstantive amendments to conform this bill to proper drafting style and corrected a typographical error.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2972, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2972, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2552      Ways and Means on S.B. No. 3030**

The purpose of this bill is to replace the existing law on correctional industries with a new one.

Your Committee received testimony supporting the bill from George Iranon, acting director of the department of corrections and W.L. Kautzky, special master.

Your Committee has amended the bill by:

- (1) Clarifying that the department of public safety shall decide which inmates are able-bodied for purposes of the law;
- (2) Removing the power of the advisory committee to determine whether or not a program is within the scope of the correctional industries program;
- (3) Deleting the requirement that payment rates to the inmates be reviewed by the department of budget and finance;
- (4) Clarifying the authority of the department of public safety in the distribution of proceeds and wages to an inmate; and
- (5) Providing for the inmate to reimburse the criminal injuries compensation fund for compensation paid by the criminal injuries compensation commission to the crime victim, rather than having a separate, duplicative determination by the commission.

Your Committee has also made technical nonsubstantive changes for the purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3039, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3039, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2553      Ways and Means on S.B. No. 3316**

The purpose of this bill is to establish permanent cadres of substitute teachers in each departmental school district. The bill also provides for a pool of substitute teachers who would be employed on a per diem basis in the event more substitutes are needed than can be provided by the cadre.

The teachers in the substitute teacher cadre would float throughout the district to serve the schools within the district as needed. Substitutes in one cadre could be loaned to another district with a shortage. Teachers in the cadre would be classified and compensated in the same manner as regular classroom teachers, receive the same benefits, and be members of bargaining unit 5 pursuant to chapter 89, Hawaii Revised Statutes.

The bill requires the department to develop a plan for implementation of the substitute teacher cadre in gradual increments and submit the plan to the 1991 legislature with a funding request.

Your Committee agrees with the Committee on Education that this measure will allow the department of education to retain qualified substitute teachers and will improve the quality of substitute teaching instruction.

Your Committee has amended this bill by deleting the provision in the effective date section which made the development of the implementation plan take effect on July 1. Your Committee believes that work on the plan should begin when the rest of the bill takes effect. Your Committee has also made technical, nonsubstantive changes for the purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3316, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3316, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2554      Ways and Means on S.B. No. 3325**

The purpose of this bill is to appropriate the sum of \$200,000 for the construction of improvements to the Children's Place facility at the Puunene school on Maui, and the sum of \$100,000 for the planning of a treatment facility for seriously disturbed adolescents on Maui.

Your Committee finds that the Children's Place facility in Puunene served a beneficial function to the community. While this bill appropriates funds toward the improvement of the facility, your Committee was informed that the facility was recently destroyed by fire. In this regard, your Committee has amended this bill by increasing the sum appropriated to \$500,000, and by providing that the funds may be used for the planning, design, and construction of the facility.

Your Committee further finds that there is an urgent need to expand the availability of services for psychiatric and substance abuse patients on Maui. State surveys indicate that a large percentage of Hawaii's children and adults are not being served for their mental health needs. Given the rapidly growing population on Maui, the expansion of treatment facilities for psychiatric patients is urgently needed. While it supports the intent of this appropriation, your Committee has replaced the sum appropriated with the sum of \$1. Your Committee finds that this will promote future discussion of the funds necessary to plan such a facility.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3325, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2555      Ways and Means on S.B. No. 3392**

The purpose of this bill is to provide proper recognition to the profession of teaching and to ensure that fully qualified teachers will be employed to educate the children of Hawaii. The bill would create a Hawaii teacher standards board to take over the functions of the department of education for setting standards for public school teacher certification. The board would be responsible for: establishing educational and training standards for certification into the teaching profession; the issuance or denial, suspension, and revocation of teaching certificates for teachers who fail to meet required standards initially or on a continuing basis; the establishment of fees for teaching certificates; and development of expedited procedures for voluntary certification of in-service teachers. The bill also would impose penalties for violations of the law and rules of the board and for acting as a teacher without certification.

Your Committee finds that the provision of quality education for the children of Hawaii is a critical function of the State and one of its most important priorities. Your Committee further finds that establishment of a Hawaii teacher standards board is essential to accomplishment of this objective.

Your Committee has amended the bill by providing for an automatic sunset of the board and by making technical nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3392, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3392, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2556      Ways and Means on S.B. No. 1526**

The purpose of this bill is to add a new teacher class for any teacher who holds a certificate issued by the department of education, has earned sixty additional credits approved by the department, and meets other requirements as the department may establish. Under this bill, the present Class VII, which requires a doctorate, has been changed to Class VIII and a new Class VII has been established.

Your Committee finds that to maintain a highly competent pool of teachers, incentives for professional development is essential. This bill provides for such incentives.

Your Committee has amended this bill by:

- (1) Deleting the appropriation section;
- (2) Amending section 297-33(i) to reflect the amendments made by Act 286, Session Laws of Hawaii 1989; and
- (3) Changing the effective date to July 1, 1992.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1526, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1526, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2557      Ways and Means on S.B. No. 2960**

The purpose of this bill is to amend section 266-21.3, Hawaii Revised Statutes, to authorize the Department of Transportation to arrange for the private operation, maintenance, and management of small boat harbors and other boating facilities.

Your Committee finds that authorizing the Department of Transportation to make arrangements for the private management of certain boat harbors may allow for more efficient operation and maintenance of these facilities.

Your Committee has amended the bill to authorize the Department of Transportation to arrange for the private management of only the Ala Wai boat harbor at this time. Your Committee has also amended the bill to include provisions affording protection to any officers or employees whose functions are transferred or otherwise affected by this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2960, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2960, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2558      Ways and Means on S.B. No. 2971**

The purpose of this bill is to appropriate \$1,300,000 for road and drainage improvements to Sand Island Access Road.

Your Committee finds this project is necessary to prevent flooding conditions that occur during rainstorms. This is an important step which must be taken in an area which is critical to the economic development plans of this State.

Your Committee has amended the amount appropriated to \$1 for the purpose of continuing discussions at a future date.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2971, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2971, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2559      Ways and Means on S.B. No. 2641**

The purpose of this bill is to establish a "Parent as First Teachers" program to provide information and materials to parents of young children. The bill appropriates \$44,000 for the program.

Your Committee has amended the bill to clarify that the purpose of the program is to give parents the information and materials that they need to prepare their children for school in order that every child can start school on an equal basis. The program is directed toward children at risk and children in low income families, and the information shall be related to both health and education. Your Committee has also amended the bill to change the appropriation to \$150,000.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2641, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 2641, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2560      Ways and Means on S.B. No. 3170**

The purpose of this bill is to authorize the department of health to license domiciliary homes for adults who are developmentally disabled or mentally retarded who are unable to live independently and who require supervision and care, but do not require care by licensed nurses in a domiciliary care. This bill also appropriates \$75,000 for the implementation of the licensing program.

The department of health would be required to keep a registry of licensed facilities and an inventory of vacancies to facilitate placement of developmentally disabled or mentally retarded individuals. The shelter allowance for residents would be determined as provided under the public welfare order.

Your Committee finds that it is in the public interest to authorize the department of health to license homes to service the developmentally disabled or mentally retarded and this bill will enable more placements of this kind to occur in a home-like setting.

Your Committee has amended the bill to correct the term "certified" to "licensed" to correctly reflect the earlier amendments made by the Committee on Health, and made other minor stylistic changes. Your Committee has also amended this bill to change the effective date of the appropriation provision to July 1, 1990, to coincide with the State's fiscal year.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3170, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3170, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2561      Ways and Means on S.B. No. 3135**

The purpose of this bill is to change "differential" pay for employees of the airports division of the department of transportation who perform fire, crash, or any other aircraft emergency rescue duties to "hazard" pay with specified amounts for different situations.

Your Committee finds that during aircraft emergencies, employees of the airports division who are not normally involved in aircraft rescue and fire fighting assist the regular aircraft rescue and fire fighting employees. Employees of the airports division must be trained to assist in aircraft emergencies and presently receive \$25 per month as a "pay

differential" whether they attend a drill or perform rescue service. Other airport employees are paid for each drill or actual response to aircraft emergency.

Your Committee believes that allowing the department of transportation to compensate the airport division employees on an "as performed" basis will provide an incentive for employees to attend drills and increase their competency in performing emergency services.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3135 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2562      Ways and Means on S.B. No. 3388**

The purpose of this bill is to establish a center for nonviolence to serve the governments and citizens of Hawaii and the Pacific region.

Your Committee finds that there is increasing awareness of the need to understand and manage conflict situations, whether at home or in the global community, and that the people of Hawaii would greatly benefit by the establishment of a coordinating center that would serve to stimulate cooperative programs and ensure their impact.

Your Committee has amended this bill by:

- (1) Deleting all references to an "institute" and substituting in its place references to the "corporation";
- (2) Adding language clarifying that the corporation will have the power to establish policies and procedures as may be necessary to carry out the purposes of the corporation;
- (3) Adding language to clarify that the terms of appointed board members will commence on July 1 and expire on June 30;
- (4) Amending the effective date provision to clarify that only the appropriation provisions and not the expending agency provision take effect on July 1, 1990; and
- (5) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3388, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3388, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2563      Ways and Means on S.B. No. 3118**

The purpose of this bill is to amend section 235-55.7(c), Hawaii Revised Statutes, to allow resident individuals who have no income or no taxable income to claim the renter's income tax credit, as long as they meet the other eligibility requirements for the credit. The bill would thus allow individuals such as senior citizens living on social security or pension benefits to apply for the tax credit.

Your Committee finds that this bill will provide a benefit to many lower income individuals and families struggling to cope with the high cost of housing in Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3118 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2564      Ways and Means on S.B. No. 2448**

The purpose of this bill is to eliminate general excise taxes paid by intermediary sublessors in multiple lease transactions. Only the final sublessee would pay the four per cent tax on the entire rent due. The landlord, if a sublessee, could reduce the gross income subject to the tax by an amount equal to that paid to the original lessor allocable to the area which is subleased.

Currently, the four per cent general excise tax is imposed on all rentals, including the subleasing of real property. The imposition of the general excise tax can be illustrated by the following example. Lessor "A" owns a small building which is leased to sublessor "B" for \$10,000 per year, plus property taxes of \$500 per year for a total annual rental or lease of \$10,500. Lessor "A" is liable for \$420 in general excise taxes, \$400 on the rental and \$20 on the real property tax. Sublessor "B" subsequently subleases the property to sublessor "C" for \$12,500 of which \$500 covers the property tax burden that has been passed on to sublessor "B". Sublessor "B" is liable for \$500 in general excise taxes, \$480 on the rental and \$20 on the real property tax. Thus, the general excise tax on these leasing transactions pyramids to \$880 on the leases and \$20 paid twice or \$40 on real property taxes, or a total of \$920.

This present system of assessing the four per cent rate on real property leases and subleases is a tax on a tax. Inevitably, this pyramiding results in higher prices of goods and services that is passed on to the consumers. Your Committee finds that this pyramiding on multiple lease transactions must be reduced in order to improve the State's business climate and reduce the overall cost of doing business and living in Hawaii.



Your Committee has amended this bill by requiring that in transactions involving subleases of real property, the sublessor pay a tax of one-half of one per cent upon the amount of gross income received equal to that paid by the sublessor as a lessee for that area which is subleased by the sublessor.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2448, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2448, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2565      Ways and Means on S.B. No. 2377**

The purpose of this bill is to require an evaluation of all special and revolving funds in the state treasury for the purpose of ascertaining whether or not they should be continued. The bill provides for the termination of all special and revolving funds existing on or prior to July 1, 1990, according to a progressive schedule to be set by the legislative auditor. The bill also requires that the auditor conduct an evaluation of each fund scheduled to expire and to submit a report to the legislature prior to the convening of the regular session of the year of the fund's termination.

Your Committee agrees that the review of special and revolving funds in the state treasury is a fiscally prudent action, especially in view of the growing number of such funds in recent years. After careful consideration of this bill, your Committee has made the following amendments:

- (1) A proviso was added to the third section relating to the termination of existing special or revolving funds to prohibit the termination of a fund unless the auditor recommends termination and the legislature approves such termination through the passage of legislation repealing the fund;
- (2) The high technology special fund was added to the list of Schedule B funds;
- (3) The library special fund was added to the list of Schedule E funds; and
- (4) Technical, nonsubstantive amendments were made for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2377, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2566      Ways and Means on S.B. No. 3103**

The purpose of this bill is to establish a compound interest bond reserve fund in the state treasury to pay debt service on general obligation bonds issued as compound interest bonds. The reserve fund is to be financed through annual appropriations to meet the debt service requirements on college saver bonds issued by the State.

Your Committee finds that debt service requirements on general obligation bonds may vary significantly from year to year, contingent on the date these bonds are first issued. Additionally, subsequent bond issues will result in annual increases in total debt service requirements as their initial payments become due.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3103, 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 George.

**SCRep. 2567      (Majority) Ways and Means on S.B. No. 2479**

The purpose of this bill is to establish an exemption from the State's quarantine requirement for resident guide, signal, and service dogs of the State, including new dogs being transported directly from the training centers on the mainland; provided that all the resident dogs meet rigorous health tests and maintain certain vaccine schedules.

Your Committee finds the State has a responsibility to the needs of its resident handicapped community who rely on these highly trained dogs to help them lead a more independent lifestyle. The high level of care and medical attention these dogs receive assures the State that the remote risk of these animals contracting rabies is not great enough to remove these dogs from their owners as the regular quarantine law requires.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2479, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Tungpalan and George.  
Senator Hagino did not concur.

**SCRep. 2568      Ways and Means on S.B. No. 3492**

The purpose of this bill is to establish the Hawaii strategic development corporation. The corporation would encourage the development of high technology in the State in order to expand and diversify Hawaii's economy.

The corporation represents an integrated economic development organization and is modelled after economic development initiatives in California, Massachusetts, Michigan, and Pennsylvania, among other states. The principle behind the corporation is that government working in partnership with private enterprise can improve the environment for economic development to a much greater extent than government programs working alone.

This is an amended and improved version of last year's strategic development corporation bill that passed the legislature but was vetoed by the governor for technical reasons. The department of business and economic development has submitted testimony stating its strong support of this important capital formation bill.

In response to testimony received by the department of budget and finance your Committee made several amendments to this bill, including:

- (1) Requiring that the corporation adhere to certain standards contained in the grants, subsidies, and purchases of service law when providing any private sector financial support;
- (2) Limiting the amount of guarantees that may be issued by the corporation to \$10,000,000;
- (3) Establishing a capital access program reserve fund into which general excise tax revenues equal to twenty per cent of the outstanding guarantees of the corporation shall be deposited to cover any contingent liabilities that may arise from the guarantees;
- (4) Requiring the chairperson of the board of directors of the corporation to certify the amount of outstanding guarantees on June 30 of each year; and
- (5) Amending the remittances section of the general excise tax law to provide for the funding of the capital access program reserve fund.

Your Committee has made further amendments to this bill by:

- (1) Establishing a seed capital program account to fund the program for seed capital assistance;
- (2) Establishing a venture capital program account to fund the program for venture capital assistance;
- (3) Establishing a product development program account to fund the program for product development;
- (4) Establishing a capital access program account to fund the program for capital access;
- (5) Establishing a financial services industry program account to fund the program for financial services industry;
- (6) Changing the amount of both of the appropriations to \$1 for the purpose of continuing discussions at a future date; and
- (7) Making technical nonsubstantive amendments for the purpose of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3492, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3492, S.D. 1.

Signed by all members of the Committee except Senator George.

#### **SCRep. 2569      Ways and Means on S.B. No. 3163**

The purpose of this bill is to establish a Martin Luther King, Jr. Celebration Commission to coordinate state-sponsored events to observe Martin Luther King Day.

Your Committee believes that a permanent commission will provide continuity and enhance the existing programs centered around this important holiday. Your Committee agrees with your Committee on Government Operations that the amount appropriated should be \$68,000.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3163, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

#### **SCRep. 2570      Ways and Means on S.B. No. 2597**

The purpose of this bill is to provide income tax relief to the citizens of the State through the reduction of the top tax bracket to nine per cent from ten per cent, to reduce the number of tax brackets from eight to three, and to increase the standard deduction. The bill also amends the excise tax credit to take into account food and medical costs, repeals the existing medical services tax credit, and creates a new catastrophic medical care credit. The preferential capital gains tax rate is eliminated.

Your Committee has amended this bill by:

- (1) Lowering the amounts by which the standard deduction is increased. Your Committee finds that a smaller increase in the standard deduction will still achieve the goal of removing a substantial number of lower income taxpayers from the tax rolls;

- (2) Changing the reduction in the number of tax brackets to four instead of three as in the original bill;
- (3) Making the food tax credit permanent, combining the food tax credit and the excise tax credit into one credit entitled "Food/excise tax credit", and retaining the existing medical services excise tax credit;
- (4) Eliminating the provision for a tax credit for catastrophic medical expenses tied to the itemized medical deduction; and
- (5) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee finds that state income taxes have been lowered in each of the last three years. The cumulative reduction in income taxes over the last three years has equaled \$325,000,000. In 1987, taxes were reduced by \$80,000,000 to offset the increase in possible income taxes paid due to the State's adoption of the federal Tax Reform Act of 1986. In 1988, a further reduction occurred through rate decreases of \$7,000,000 and liberalization of the excise tax credit by \$5,000,000. In 1989, rates were again reduced by \$39,000,000, the dependent care credit was liberalized by \$4,500,000, the renter's tax credit was liberalized by \$2,500,000, and a new medical service tax credit was added estimated to be worth \$15,000,000.

Your Committee finds that this bill will contribute to the trend of recent years of lessening the tax impact on Hawaii's taxpayers. Your Committee received testimony from the state department of taxation that this bill, in its amended form, will provide an additional \$40,000,000 of tax relief through an increase in standard deduction amounts and a reduction in income tax rates. The number of tax brackets will be compressed to four, with the lowest rate at two per cent and the highest rate at nine per cent.

This year's income tax reduction equals \$40,000,000 on a calendar year basis and consists of the abovementioned reductions and changes. It appears that the economy, as projected by the council on revenues, will continue at a good growth rate for at least two years. This continued good growth combined with an expected surplus of some \$300,000,000 as of June 30, 1990, leads your Committee to believe that another income tax reduction can be made without jeopardizing the state revenue base.

Your Committee finds that some eight thousand more individuals will not have to pay taxes under this bill. Furthermore, an historic review of income tax law changes since 1965 shows that at the median income level of \$45,000, the effective income tax rate for a family of four has dropped from 7.2 per cent in 1986 to 5.5 per cent in 1989. This bill would further lower the effective rate to 4.8 per cent.

Your Committee compared this administration proposal with the proposal made by the tax review commission. In order to make this comparison, your Committee compared both proposals when they would be fully phased in, in fiscal year 1991-1992, with some adjustments for inflation. The result is shown below.

	In Million Dollars	
	<u>Tax Review Commission</u>	<u>Administration</u>
Rates, brackets, standard deduction and capital gains	\$ 79.0	\$ 46.5
Medical tax credit	5.0	15.0
Excise tax credit	42.0	17.0
Food credit	.0	40.0
Total	\$126.0	\$118.5

Overall, the administration's proposal is slightly more conservative. The administration states, and your Committee believes, that Congress will enact income tax proposals that will reduce the income tax on capital gain and may liberalize individual retirement account provisions. Both of these changes should be adopted by the State when made, and the administration proposal takes these possibilities into account. Your Committee believes that this is the proper stance for the State to take. In the long run, both the State and the taxpayer will come out ahead.

Your Committee also reviewed tables prepared by the department of taxation comparing the net tax to be paid by the taxpayer under the administration proposal and the tax review commission proposal. In nearly all comparisons, the taxpayer comes out ahead under the administration proposal. The reason for this is one of the main differences between the administration's proposal and that of the tax review commission. The administration proposal continues the use of the flat food tax credit and the medical services tax credit. The tax review commission, on the other hand, would make these credits into disappearing tax credits. For example, although the tax review commission proposal would increase the excise tax credit by adding some part of the food tax credit and the medical service tax credit, no taxpayer with an adjusted gross income of more than \$30,000 would be able to claim any of the credits. Although the tax review commission places some of the savings made by not giving the credits to individuals making more than \$30,000 into the standard deduction and the brackets and rates, the result is that taxpayers do not do better under the tax review commission proposal.

The tax review commission would also alter the medical services tax credit to only allow persons with medical services expenses above 7.5 per cent of their adjusted gross income to claim the credit. While this proposal would take care of those individuals with extraordinary medical expenses, those individuals with an adjusted gross income of more than \$30,000 without substantial medical services expenses would receive no medical services tax credit. Under the administration proposal, all individuals would receive the medical services tax credit if they had expenses. Both the

administration and the legislature, in enacting the medical services tax credit with the \$200 cap, did so with the intention of taking off the cap after gaining sufficient information after a two-year period.

In addition to comparing the difference in flat credits versus disappearing tax credits, your Committee reviewed the rate and bracket structure of the two proposals. The tax review commission proposal starts its rates with a 5.5 per cent tax rate while the administration's proposal starts its rates at two per cent going next to a six per cent tax rate. The middle rate used by the tax review commission is 7.25 per cent while the administration used eight per cent; both proposals have a top rate of nine per cent. A review of the two proposals indicates that the tax review commission brackets, rates, standard deduction, and credits appear to be focused toward the lower income areas. The administration proposal appears to be directed toward middle income individuals where more relief is necessary, since low income individuals have received the greatest tax relief in the past three years. It also appears that the administration proposal will allow smoother passage through the brackets and rates than the tax review commission proposal which appears to result in a very large imposition of taxes at the first step.

Therefore, although the tax review commission proposal may comport with pure economic theory, the practical realities are that under the administration's proposal, the taxpayer fares better. Further, unlike the tax review commission, the administration has built into its proposal the ability of the State to adopt income tax reductions made by Congress during this or the next calendar year. For these reasons, your Committee is in favor of reporting out the administration income tax reduction bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2597, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2597, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2571      Ways and Means on S.B. No. 3394**

The purpose of this bill is to provide employment incentives for persons on welfare.

Presently, incentives for persons on welfare to find work are extremely limited. A working welfare recipient's assistance allowance is decreased, on a dollar-for-dollar basis, by an amount equal to the person's earnings. When a person's net income surpasses the "standard of assistance" (which is two-thirds of the poverty level), all public assistance benefits, including medicaid and child care allowances, are terminated.

This bill would allow the wage-earner to keep a percentage of earnings while retaining the full assistance allowance as long as net income does not exceed the poverty level.

This bill would also allow the department of human services to implement a budgeting method patterned after one used by the state of Utah, and which is consistent with the department's proposed implementation of a basic skills training program.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3394, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2572      Ways and Means on S.B. No. 2524**

The purpose of this bill is to appropriate \$100,000 for fiscal year 1990-1991 to plan and design a boat ramp at Kapa'a county beach park, North Kohala. The funds appropriated will be expended by the department of transportation.

Your Committee finds that the plans and designs for the facility to be financed by this measure are needed, and that the expenditure of public funds for this purpose is appropriate and in the public interest.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated to \$1 to continue discussions on this measure at a future date; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2524, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2524, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2573      Ways and Means on S.B. No. 2439**

The purpose of this bill is to repeal the general excise tax exemption for financial institutions.

Your Committee finds that the bill implements the recommendations of the tax review commission regarding the taxation of the financial services industry under chapters 237 and 241 of the Hawaii Revised Statutes. This measure would correct inequities and inefficiencies in the general excise tax law under chapter 237, update and streamline the franchise tax on financial institutions in chapter 241, and position the tax system for the future.

Presently, section 237-23, Hawaii Revised Statutes, provides an exemption from the imposition of general excise tax for certain entities such as banks, building and loan associations, and certain amounts of income earned by financial service

loan companies, development companies, and small business investment companies. These entities, instead of paying the net income tax under chapter 235, are paying the franchise tax under chapter 241. Chapter 241 imposes an 11.7 per cent tax on the net income which is determined in the same manner as the "taxable income" of a corporation under chapter 235 with certain adjustments. Some of these adjustments include: the exclusion of gross income derived from sources outside the State, the exclusion of fifty per cent of capital gain, and the deduction of federal income taxes imposed on Hawaii income.

This bill proposes to repeal the general excise tax exemption provided by section 237-23 for banks, building and loan associations, financial service loan companies, development companies, and small business investment companies. The repealed sections are incorporated into section 237-24, however, for banks and building and loan associations, the exemption from general excise taxes is limited to the amount of interest income received. The bill proposes to amend sections 241-2 and 241-4 to impose the franchise tax on state banks as well as national banks located and doing business in the State, eliminate the exemption from other taxes, replace the 11.7 per cent tax rate with the low rates of corporations, which range from 4.4 per cent, 5.4 per cent, and 6.4 per cent depending on the income level. The bill also repeals the provisions to allow the exclusion of gross income derived from property owned, trade or business carried on, and other sources outside the State, the exclusion of fifty per cent of capital gain, and the deduction of federal income tax imposed on Hawaii income.

Since its adoption in 1957, the franchise tax has remained virtually unchanged even though the fundamental assumptions underlying its structure are outdated. This bill implements the recommendations made by the tax review commission which is to retain the franchise tax, but simplify it.

The goal of an equitable tax policy is to treat all taxpayers as nearly alike as possible. Banks have been treated differently because of requirements that were once imposed by federal law, affecting both the franchise tax and the general excise tax. But, the relevant federal law has been repealed since 1976, and is no longer controlling.

Your Committee finds that the underlying justification for differentiating between banks and other corporations, both under the franchise tax and the general excise tax, no longer exists. As a result, every effort should be made to treat banks and other corporations alike. This bill would do that.

Your Committee has amended this bill by changing the effective date to December 31, 1991.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2439, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2439, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2574      Ways and Means on S.B. No. 3107**

The purpose of this bill is to clarify the scope of the functions and authority of the department of public safety and to specify the retention of arrest powers of narcotics enforcement investigators under part IV of chapter 712, Hawaii Revised Statutes.

One of the reasons for creating the department of public safety was to consolidate all public safety functions and employees of state government into a single department in order to ensure better organization and coordination of public safety functions. Your Committee agrees with the Committees on Corrections and Judiciary as to the retention of arrest powers of narcotics enforcement investigators but would like to comment on the purpose of the arrest power given to narcotics enforcement officers.

Your Committee, upon reviewing this bill, is concerned about the authority of the narcotics division with regard to certain police powers. Your Committee strongly emphasizes that the department of public safety is fundamentally intended to be a protective agency, and by no means a state police agency. The police powers of the State have been within the jurisdiction of the counties and your Committee intends it to remain there. Thus, it is your Committee's intent that the arrest powers retained by the narcotics enforcement division under part IV of chapter 712, Hawaii Revised Statutes, be exercised only incidental to the enforcement of chapter 329. This limitation of power is consistent with the protective intent and function of the Department of Public Safety.

Your Committee has amended section 26-14.6(e), Hawaii Revised Statutes, by transferring the functions and authority of chapter 329C, Hawaii Revised Statutes, to the department of public safety. Your Committee feels this will clarify the scope of the functions and authority of the department of public safety. Your Committee has also amended this bill by deleting the reference to 329-4 in Section 10 of this bill because the Attorney General testified that this reference is unnecessary.

Your Committee also amended Section 1 of the bill to delete the provision requiring that the powers and authority be upon the specific authorization and direction of the speaker, president, or other presiding officer of such house. While your Committee understands why the provision was inserted and is in agreement with such provision, your Committee believes that the provision is outside the scope of the title of the bill and thus is in violation of section 14, Article III of the Constitution of the State of Hawaii. Your Committee has also made various technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3107, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3107, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2575      Ways and Means on S.B. No. 2794**

The purpose of this bill is to supplement the State's institutional health care reimbursement funds for inpatient care under the medical care payments law.

Your Committee finds that supplemental funds are necessary due to a shortfall between medicare and medicaid payments from the federal government. These funds are necessary to protect the health and welfare of Hawaii's people.

Your Committee has amended this bill by appropriating the sum of \$1 for the purpose of this Act. Your Committee finds that this will stimulate discussion on the funds necessary to carry out the intended purpose of this bill.

Your Committee has also made several technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2794, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2794, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2576      Ways and Means on S.B. No. 3141**

The purpose of this bill is to increase the University of Hawaii research and training revolving fund from fifty to seventy-five per cent of the total amount of indirect overhead funds generated by the university for research and training purposes in the prior fiscal year. This bill also requires the board of regents to report to the 1991 legislature on the effect of the increase.

Research represents a major responsibility of the University of Hawaii. Through their research and scholarly activities, university faculty members are able to gain new knowledge and to transmit that knowledge effectively to their students.

It is important that the university remain competitive in research and scholarship by providing appropriate reinvestments of overhead in personnel and equipment, in incentives to established researchers, and in seed money to assist younger faculty to seek federal support for their research.

The research and training revolving fund encourages faculty to pursue the initial stages of research on promising projects and to develop sound proposals for extramural funding. University records indicate that faculty who have received seed money support from the fund were successful in obtaining one hundred nine awards totaling \$13,600,000 from extramural sources in 1988-1989. The fund also supports faculty presentations of research results at national and international meetings, not only exposing faculty to the latest developments in their fields, but also establishing their credibility as scholars and enhancing the reputation of the university as a first class institution.

An increase in the fund will enhance flexibility to purchase critical equipment and initiate new research efforts, permit the university to provide additional support for needed research and training infrastructure and to begin creating common facilities that can be used by a number of research units, and greatly enhance the chances of supporting innovative research and training projects by other faculty members.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3141, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2577      Ways and Means on S.B. No. 3292**

The purpose of this bill is to authorize the counties to provide, by ordinance, for the establishment of community facilities and special tax districts. This bill provides an infrastructure financing alternative for the counties.

Your Committee finds that the counties are limited to financing infrastructure requirements through general obligation bond financing or special assessment district financing. These current financing methods have limitations and the counties need more flexibility in meeting their infrastructure financing requirements.

Your Committee received very favorable testimony in support of the concept of providing the counties with an alternative financing mechanism. The funding technique has been used successfully in California, Florida, and other states. The counties, however, noted that the bill as received by your Committee has numerous problems. Accordingly, your Committee has amended the bill in its entirety by replacing the language in sections 1 and 2 with new language which the counties believe will be more effective in carrying out the concept. The language was recommended by a California attorney who has had extensive experience in this type of legislation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3292, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3292, S.D. 2.

Signed by all members of the Committee except Senators Fernandes Salling, Ikeda, Mizuguchi, Tungpalan, George and Koki.

**SCRep. 2578      Ways and Means on S.B. No. 3311**

The purpose of this bill is to appropriate \$5,200,000 in fiscal year 1990-1991 for the improvement of fire protection facilities in the counties of Hawaii, Maui, Kauai, and the city and county of Honolulu.

Your Committee finds that improvements to these facilities are necessary in order to upgrade existing substandard facilities.

Your Committee has amended the bill by changing all appropriations to \$1 for the purpose of continuing discussions at a future date.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3311, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3311, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2579      Ways and Means on S.B. No. 3096**

The purpose of this bill is to transfer responsibility for managing, operating, and maintaining housing complexes for elders from the housing finance and development corporation to the Hawaii housing authority, with the corporation retaining authority for planning, developing, and rehabilitating projects for elders.

Specifically, the bill amends chapters 201E and 359, Hawaii Revised Statutes, to:

- (1) Repeal subpart D of part III of chapter 201E relating to the housing finance and development corporation and housing for elderly persons;
- (2) Add a new subpart to part III of chapter 201E authorizing the housing finance and development corporation to develop and rehabilitate housing projects for elders on a priority basis and to transfer these projects, upon completion, to the Hawaii housing authority;
- (3) Add new sections to chapter 359 reestablishing the elderly housing revolving fund under that chapter, authorizing the Hawaii housing authority to administer the fund, and authorizing the authority to adopt rules for the management and operation of housing projects for elders;
- (4) Add a new definition of "elder" to section 201E-2;
- (5) Change the definition of "elder" to include only those persons who have attained the age of sixty-two, while excluding those persons who are suffering from physical or mental impairments but are not otherwise "elders";
- (6) Add a new definition of "housing complex" to chapter 359, Hawaii Revised Statutes, that is substantially similar to the definition of "housing project" in section 201E-230, Hawaii Revised Statutes, which is to be repealed by the bill;
- (7) Add a new section to chapter 359, Hawaii Revised Statutes, relating to resident selection, dwelling units, and rentals that is substantially similar to section 201E-234, Hawaii Revised Statutes, which is to be repealed by the bill; and
- (8) Add a new section to chapter 359, Hawaii Revised Statutes, authorizing the authority to adopt rules necessary for the management and operation of housing complexes for elders.

Your Committee has amended this bill by:

- (1) Making a conforming amendment to section 46-4(d), Hawaii Revised Statutes, to substitute a new reference in place of section 201E-230, which is being repealed; and
- (2) Making technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3096, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3096, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2580      Ways and Means on S.B. No. 3148**

The purpose of this bill is to authorize the Hawaii housing authority to certify for exemption from general excise taxes qualified persons or firms involved in the rehabilitation or construction of housing developed for or by the authority under chapters 356 and 359, Hawaii Revised Statutes. Currently, the housing finance and development corporation must exercise this authority on behalf of the Hawaii housing authority.

Your Committee finds that, given the increase in demand for rental housing, granting the Hawaii housing authority independent certification authority will help to expedite the development of low-income rental housing.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3148, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2581      Ways and Means on S.B. No. 3126**

The purpose of this bill is to require every buyer to withhold the income tax on real property sales where the seller is a nonresident.

This bill would promote a greater level of compliance in reporting income from sales of real property located in Hawaii by nonresidents. For various reasons, including distance, the enforcement of compliance for nonresidents is difficult and the gain on the sale of real property may go untaxed. The withholding requirement would ensure that taxes are being paid by nonresidents.

Your Committee feels that this bill implements one of the recommendations of the Hawaii tax review commission, which was reflected in S.B. No. 2455, but without requiring the buyers of real property owned by residents to withhold taxes. Your Committee believes that expanding the withholding of taxes to all buyers is unnecessary because resident sellers are required to file the gains on their annual returns.

Your Committee has amended this bill by inserting a new section in the bill which would require every escrow depository to deduct and withhold the income tax if the seller is a nonresident. This amendment would ensure compliance in situations where the buyer may not be cognizant of the withholding requirement. This requirement would not relieve the buyer of the duty to withhold taxes on sales not subject to escrow.

The bill was also amended by changing the withholding percentage if the person is a corporation from 6.5 to 6.4 per cent. The percentage was amended to conform the new section to current tax rates.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3126, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2582      Ways and Means on S.B. No. 3416**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Puna Geothermal Venture in financing geothermal energy projects in Puna, Hawaii.

Your Committee finds that this bill will contribute to the State's efforts to reduce its dependence upon fossil fuels.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3416 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2583      Ways and Means on S.B. No. 3303**

The purpose of this bill is to appropriate \$300,000 for capital improvement projects for the Waiahole Valley water system and to mandate that the existing water system remain in use and be available for agricultural purposes only. The bill appropriates \$250,000 for improvements to the existing Waiahole Valley water system and \$50,000 for upkeep and maintenance of the Waiahole McCandless water system.

Your Committee agrees with the Committee on Government Operations that the existing system must be maintained and be available for agricultural purposes.

Your Committee has amended the bill by substituting the amount of \$1 in the appropriation provision for the purpose of continuing discussion at a future date.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3303, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3303, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2584      Ways and Means on S.B. No. 2978**

The purpose of this bill is to establish a commission to celebrate the quincentenary of Christopher Columbus' arrival in the new world and to provide an appropriation for implementation of the celebration.

The bill creates a temporary commission within the office of the governor responsible for planning and coordinating various celebratory and educational program activities in 1992-1993 to commemorate this historic event. To date, twenty-two states and many cities have established similar commissions and more are expected to follow suit.

Your Committee has made technical, nonsubstantive changes to this bill for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2978, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2978, S.D. 1.

Signed by all members of the Committee except Senator George.

**SCRep. 2585      Ways and Means on S.B. No. 3044**

The purpose of this bill is to appropriate the sum of \$350,000 to the department of health for the construction of an environmental health facility in the Waiakea health center complex.



Your Committee finds that the Waiakea health center complex serves a beneficial function to the public. The addition of an environmental health facility to the complex will increase the benefits this complex would be able to provide to the community.

Your Committee has amended this bill by increasing the amount of the appropriation to \$585,000.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3044, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2586      Ways and Means on S.B. No. 2905**

The purpose of this bill is to amend the rent supplement law administered by the Hawaii housing authority to: (1) eliminate the current exclusion from the program of persons receiving federal supplemental security income assistance; and (2) eliminate the forty-year limit on contracts with housing owners under the rent supplement program. The bill also appropriates \$300,000 in additional funds for the rent supplement program.

Your Committee finds that, due to the increasing shortage of affordable housing in Hawaii, changes to the rent supplement program are appropriate in order to give relief to persons with the greatest need. Persons receiving federal supplemental security income assistance, such as low-income elderly persons and persons with disabilities, should be included in the rent supplement program.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2905, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2587      Labor and Employment on S.B. No. 2728**

The purpose of this bill is to authorize public employers to disclose personal information regarding public employees' income, deductions, contributions, insurance, and status to the exclusive representatives of employee bargaining units.

The need for this bill arose from current statutes having the effect of restricting the release of this information to the exclusive employee representatives.

Your Committee has amended section 1 of this bill in the descriptions of the items of data to be disclosed, having taken into consideration the various limitations imposed by governmental employers' existing computer programs and the timing within which their programs are able to generate certain data. Section 1 has also been substantively amended by the insertion of an exclusion of all data on any present or former undercover law enforcement personnel.

Your Committee has combined elements from four other bills, S.B. Nos. 2724, 2725, 2726, and 2727, all relating to the disclosure of personal records of public employees, into the present bill to assure uniformity of the statutory treatment of such personal data and of its treatment in practice.

Your Committee has added three new sections, drawn in substance from the four companion bills listed above, as follows:

- (1) In section 2 of the bill, a new section has been added to Chapter 88 (Pensions and Retirement Systems), Hawaii Revised Statutes, to authorize the disclosure of the same basic personal information to each employee's exclusive bargaining agent for the administration and accounting incident to employees' and retirees' health fund coverages, and retirement contributions and benefits.
- (2) Section 3 of this bill adds a new section to Chapter 40 (Audit & Accounting), Hawaii Revised Statutes, to provide the same authorization to the Department of Accounting and General Services, since it functions as the State's paymaster.
- (3) In section 4 of this bill, your Committee has added a provision repealing section 92F-21.5, Hawaii Revised Statutes.

Your Committee received testimony from the Director of the Department of Personnel Services, the Department of the Attorney General, the Department of Accounting and General Services, the Director of the Department of Civil Service of the City & County of Honolulu, the Executive Director of the Hawaii Government Employees Association, and the President of the Hawaii State Teachers Association. Working with your Committee, these six public and private agencies have resolved all differences incident to these amendments and now support passage.

Your Committee wishes to make clear that, in applying the provisions of this bill, it is intended that the following terms be interpreted as follows:

- (1) "Differential pay" means shortage differential, compression differential, related differential, temporary differential, salary adjustment differential, and permanent differential;
- (2) "Recipient" means any agent or other entity authorized by the assignee to receive payments deducted from the payroll or pension of a public employee or officer, or a person receiving a pension, annuity, or retirement allowance in accordance with Chapter 88, Hawaii Revised Statutes; and,

- (3) "Amounts and dates of both voluntary and mandatory deductions remitted to the recipient," in situations involving a salary assignment authorizing payroll deductions to a single agent for multiple payments, does not mandate the government agencies disclosing information to break down these payroll deductions by specific amounts for specific payments to a single agent, with the exception of auto insurance premiums and statutory dues. However, government agencies are permitted to break down these payroll deductions should they concur with any request to do so.

It is also your Committee's intent that leave without pay information will be provided as soon as it is available for the individual employee.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2728, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2588      Labor and Employment on S.B. No. 2773**

The purpose of this bill is to interpolate a definition of "independent contractor" into chapters 383, 386, and 393, Hawaii Revised Statutes.

Chapter 383, the Employment Security Act, currently uses a three step (ABC) test to determine an individual's status under the unemployment insurance laws: a person is an independent contractor if (1) he is free from control or direction in the performance of his duties; (2) the service he provides is outside the usual course of business of the person with whom he is contracting; and (3) he is customarily engaged in the business for which he is being contracted.

Chapters 386 (Workers' Compensation) and 392 (Temporary Disability Insurance) are silent on the subject.

This bill would repeal the ABC test in chapter 383 and add identical new definitions, referencing criteria for determining the employer-employee relationship under the federal Fair Labor Standards Act, to all three chapters.

This issue has long been a subject of controversy, even though a study and report by the Legislative Reference Bureau in 1987 substantiated the ABC test provided in chapter 383, which is also adopted in several other states. In view of the continuing debate, your Committee finds that there is a need to adopt a standard definition of "independent contractor" which will be equitable and applicable across the spectrum of state labor laws.

The Fair Labor Standards Act defines the employer-employee relationship on the basis of "economic reality," which is determined by six factors: (1) the degree to which the alleged employer is entitled to control the employee's work; (2) the employee's opportunity to profit (and lose) from his abilities; (3) his investment in equipment and materials to do the job, or the employment of helpers; (4) whether the service requires a special skill; (5) the permanence of the working relationship; and (6) whether the service is an integral part of the employer's business.

Considering the expressed need for uniformity in determining the employer-employee relationship in Hawaii's laws, your Committee finds that the economic reality six-step criteria of the Fair Labor Standards Act is suitable and will allow for uniform determinations in the three affected chapters.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2773 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 Mizuguchi.

**SCRep. 2589      Labor and Employment on S.B. No. 2894**

The purpose of this bill is to authorize the Board of Trustees of the Public Employees Health Fund to select their own private legal counsel rather than relying upon the Attorney General.

Your Committee received testimony in support of this bill from Russell K. Okata, Executive Director of the Hawaii Government Employees Association. The State's Attorney General has no objection to this bill, and the Health Fund took no position on it.

Your Committee finds that this bill is necessary in order to avoid possible conflicts of interest in having the Attorney General represent the Health Fund since that office is a cabinet level department and is therefore the "employer."

Your Committee has amended this bill by adding a section to amend section 103-3, relating to the State's employment of attorneys, to make it congruent with the proposal of this bill.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2894, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2590      Labor and Employment on S.B. No. 2933**

The purpose of this bill is to amend the workers' compensation law on penalties for fraud. The bill provides for mandatory restitution for any benefits received by the worker through fraud. The bill also amends the procedural requirements in fraud cases by deleting written notice of a hearing to the person charged with fraud.

It is the intent of this bill to provide stricter penalties for fraud by persons claiming workers' compensation benefits. Restitution is a fair means to do this. Current law does provide for a suspension or termination of benefits and for a fine of \$2,500 for each violation, but this is often a very small amount compared with the monetary value of benefits received.

Your Committee received supporting testimony from employer and insurance groups: National Federation of Independent Business Hawaii, Construction Industry Legislative Organization, Hawaii Insurers Council, Hawaii Independent Insurance Agents Association, Small Business Hawaii, the Chamber of Commerce of Hawaii, and the Department of Civil Service of the City and County of Honolulu.

The Department of Labor and Industrial Relations had no objection to the restitution provision of the bill. However, it objected to the proposed change in procedures in that it would unfairly deny to the person charged a reasonable opportunity for preparation and notification for the hearing.

Your Committee received testimony in opposition to the bill from the International Longshoremen and Workers Union Local 142 and the Hawaii State AFL-CIO. Their testimony was that the bill is unfair because it is one-sided in targeting the worker and not providing for penalties for fraud by the employer or the insurer for denying claims fraudulently.

After due consideration, your Committee has amended this bill to delete the proposed change in procedures. This leaves the statute as it now reads to require notice of the hearing to the person charged. Additionally, your Committee has amended this bill by adding language to include "payment obtained or withheld through fraud" to require that restitution be made by employers, carriers or health providers.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2933, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2591      Labor and Employment on S.B. No. 3100**

The purpose of this bill is to provide that if a candidate for a trustee position, representing members of the system, on the board of trustees of the public employees retirement system is unopposed after the close of filing for candidacy, the candidate shall be declared duly elected without the necessity of going through with the election.

Your Committee received favorable testimony in support of this bill from Yukio Takemoto, Director of the Department of Budget and Finance. This is an administration bill, which arose from a situation wherein an unopposed member candidate had to go through the election anyway under existing law. It actually cost the State about \$50,000 in expense for holding the election.

Your Committee finds that this bill is necessary in the interests of cost savings and efficiency, inasmuch as an unopposed candidate is elected for all practical intent and purpose.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3100 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2592      Labor and Employment on S.B. No. 3153**

The purpose of this bill is to amend the civil service procedures for filling vacancies. This bill allows the director of personnel services, with the prior approval of the governor, to authorize a department to fill a vacancy in a shortage category directly from a list of eligibles without certifying such eligibles. This is only for a specified period of time which may be extended by the director, and only after conducting an exhaustive search for qualified applicants.

It is the intent of this bill to provide flexibility in recruiting persons for difficult-to-fill positions in times during which the State encounters severe recruitment difficulty for certain classes which are essential in meeting the public need, as in professional health care, social work, or engineering. This problem arises in a severely limited labor market condition, where the private sector is better able to compete with the State because it can hire the same day or within a few days. Under present law, the State's ability to compete for these same individuals is severely restricted.

Your Committee received supporting testimony for this Administration bill from the Department of Personnel Services, the Department of Human Services, the Department of Health, the Judiciary, and the Superintendent of Education.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. no. 3153 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2593      Labor and Employment on S.B. No. 3154**

The purpose of this bill is to amend the procedures for filling vacancies under the civil service law by allowing the appointing authority to fill a vacancy by promotion, without examination, of a regular employee of the department if the

employee meets the minimum qualification of the class and vacant position rather than the present requirement that movement occur between "related" classes. The bill also repeals the provision prohibiting a second promotion without examination within the same year.

It is the intent of this bill to provide greater advancement opportunities for State employees and to enhance the State's retention of qualified and able employees. This would mean that more people might choose to work for the State and would tend to result in greater retention of good employees. In a tight labor market, the State must be more competitive in attracting and retaining talented and skilled workers.

Your Committee received supporting testimony for this Administration bill from the Department of Personnel Services, the Department of Human Services, the Department of Accounting and General Services, the Department of Health, and the Superintendent of Education.

After due consideration, your Committee has amended this bill to restore the prohibition on receiving a promotion without examination within one year from the first promotion without examination.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3154, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2594      Labor and Employment on S.B. No. 3155**

The purpose of this bill is to amend chapter 76, the Civil Service statute, to permit the Director of Personnel to authorize the provisional appointment to vacant permanent positions when less than five eligibles are on a list. The objective is to allow the State some flexibility to compete for persons possessing the requisite skills and qualifications in a highly competitive labor market.

Your Committee received testimony in support of this bill from the Department of Personnel Services, the Department of Human Services, Department of Accounting and General Services, the Department of Health, the Court Personnel Administrator of the Judiciary, and from the Department of Education.

Your Committee has amended this bill to correct an omission of existing statutory language on page 1, line 16.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3155, S.D. 1, and be on placed on calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2595      Labor and Employment on S.B. No. 3156**

The purpose of this bill is to amend the civil service procedures for filling a temporary limited appointment. This bill allows the director of personnel services to fill a vacancy through a temporary appointment where there are less than five eligibles on a list, and no selection was made from the list that was certified as appropriate.

It is the intent of this bill is provide recruitment flexibility to enhance the State's ability to compete for persons possessing the requisite skills and qualifications in a highly competitive labor market. The State should have a variety of recruitment options available to conduct a successful recruitment, including the authority to appoint qualified applicants on a temporary appointment basis when there are only a few eligibles available on a list.

Your Committee received supporting testimony for this Administration bill from the Department of Personnel Services, the Department of Human Services, the Department of Accounting and General Services, the Department of Health, and the Judiciary.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3156 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2596      Labor and Employment on S.B. No. 3157**

The purpose of this bill is to streamline public employment recruitment procedures in order to attract individuals with the requisite skills and qualifications. Specifically, the bill would amend section 78-1(d), Hawaii Revised Statutes, to change the waiting period from forty-five days to seven days after publication of a job notice for the State to consider applicants who are not citizens, nationals, or permanent resident aliens of the United States or residents of the State. The bill would also delete the requirement for multiple publication of job notices.

Your Committee received supporting testimony from the Director of Personnel Services, the Department of Human Services, the Department of Health, and the State Judiciary.

Your Committee finds that this bill is appropriate in view of today's highly competitive labor market.

Your Committee has amended the bill to change the waiting period from seven days to fourteen days.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3157, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2597      Labor and Employment on S.B. No. 3159**

The purpose of this bill is to amend current civil service law regarding exemptions for temporary positions. This bill allows temporary appointments to be extended for an additional year, if the need for the temporary service continues to exist. This would give the State the recruitment flexibility needed for exempt positions.

Your Committee received supporting testimony for this Administration bill from the Director of Personnel Services, the Department of Human Services, the Department of Health, the Judiciary, and the Superintendent of Education.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3159 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2598      Labor and Employment on S.B. No. 3166**

The purpose of this bill is to clarify that the computation of state employees' retirement system contributions and benefits shall be based upon the employee's compensation before deductions for cafeteria plan benefits provided by part II of chapter 78, Hawaii Revised Statutes.

Cafeteria plans allow public employees to reduce their pretax compensation in return for payment by the State of premiums for various health insurance coverages. This bill will insure that retirement contributions and benefits will continue to be based on the employee's total compensation, regardless of participation in the cafeteria plan.

Your Committee received supporting testimony from the Director of Personnel Services and finds that this bill will enable equitable calculation of retirement contributions and benefits for employees who elect to take advantage of the cafeteria plan.

Your Committee has amended this bill by placing this provision in chapter 88, Hawaii Revised Statutes ("Pension and Retirement Systems"), rather than in chapter 78 ("Public Service").

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. 3166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3166, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2599      Labor and Employment on S.B. No. 3178**

The purpose of this bill is to make permanent the sliding reduction in the taxable wage base for unemployment insurance contributions. Specifically, the bill amends section 383-61(c), Hawaii Revised Statutes, by deleting the one-year limitation on the subsection's operation.

Act 240, Session Laws of Hawaii 1987, amended section 383-61, Hawaii Revised Statutes, to create a sliding scale for the calculation of employers' contributions to the unemployment compensation insurance fund. The wage base upon which contributions are calculated could vary from 100 percent to 50 percent of the average annual wage, depending upon the ratio of the current reserve fund to the adequate reserve fund. The sliding scale, however, was effective only during the 1988 calendar year.

Your Committee finds that Hawaii's unemployment tax rates and wage base have been among the highest in the nation, and that Act 240 provided badly needed tax relief to the State's employers while protecting the unemployment compensation program by tying contribution reductions to the health of the reserve fund. In 1988, when the Act was in effect, the unemployment reserve fund actually grew and now stands at a higher amount than in 1987. Given the current status of the reserve fund and the low rate of unemployment prevailing in the State, Your Committee finds it appropriate to make the provisions of Act 240 permanent.

Your Committee received supporting testimony for this bill from the Department of Labor and Industrial Relations (supporting the intent of the bill), The Chamber of Commerce of Hawaii, Small Business Hawaii, The Hawaii Business League, and the Small Business Council.

Your Committee has corrected three typographical errors in the bill, but has made no substantive amendments.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3178, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2600      Labor and Employment on S.B. No. 3179**

The purpose of this bill is to amend the workers' compensation laws with regard to penalties levied against an employer or insurance carrier and to establish exclusive remedy provisions against an employer or insurance carrier for malice or bad faith.

Your Committee finds that the present thirty-one day time period within which employers or insurance carriers must comply with the terms of a final decision or judgment is too long and should be reduced. Reduction to twenty-one days would be consistent with the amount of time allowed to perfect an appeal from the director's decision, and the period for employers or insurance carriers to meet temporary total disability payment requirements.

Your Committee further finds that the intent of the workers' compensation law (to provide income, indemnity, medical and other benefits in a timely manner to an injured employee regardless of fault) is inconsistent with civil law suits premised on alleged bad faith practices of employers or insurance carriers. In view of this, together with the expertise of the department in this area, it is appropriate to provide an exclusive remedy for malicious or bad faith practices within the workers' compensation law. However, given the exclusiveness of the remedy, your Committee finds that "twice the amount of the total unpaid compensation in dispute" is an insufficient amount and has amended the bill to increase it to "ten times the amount of the total unpaid compensation in dispute."

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3179, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2601      Labor and Employment on S.B. No. 3206**

The purpose of this bill is purely housekeeping. Gender specific language is replaced with neutral terms. The Department of Labor and Industrial Relations requested that the term such be retained for clarity at page 3, lines 16 and 20, of the bill.

Your Committee has amended this bill by: (1) incorporating the request of the Department of Labor and Industrial Relations; and (2) adding gender neutral language at page 5, line 11 and adding clarifying language "of the employee" at the end of the same line.

Your Committee received testimony from the Department of Labor and Industrial Relations; the International Longshoremen's and Warehousemen's Union, Local 142; and the Chamber of Commerce of Hawaii; all in support of passage of this bill as amended.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3206, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2602      Labor and Employment on S.B. No. 3273**

The purpose of this bill is to authorize partial transfers of unemployment insurance reserves in situations where a successor employer acquires a clearly identifiable and segregable portion of a preceding employing unit's business and continues to employ all or nearly all of the predecessor's employees.

This bill will allow an employer who acquires a portion of an existing business and keeps the payroll virtually intact to inherit the former employer's favorable experience record and the corresponding portion of the former employer's reserve fund, thereby allowing the new employer to enjoy a lower unemployment insurance tax rate. In other words, this measure will allow qualified employers to enjoy tax relief for retaining all or most of the workers of a previous employer who also had a good record as an employer.

Your Committee heard testimony from the Director of Labor and Industrial Relations, the law firm of Paul, Johnson, Alston & Hunt, Chaminade University, and Saint Louis High School, all offering support in varying degrees. After careful consideration of the ramifications of this issue, your Committee finds that it was the intent of the federal government and the State of Hawaii, in enacting employment security laws, to reward employers with good experience ratings. Since this bill will reward succeeding employers for continuing the good employment practices of their predecessors, it is consistent with the philosophy and spirit of the law.

Your Committee also finds that some changes are needed to enable the Labor Department to efficiently carry out this measure. Therefore, your Committee has amended this bill by providing that partial transfers of reserves and experience ratings shall be in effect only for the period beginning after December 31, 1988 and ending December 31, 1992. This will allow the Department to assess the impact of this measure on the Unemployment Insurance Trust Fund and determine what additional staff would be required for permanent implementation.

Your Committee has also made some minor technical changes which have no substantive effect.

Your Committee wishes to note that differences in opinion as to the duration of these provisions have been ironed out to the satisfaction of all parties.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3273, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2603 (Joint/Majority) Labor and Employment and Education on S.B. No. 2640**

The purpose of this bill is to prohibit sixteen and seventeen year old students from working after 8:00 P.M. on any evening preceding a school day.

The employer would notify the school of the minor's employment, job duties, and work schedule, and provide assurance that the minor will not be scheduled or allowed to work after 8:00 P.M. on evenings preceding school days. This bill would be effective on September 1, 1990.

Your Committees received enthusiastic support from the HSTA and qualified support from the Director of Labor and Industrial Relations, who suggested that this bill might induce some students to sacrifice education in favor of lucrative employment, and recommended legislation which would allow the Department to monitor sixteen and seventeen year old students the way it now monitors fourteen and fifteen year old students.

After due consideration, your Committees find that prohibiting seventeen and eighteen year old students from working school nights is appropriate, and that reporting and monitoring the employment of sixteen and seventeen year old students is warranted and in the best interests of the student, the educational system, employers, parents, and the general public. However, such reporting should be made to the Department of Labor and Industrial Relations which is experienced in this kind of monitoring and can more easily assume these new duties than the Department of Education.

Therefore, your Committees have amended this bill by establishing provisions under which the employer must procure a valid certificate of employment from the Department. This application process will insure that the student is employed in a non-hazardous occupation and will provide reasonable safeguards for the employer, the parent or guardian, and the minor relating to the balance between the minor's employment needs and conditions, and educational needs and well-being.

Your Committees have also taken this opportunity to amend other statutes relating to employment of minors, to wit:

- (1) Provided that no minor shall be employed or permitted to work during school hours on any day in which a minor is suspended from school;
- (2) Deleted the provisions relating to employment of fourteen and fifteen-year-olds and provided that they may work from 7:00 a.m. to 7:00 p.m. during the school year and until 9:00 p.m. during the summer, but no more than six consecutive days or forty hours a week, or eight hours a day, with provision for rest and meal periods;
- (3) Provided that when a fourteen or fifteen year old minor is required to attend school, the minor's combined work and school hours shall not exceed ten hours per day;
- (4) Deleted distinctions of age relating to certification of minors for employment; and
- (5) Provided that if the school certifies to the Department that a working minor is not progressing satisfactorily, the Director shall revoke the certificate of employment.

Your Committees on Labor and Employment and Education are in accord with the intent and purpose of S.B. No. 2640, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2640, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.  
Senator Ikeda did not concur.

**SCRep. 2604 Labor and Employment on S.B. No. 2157**

The purpose of this bill is to establish a permanent job-sharing program in the Department of Health.

In 1986, job-sharing was instituted in the Department of Health as a two-year pilot project to allow two qualified nurses to share the same position. The project received a two-year extension, but is scheduled to expire on June 30, 1990. This bill establishes a permanent job-sharing program within the Department of Health, open to all positions.

Testimony in support of this measure was received from the Department of Personnel Services, Department of Health, and Hawaii Government Employees Association.

Job-sharing has been found to be a viable employment option and incentive for retaining valuable personnel and has provided employment for many qualified persons who have been unable to work full time. In addition, job-sharing provides management with another means of filling vacant positions and gives employees time to pursue additional training and education.

Your Committee has amended this bill by: (1) adding language to clarify that qualified job-sharing applicants will be interviewed by a personnel officer or other appropriate individual; and (2) rearranging the wording between subsections (d) and (e) of the proposed statute for clarity and understanding.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2157, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2157, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2605      Energy and Natural Resources on S.B. No. 2219**

The purpose of this bill is to allow the Board of Land and Natural Resources, after notification and public hearing, to amend restrictions contained in a hotel lease that has been in effect for at least twenty years if the amendments are in the public interest.

Testimony in support of the bill was received from the Department of Land and Natural Resources, the Hawaii Hotel Association, various Kauai business associations, the Aston Kauai Resort Hotel and its employees and supporters.

Your Committee finds it inappropriate to continue hotel lease restrictions executed over two decades earlier if the restrictions are no longer in the public interest. Height, density, and other restrictions contained in leases often come into conflict with county zoning laws as these laws are modified. The result is that lease restrictions previously serving valid purposes become inconsistent with, and sometimes actually hinder, the purposes underlying the changes in county zoning. Your Committee believes that this bill provides an appropriate mechanism for reviewing and modifying lease restrictions to ensure that the public interest is served.

Your Committee has amended the bill to clarify that lease amendments shall not be construed to permit construction of improvements which are inconsistent with county zoning law, and made other clarifying amendments which have no substantive effect.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 2219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2219, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2606      Government Operations on S.B. No. 2549**

The purpose of this bill is to strengthen the laws relating to intoxicating liquor by making several substantive amendments and repealing obsolete provisions which are no longer responsive to current community needs.

Generally, this bill proposes to amend provisions relating to liquor inspectors, license applications, enforcement, qualifications of personnel, and other administrative matters. Additionally, the bill deletes material relating to subpoena powers, examination of witnesses, and exemption of the commission from strict legal rules of evidence.

Other substantive provisions of this bill establish liquor investigators, authorize police and other law enforcement officials to serve subpoenas, create a new classification of license, allow hotel licensees to provide off-premises catering, require permits to give away free liquor, prohibit transferring liquor to convicted felons, permit more public input into the liquor license application process, increase certain fines, and clarify which parties are liable for committing prohibited acts relating to the sale or consumption of liquor.

Your Committee finds that as communities evolve and community standards change, it is necessary to appropriately amend the laws relating to intoxicating liquor to reflect such changes and standards. This bill is necessary to accomplish this purpose.

After deep consideration of testimony both for and against the various features of this bill, your Committee has made the following substantive amendments:

- (1) Clarifying the definition of "retail license";
- (2) Empowering the commission to regulate establishments where employees consume nonalcoholic beverages in the company of patrons;
- (3) Requiring that products labelled as Hawaiian are in fact Hawaiian;
- (4) Deleting the provision relating to affirmative votes of the majority of commission members;
- (5) Empowering the commission to curtail hours a licensee may operate;
- (6) Deleting the provision allowing persons ages 18 through 21 to obtain liquor licenses;
- (7) Prohibiting nude entertainment in cabarets;
- (8) Expanding the eligibility criteria for class 13 licenses and deleting a provision relating to the times when a caterer may promote or permit the consumption of liquor;
- (9) Conforming the law with federal Bureau of Alcohol, Tobacco and Firearms regulations;
- (10) Prohibiting manufacturers or wholesale dealers from unduly influencing any licensee authorized to manufacture liquor in the State;
- (11) Prohibiting exclusive agreements between suppliers and manufacturers, wholesalers, or distributors;



- (12) Prohibiting the licensing of minors;
- (13) Clarifying the language relating to offering liquor as a prize or inducement;
- (14) Deleting the amendment relating to offers of free liquor in connection with the sale of other merchandise;
- (15) Deleting the authority of an investigator to seize evidence without a warrant; and
- (16) Empowering the administrator to prosecute for failure to have a valid license.

Your Committee has also made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee believes that this bill, as amended, will enable the liquor commissions to better accomplish their goals relating to improvement of the liquor industry, protection of manufacturers, wholesalers, dispensers, and retailers, and providing for the public health, safety, and welfare.

Your Committee on Government Operations is in accord with the intent and purpose of S.B. No. 2549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2549, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator George.

**SCRep. 2607      Housing and Hawaiian Programs on S.B. No. 2106**

The purpose of this bill is to amend chapter 514C, Hawaii Revised Statutes, to authorize the owner of the fee simple land under a condominium or cooperative project to sell the leased fee interest to any condominium unit owner or cooperative shareholder. The owner of the fee simple land would not be required to give the condominium association of owners or the cooperative housing corporation prior written notice of the proposed sale or the right of first refusal to purchase that leased fee interest.

Your Committee received supporting testimony from a member of the Small Landowners' Association and a relative of a small landowner of a cooperative building.

Your Committee finds that this bill will create an additional mechanism to encourage voluntary conversion of leasehold condominiums and cooperatives.

Your Committee has amended the bill to clarify that an individual condominium unit owner would be permitted to purchase only the undivided fee simple interest in the land appertaining to the owner's unit, as expressed in the declaration for the horizontal property regime. Similarly, an individual cooperative shareholder would only be permitted to purchase the undivided fee simple interest equivalent to the shareholder's percentage of shares in the cooperative housing corporation. Your Committee has also amended the bill to give a condominium unit owner or cooperative unit shareholder sixty days rather than one hundred twenty days to act on an offer from the lessor. Your Committee has also made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2106, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2608      Housing and Hawaiian Programs on S.B. No. 2107**

The purpose of this bill is to correct a loophole in the lessee qualification provisions of chapter 516, Hawaii Revised Statutes, more commonly known as the Land Reform Act. This loophole permitted those who wished to purchase the leased fee interest under their leasehold to circumvent the requirements of subsection 516-33(7) by transferring other properties suitable for residential purposes to a land trust pursuant to the provisions of chapter 558, Hawaii Revised Statutes, other types of trust arrangements, family members, shell corporations, and other third parties. In accomplishing such an arrangement, a lessee could then certify that he or she did not own in fee simple lands suitable for residential purposes pursuant to the qualification provision of 516-33(7) other than the property currently being leased and subject to the Land Reform Act.

Your Committee has heard testimony from representatives of the Kamehameha Schools/Bishop Estate, one of the few landowners who have been directly affected by lessees circumventing the intent of chapter 516 as explained above. Your Committee has also heard opposing testimony from various parties including a representative of the Corporate Trustees Association of Hawaii, Inc., Bishop Trust Co., Ltd., Hawaiian Trust Co., Ltd., and First Hawaiian Bank Trust Division. While the focus of the testimony has been on the use of land trusts created under chapter 558, Hawaii Revised Statutes, as a means to circumvent the qualification requirements of section 516-33(7), your Committee desires to prevent any other measures being used by lessees to circumvent the intent and purposes imbedded in the Land Reform Act.

As such, your Committee has amended S.B. No. 2107 to provide that if a person is the sole legal or beneficial owner in fee simple lands suitable for residential purposes, such person should not be allowed to exercise his or her right to purchase a residential lot within a development tract. Your Committee is sensitive to the fact that such persons may have obtained ownership interest in other properties without the intention of circumventing section 516-33(7), and, therefore, your Committee has further amended S.B. No. 2107, to provide that only those persons who become legal or beneficial owners of land within three years prior to the sale of any residential house lots within a development tract pursuant to chapter 516 will be precluded from exercising their rights under the Land Reform Act.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2107, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Holt and Solomon.

**SCRep. 2609      Housing and Hawaiian Programs on S.B. No. 2701**

The purpose of this bill is to amend the Hawaiian Homes Commission Act, 1920, to add water for agricultural operations as an allowable use for which the Department of Hawaiian Home Lands can obtain water for homesteaders. Currently, the Department can provide water to Hawaiian home lands to "supply livestock, aquaculture operations, and domestic needs of individuals."

Your Committee received supporting testimony from the Chairperson of the Hawaiian Homes Commission. Your Committee also received testimony from The Aged Hawaiians, Humuula Pastoral Homestead Applicants, which supported the bill in concept, but had some concerns with respect to the bill.

Your Committee finds that the provision of water to lessees of Hawaiian home lands for agricultural operations is consistent with the purposes of the Hawaiian Homes Commission Act, 1920, and the needs of the lessees.

Your Committee has amended the bill to include a definition on "agricultural operations." Your Committee has also made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2701, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2610      Housing and Hawaiian Programs on S.B. No. 2769**

The purpose of this bill is to authorize the Housing Finance and Development Corporation to sell, lease, or rent dwelling units to nonprofit organizations registered with the State and holding charitable status under the Internal Revenue Code of 1986. The nonprofit organizations could use the dwelling units for group homes or congregate living facilities.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Hawaii Housing Authority, the Commission on Persons with Disabilities, the Department of Health, the Affordable Housing Alliance, Homeless Aloha, Inc., the Institute for Affordable Housing, the Pacific Housing Assistance Corporation, and St. Barnabas Episcopal Church.

The Housing Finance and Development Corporation recommended that the bill be amended to authorize the Corporation to sell, lease, or rent dwelling units to government agencies, such as the Department of Health and the Department of Human Services. The government agencies could in turn make the dwelling units available to their special needs clients or to their employees in special situations, such as employees assigned to outlying areas of the State. The government agencies could also lease, rent, or otherwise make available the dwelling units to nonprofit organizations.

Your Committee finds that it is consistent with state housing and social services policies to make dwelling units in housing projects sponsored by the Housing Finance and Development Corporation available to nonprofit organizations and government agencies to serve special needs populations. Your Committee further finds that these uses should be integrated into the new master planned communities being developed or planned by the State.

Your Committee has amended the bill to incorporate the recommendations of the Housing Finance and Development Corporation. Your Committee has also amended the bill to clarify the purposes for which dwelling units would be made available to nonprofit organizations and government agencies. The dwelling units could be made available to low-income persons, the elderly, physically or mentally disabled persons, displaced or homeless persons, abused persons, persons with health or dependency problems, and other similar special needs populations. The Corporation by rule would establish eligibility and qualification guidelines for nonprofit organizations and government agencies, and for their prospective client-tenants. Finally, your Committee has made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2769, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2611      Housing and Hawaiian Programs on S.B. No. 3094**

The purpose of this bill is to amend chapter 201E, Hawaii Revised Statutes, to clarify: (1) the amount of money to be paid by the Housing Finance and Development Corporation to the purchaser of an affordable housing unit who wishes to sell the unit during the ten year buy-back period required by law; and (2) that purchasers of market-priced housing units in economically integrated housing projects are not required to reside in the units, may own other residential property within and without the State, and are not subject to the ten year buy-back provisions or other conditions applicable to purchasers of affordable housing units. The bill would also allow owners of affordable units to sell, lease, or rent the units, after the ten year buy-back period. Currently, owners of affordable units may only sell the units. Finally, the bill

eliminates the automatic exemption of affordable housing units, which are financed under federally subsidized mortgage programs such as the Farmers Home Administration loan program, from the ten year buy-back provisions, but allows the Corporation to waive the buy-back provisions under appropriate circumstances.

Your Committee received supporting testimony from the Executive Director of the Housing Finance and Development Corporation on behalf of the Department of Budget and Finance and from the City and County of Honolulu. The Department of Budget and Finance recommended several amendments to the bill.

Your Committee finds that it is essential to curtail speculation in affordable housing units sponsored by the State and counties and to give other qualified residents an opportunity to purchase the units at reasonable prices when the original purchaser of the affordable housing unit decides to move elsewhere. At the same time, your Committee finds that it is inappropriate and impractical to impose owner-occupancy, buy-back, and other restrictions on purchasers of market-priced units, who receive no government subsidies and are in fact subsidizing the affordable units.

Your Committee has amended the bill, in line with the recommendations of the Department of Budget and Finance, to:

- (1) Change the definition of "qualified resident" in section 201E-2, Hawaii Revised Statutes, so as to require that the person be a domiciliary of the State, rather than merely a resident of the State;
- (2) Change the definition of "cash equity" to be consistent with the Housing Finance and Development Corporation's current rules;
- (3) Eliminate the authority of the purchaser of an affordable housing unit to lease or rent the unit after the ten year buy-back period and require instead that if the purchaser wishes to sell the unit, the purchaser must sell the unit to another "qualified resident;" and
- (4) Add provisions requiring that all subsequent transfers of affordable housing units must be to "qualified residents."

Your Committee has also made a number of technical and clarifying amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3094, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

#### **SCRep. 2612      Housing and Hawaiian Programs on S.B. No. 3351**

The purpose of this bill is to delay the effective date of Act 168, Session Laws of 1989, from July 1, 1990 to July 1, 1991. Act 168 requires that, in the sale of residential leasehold property, the seller must provide the purchaser with a copy of the lease as well as a summary of the lease in plain language and other information fully disclosing the terms of the lease. The purchaser would have a certain amount of time to review the documents and cancel the purchaser's offer to purchase. Act 168 imposes similar disclosure requirements in the sale of leasehold condominium units and requires mandatory arbitration of rent renegotiations for leasehold condominiums.

Your Committee received opposing testimony from the Housing Finance and Development Corporation, the Hawaii Leaseholders Equity (HALE) Coalition, a group of eighty-four small landowner-lessors and supporters, and other interested citizens. The Hawaii Association of Realtors testified in support of the bill, but indicated that the industry still needs several months to put the new procedures into effect. No substantive amendments were suggested to Act 168 by any of the witnesses.

Your Committee finds that Act 168 should be allowed to take effect as soon as possible, so as to ensure full disclosure to new purchasers of leasehold properties.

Your Committee has amended the bill to include the full text of Act 168, so as to give interested parties an opportunity to comment on any and all provisions of that measure. Your Committee has also amended the bill to change the effective date of Act 168 to July 30, 1990, rather than July 1, 1991. This will allow the real estate industry an additional month to make preparations for compliance with the Act.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3351, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

#### **SCRep. 2613      Business Development and Pacific Relations on S.B. No. 2764**

The purpose of this bill is to prohibit the launching of any space vehicle carrying a payload of weapons of destruction or nuclear material from the land or ocean territory of the State.

Your Committee finds it proper and imperative to act to limit the development and spread of weapons of mass destruction and to limit the dangers of radioactive materials entering into the biosphere. Further, because the bill deals with the problem in a nondiscriminatory manner and is designed to serve the health and safety interests of State residents, it will not constitute an unwarranted intrusion into the domain of federal authority.

Your Committee has amended the bill by deleting the existing language of the bill and substituting therefor, language which retains the intent of the original proposal but expands the prohibition of carrying weapons of destruction in payloads to prohibiting the carrying of weapons on the entire vehicle. Furthermore, your Committee has amended the bill to prohibit a space vehicle from containing more than just trace amounts of radioactive materials.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of S.B. No. 2764, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2764, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Holt and George.

**SCRep. 2614      (Joint) Business Development and Pacific Relations and Housing and Hawaiian Programs on  
S.B. No. 3478**

The purpose of this bill is to amend the laws relating to the Hawaii Community Development Authority (HCDA).

Specifically, the bill empowers the HCDA with the authority to accept affordable housing units located outside the community development districts (Kakaako) over which it has jurisdiction to fulfill any reserved housing unit requirements the HCDA imposes upon development projects within the districts.

Under existing law, the HCDA's Reserved Housing Program requires the developer to provide 20% of the units in a residential project for families with incomes between 65% and 140% of median income. As an alternative to providing these units in the project, the HCDA may: (1) allow the developer to provide the units elsewhere in the district; (2) allow the developer to pay a fee in lieu of the units; or (3) purchase the units from the developer.

This bill provides a fourth alternative which is contrary to the existing legislative policy of providing a mix of incomes in its community development districts. However, your Committees find the provisions of the bill would enable the HCDA to require more affordable housing to be built in areas where land values are lower, thereby increasing affordable housing statewide.

Your Committees have amended the bill by requiring that the substituted units be located on the same island and be of comparable value.

Your Committees on Business Development and Pacific Relations and Housing and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 3478, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3478, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Holt and George.

**SCRep. 2615      Judiciary on S.B. No. 2170**

The purpose of this bill is to establish civil and criminal liability for persons who share the use of an intravenous needle or engage in sexual activity and knowing that they have been diagnosed as having human immunodeficiency virus (HIV) infection, acquired immune deficiency syndrome (AIDS), or AIDS-related complex (ARC).

Your Committee received testimony in support of the bill from the Office of the Attorney General. Testimony in opposition to the bill was heard from the Department of Health, the Governor's Committee on AIDS, the American Civil Liberties Union and Life Foundation. Among the concerns expressed about the bills were that criminal provisions contained therein would criminalize individuals on the basis of HIV status and deter persons from seeking testing, counseling and early treatment for the disease.

Based upon a careful weighing of the policy considerations supporting and opposing this bill, your Committee believes that the scales must be tipped in favor of the general public who must be protected from persons who either share the use of an intravenous needle or engage in sexual activity with full knowledge that they are placing the lives of others in jeopardy.

While cognizant of the concerns raised from the public health standpoint, your Committee believes that this bill is narrowly directed to the sociopaths and others who consciously decide that their own pleasure, economic gain, or other motives override the rights of others to be protected from a deadly and devastating disease.

After careful consideration of this bill, your Committee concluded that civil liability should apply not only when the infected person has developed full blown manifestations of the disease, but also when a positive test result has occurred. A victim who has tested positive for the HIV virus can still experience great trauma and emotional distress even though the individual has not been diagnosed as having the disease. Accordingly, your Committee has made appropriate amendments to this bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2170, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Blair and Holt.

**SCRep. 2616      Judiciary on S.B. No. 2174**

The purpose of this bill is to allow the courts greater discretion in the imposition of sentences for persons charged with driving an uninsured vehicle.

Testimony in support of the bill was offered on behalf of the Judiciary by the Honorable Melvin Soong, Administrative Judge, District Court, and by the Public Defender. The Public Defender submitted that the mandatory \$1,000 fine in the present law imposes an unrealistic penalty against persons who cannot afford insurance. It potentially places financially indigent offenders in the untenable position where, if they cannot afford insurance, they obviously cannot afford a fine and are, therefore, subjected to a possible contempt of court sanction. Testimony further indicated that, since the introduction of this bill, the Hawaii Supreme Court issued a ruling that is contrary to the legislative intent behind penalties for uninsured drivers. In *State v. Palpallatoc*, 71 Haw. - (No. 13909, February 16, 1990), the high court disagreed that a plain reading of Hawaii Revised Statutes, Section 431:10C-117, clearly provides a good faith defense in a situation where a party lacks knowledge that a vehicle is uninsured. The issue in that case was whether a person who borrows another's vehicle, without knowing that it is uninsured, establishes the defense of lack of knowledge under Section 431:10C-117. The high court ruled that the language of the provision, when viewed in conjunction with the legislative history, did not provide a good faith defense. Citing *State v. Leshner*, 66 Haw. 534, 669 P.2d 146 (1983), the Hawaii Supreme Court held that it was incumbent upon the borrower of a vehicle to ascertain whether or not it is insured. It was suggested by the Public Defender that your Committee consider this issue and clarify the language of the statute accordingly.

Your Committee shares the concern of the Public Defender that the language of the statute should be amended to clarify the legislative intent in instances where the borrower of a vehicle is charged with an offense under Hawaii Revised Statutes, Section 431:10C-117, resulting from lack of knowledge that it is uninsured. Your Committee takes the position that a person borrowing a vehicle need not always be under a duty to affirmatively ascertain whether or not the vehicle is insured. To the contrary, your Committee is of the opinion that a person has a right to reasonably believe that a borrowed vehicle is insured, as all vehicles are required to carry coverage by law. However, your Committee recognizes that there may be instances in which a person borrowing a vehicle should affirmatively ascertain whether it is insured. Accordingly, your Committee amends the bill to address the issues raised in the recent *Palpallatoc* case, by adding a provision to Section 431:10C-117(a), which creates a standard for determining when a borrower of a vehicle is not subject to the penalties provided therein. Specifically, if a borrower of a vehicle holds a reasonable belief that it is insured, he has no duty to affirmatively ascertain coverage. In this regard, a court can review on a case-by-case basis whether a person's failure to ascertain coverage was reasonable under the circumstances.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2174 S.D. 1, and recommends that it pass Third Reading in its amended form, attached hereto as S.B. No. 2174, S.D. 2.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2617      Judiciary on S.B. No. 2284**

The purpose of this bill is to amend Act 381, Session Laws of Hawaii 1989, relating to dependent adult protective services.

Specifically, this bill is a housekeeping measure to clarify and correct certain provisions of the Act.

Your Committee received supporting testimony from the Judiciary, the Family Courts, the American Association of Retired Persons, and the Department of Human Services.

Your Committee has amended this bill by deleting Sections 4, 9, 10, and 11 in the interests of allowing the Act to take effect first and seeing how effective it will be. The Act does not take effect until July 1, 1991. Your Committee has also amended the definition of "Dependent adult" on page 5 by deleting "or advanced age." Additionally, the sunset provision for a repeal as of June 30, 1993 has been deleted.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2284, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2618      Judiciary on S.B. No. 2292**

The purpose of this bill is to provide statutory exceptions than upon an adopted individual attaining the age of majority, upon request, the adopted individual and the adoptive and natural parents will be allowed to inspect adoption records, including the adoption decree and original birth certificate.

Under present law, adoption records can only be opened and inspected by order of the court upon a showing of good cause.

After due consideration, your Committee has amended the bill by providing that: (1) adoptees, between the age of fourteen (14) and the age of majority, with the consent of adoptive and natural parents; and (2) adoptees of the age of majority, can request to inspect adoption records, subject to timely adherence to specific procedural steps. The Department of Health shall mail to each parent's last known address, a notice which affords the natural parents the opportunity to request confidentiality. Within thirty days of the mailing of the notice, each natural parent must submit a request for confidentiality, which must be renewed every five years. However, information concerning ethnicity and necessary medical information of the natural parents may still be released.

If no request for confidentiality is received as prescribed herein, the adoption records shall be opened for inspection by the adoptee, adopted parents and natural parents.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2292, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2619      Judiciary on S.B. No. 2298**

The purpose of this bill is to expand the nuisance law which is used to close premises at which repeated "morals" type violations occur, such as houses of prostitution and obscene bookstores, to permit the closure of premises at which drug offenses repeatedly occur.

Your Committee received testimony in favor of this bill from the Attorney General and the Honolulu Police Department. The Attorney General suggested that the bill be amended to further extend the reach of the nuisance law to include gambling offenses. The Honolulu Police Department reported that it had successfully used the nuisance law to close prostitution businesses operating as "bath houses." In the absence of the nuisance law, while individuals could be arrested for prostitution offenses, the owners or lessors of the premises could continue to allow other individuals to commit these offenses and, as a result, the arrests would have little impact overall.

Your Committee also received testimony from the Public Defender who expressed his opposition to the bill. He stated that it would be unduly harsh to deprive someone of their residence simply because they possessed drugs on the premises.

Your Committee adopts the recommendation of the Attorney General that the statute be extended to include all offenses relating to public health and morals. However, your Committee has amended the bill to exclude drug offenses which do not involve distribution.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2298, as amended, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2298, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2620      (Majority) Judiciary on S.B. No. 2302**

The purpose of this bill is to amend H.R.S., Section 25-2, relating to the duties of the Reapportionment Commission, so that reapportionment is based on the total population, but among basic island units, where possible. This will bring the reapportionment requirements into conformity with federal standards, in lieu of current guidelines for reapportionment, based on the number of registered voters.

Testimony in support of the bill was offered by the Lieutenant Governor, who indicated that the present guidelines have been overturned by the courts, and that if a new reapportionment plan is devised on the same guidelines, it will be equally subject to such a challenge.

Your Committee made a technical amendment to the bill reflecting that the effective date for the statutory change will be the date on which necessary companion amendments to Article IV of the Hawaii State Constitution take effect.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2302, and recommends that it pass Second Reading in its amended form attached hereto as S.B. No. 2302, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.  
Senator Levin did not concur.

**SCRep. 2621      Judiciary on S.B. No. 2304**

The purpose of this bill is to clarify the category of persons to whom special protection is afforded by Section 706-662, Hawaii Revised Statutes, which permits imposition of an extended term where particularly vulnerable people -- the elderly, the very young, and the disabled -- are victimized. In particular, the term "handicapped" has been amended to "disabled" to more accurately reflect the status to which it refers. This category of persons has been defined to include the blind, paraplegics, quadriplegics, and persons with mental illness, mental retardation and development disabilities. In addition, the category of young persons included within the protections afforded by this bill has been expanded to include those under the age of ten.

Your Committee is in accord with the intent and purpose of S.B. No. 2304, as amended, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2304, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2622      Judiciary on S.B. No. 2588**

The purpose of this bill, is to: (1) amend the informed consent law for HIV testing by exempting tests conducted for anatomical gift or research purposes from the counseling requirements; (2) provide certain exemptions from informed consent for HIV testing, most notably for the safety of the health care worker exposed to HIV infection under certain conditions; and (3) provide for a good faith exception from requirements for confidentiality of HIV records in instances where the test later proves false or negative.

Your Committee received testimony supporting the intent of this bill from numerous organizations and individuals including the Department of Health; the Hawaii Medical Association; the Life Foundation of Hawaii; Emergency Physicians Associated Inc.; the Director of Trauma Services for Queens Medical Center; the Governor's Committee on AIDS; and the Fire and Police Departments of the City and County of Honolulu. Opposing testimony was received from several health care groups and professionals.

After careful consideration of the testimony, your Committee has amended this bill as follows:

1. Amended Section 2 by adding the qualifying term "documented" exposure so as to maintain quality assurance of justified testing; and
2. Amended Section 2(D) by providing an exception to Section 325-101 by which an appropriate notation of the HIV test results may be made on the patient's medical record. The medical community testified that such a procedure was necessary and consistent with proper medical practice involving an infectious disease.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 2588, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. 2588, S.D. 2.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2623      Judiciary on S.B. No. 2608**

The purpose of this bill is to clarify the definition of automatic firearms, prevent the construction of automatic firearms using parts of other firearms, create a separate offense for the use of an automatic firearm or firearm in the commission of a felony and increase the penalties therefor, and increase the penalties for other illegal uses of firearms and deadly weapons.

Testimony in support of this bill was offered by the Attorney General, the Department of Education and the Hawaii State Teachers Association. They all testified in favor of the bill, which was originally drafted to create a "weapon free zone" within 750 feet of the real property comprising a public or private school. The Attorney General recounted a series of recent events in which a teacher was shot while conducting class, students were shot in drive-by shootings, and a student was methodically stalked, shot and killed in a high school parking lot. This statement was echoed by the Department of Education which reported that in the last school year, seven firearms and 61 other weapons were taken from public school students.

Testimony in opposition to the bill was offered by the Public Defender and a number of firearm enthusiasts. The Public Defender submitted that a mandatory sentence of 20 years without parole was too severe, particularly when compared to other more heinous offenses such as murder in the second degree, which does not call for a mandatory minimum term without parole. The Public Defender and a number of firearm enthusiasts also expressed a concern that the provision for an affirmative defense unfairly shifted the burden to the person accused to prove innocence. The enthusiasts also were concerned by the fact that numerous legitimate firearm activities take place on school campuses, such as ROTC training, hunter safety courses and rifle matches.

While your Committee strongly agrees that our educational institutions should be places of sanctuary, we believe just as strongly that our entire community should be a safe place to live and learn and that everyone deserves to feel free from the threat of harm wherever they go. To achieve this goal, your Committee has undertaken substantial amendments to the bill. First, weapons offenses have been reclassified to reflect their severity. For example, a new subsection has been added to section 134-6, Hawaii Revised Statutes, which makes it a class A felony to possess, use or threaten to use a firearm in the commission of a felony. A person who violates the requirement that firearms be confined to the person's place of business, residence or sojourn or that they be transported between these and certain other destinations in a specified manner or that handguns not be carried on the person without a permit would be guilty of a class B instead of a class C felony. Those who violate the requirement that firearms other than handguns not be carried on the person would be guilty of a class C felony instead of a misdemeanor. Consistent therewith, possession of switchblades and other deadly weapons would be a class C felony instead of a misdemeanor.

Your Committee has addressed the very real concern within the community regarding the use by criminals of semi-automatic "assault" weapons. To that end, your Committee has amended the bill by adding a new subsection to section 706-660.1, Hawaii Revised Statutes, to provide for severe mandatory minimum sentences for the use of these weapons in the commission of a felony. Under current law a first "firearm felony" offender may be sentenced to a minimum term of up to 15 years while a second "firearm felony" offender must be sentenced to a mandatory minimum term of up to 20 years. This bill would require that a first semi-automatic or automatic "firearm felony" offender be sentenced to a mandatory minimum term of up to 20 years. Your Committee believes that these harsh sentences are necessary to keep these weapons out of the hands of criminals.

Your Committee has also amended the definition of "automatic firearm" to include the parts that are currently available to convert a firearm to automatic operation.

Your Committee is in accord with the intent and purpose of S.B. No. 2608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2608, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2624      (Majority) Judiciary on S.B. No. 2305**

The purpose of this bill is to propose amendments to the Constitution of the State of Hawaii to change the reapportionment requirements to conform to federal constitutional requirements. It would apply a formula for reapportionment based on total population, instead of the number of registered voters. In addition, the requirement that apportionment be based on basic island units would be amended to allow the Reapportionment Commission flexibility, in order to meet federally mandated requirements.

Testimony in support of the bill was offered by the Lieutenant Governor, who indicated that the last plan developed by the Reapportionment Commission, using current State constitutional guidelines, was challenged even before it was submitted in final form, and was overturned by the U.S. District Court. The federal court appointed special masters to formulate a court-ordered plan.

The Lieutenant Governor anticipates that another plan based on the current constitutional guidelines will be equally vulnerable to legal challenge. The Lieutenant Governor proposed two amendments to the bill. First, he suggested that the term "total population" in the bill expressly exclude non-resident military personnel. Secondly, he proposed that the wording of the ballot question be amended to reflect that the basic island unit guideline would be removed.

Your Committee on Judiciary conducted its own independent research on the constitutionality of the subject provision in addition to considering the testimony in support thereof. It is of the opinion that, due to numerous and successful court challenges to this specific provision, as well as similar provisions in other jurisdictions, the probability of continued legal challenges is great. Further, your Committee is of the opinion that, since the Reapportionment Commission must devise another reapportionment plan by 1992, it is timely for this legislature to offer guidelines that will withstand legal scrutiny.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2305, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.  
Senator Levin did not concur.

#### **SCRep. 2625      Judiciary on S.B. No. 2413**

The purpose of this bill is to establish a sterile needle and syringe exchange pilot program to combat the spread of infectious diseases by intravenous drug users.

Your Committee received very well thought-out and moving testimony from numerous public health and social service organizations and from law enforcement agencies. The issues and concerns presented from both perspectives are genuine and real.

When the acquired immune deficiency syndrome (AIDS) epidemic first erupted, the homosexual community was the most vulnerable group. Being highly responsive to educational and outreach programs, the spread of infection among homosexuals is now largely contained. In recent years, there has been an upsurge in human immunodeficiency virus (HIV) infections which are attributable to the needle-sharing practice among intravenous drug users. Unlike the homosexual population, the intravenous drug user population is not as responsive to educational and outreach programs. The more frightening fact, however, is that the spread of HIV infection cannot be contained within this largely heterosexual population and this poses a threat to the community at-large.

It has been projected that by 1991, as many as 20,000 American children will have AIDS and by 1993, one out of every ten pediatric hospital beds will be occupied by a child with AIDS. Eighty per cent of children infected with AIDS are infected through drug abusing parents. AIDS in infants is tragic. Infected infants become ill before the end of the first year and fifty per cent die before the end of the second year. Those who live longer begin showing multiple deteriorations, including loss of intelligence, loss of immune capability, multiple infections, and multiple tumors. The cost to treat such an infected infant can run about \$200,000 per infant. However, the cost is not as deplorable as the inhumane suffering these infants and their care providers must withstand as a consequence of the needle-sharing practice among drug users. The Governor's Committee on AIDS noted that if 2,400-2,800 individuals acquire AIDS in the absence of an effective needle exchange program, the State can expect 261 to 314 sexual partners and 115 to 138 children to be infected by the HIV virus.

After a considerable amount of soul-searching, your Committee seriously considered holding the bill for further study since most data on needle exchange programs currently available are inconclusive. However, mindful of the fact that a one-year delay could result not only in a rapid increase in the rate of HIV infection among intravenous drug users, but also a horizontal spread of infection to innocent sexual partners and unborn children of intravenous drug users, your Committee felt compelled to pass this bill.

Your Committee emphasizes that while the motivating factor for the needle and syringe exchange program is to prevent the spread of devastating infectious diseases, this program is also a means to reach and treat the intravenous drug user population, ninety-five per cent of which is not in drug treatment programs. Your Committee agrees wholeheartedly with the position of law enforcement agencies that the best means for addressing the infectious disease problem is by proper treatment and education programs. Your Committee recognizes, however, that the hard core intravenous drug users who comprise the target group for this needle and syringe exchange pilot program, are the most difficult to reach, for they are not capable of rational behavior when they are on drugs. Their actions are directed by the drugs they use and obtaining a needle for their drug use is an action they would find necessary as part of their warped sense of survival. While your Committee is highly supportive of the efforts of Hawaii's law enforcement agencies in their war against drugs, in good conscience, your Committee cannot deny implementation of a needle and syringe exchange pilot program when it is the only avenue that is available at this time to reach the hard core intravenous drug user population for the proper treatment and education programs which are espoused by law enforcement agencies. Your Committee makes this decision on the



premise that there must be sufficient safeguards in the bill to avert the possibility of sending the wrong message to drug users and to ensure that law enforcement agencies are not hindered in their enforcement activities.

Your Committee has amended the bill as follows:

- (1) The duration of the pilot program has been decreased from three years to two years with the repeal date for the Act set at July 1, 1992. Your Committee feels that because of the uncertainties and apprehensions surrounding this program, a two-year pilot program would provide a sufficient test period.
- (2) Section 2 has been amended to specify in subsection (a)(1) that the program be operated for the purpose of preventing the transmission of the human immunodeficiency virus, the blood borne diseases, and to promote the treatment and rehabilitation of intravenous drug users. This amendment is to emphasize your Committee's position that the program is not condoning illegal intravenous drug use and the dual purpose of the program.
- (3) Section 2 has been amended to add a provision specifying that the program be a one-to-one exchange where a participant shall only be allowed to exchange one dirty needle and syringe for a sterile needle and syringe. This amendment more clearly effectuates one of the purposes of this bill which is to take dirty needles out of circulation.
- (4) Section 2 has been amended to add a provision requiring policies and procedures for the screening of participants to preclude nonintravenous drug users from participating. This amendment addresses the concern that the program may encourage intravenous drug use by those who are not now doing so for fear of HIV infection.
- (5) Section 2 has been amended to add a new paragraph mandating that the department of health provide opportunities for drug abuse treatment, counseling, and education services for all participants as a condition of the continued operation of this pilot program and to specify the types of programs that should be provided. Your Committee believes that guaranteed treatment slots are necessary if acceptance of counseling or treatment and rehabilitation programs is a condition for participation.
- (6) Section 2 has been amended to require that bimonthly evaluations of each participant be conducted to assess compliance with drug abuse treatment, counseling, and education service referrals. This amendment which was recommended by the Sterile Needle Exchange Coalition will ensure careful monitoring of the treatment and rehabilitative aspects of the program.
- (7) Section 2 has been amended to add a requirement that periodic HIV testing of participants shall be a component of the program. The purpose of this requirement is to ensure that proper statistical data can be compiled and analyzed for this pilot project.
- (8) Section 2 has been amended to add a proviso to subsection (b) that the immunity from violation of the drug paraphernalia law only applies to the activities which occur within the boundaries of a department of health approved needle and syringe exchange site. The intent of this amendment is to further define the limits of immunity to clearly indicate to intravenous drug users that this pilot program is not condoning the illegal use of drugs.
- (9) Section 3 has been expanded to require that the director of health establish an oversight committee, which is to include representatives from the county prosecutors' offices and police departments, to establish policies and procedures for the conduct of the evaluation; to establish criteria for the development of data from, and the evaluation of, the pilot program; and to monitor the progress of the program. This amendment which was recommended by the city prosecutor's office is intended to ensure that the law enforcement concerns and viewpoints are incorporated into the evaluation process. While, in offering this amendment, the city prosecutor's office is still opposed to the pilot project, it suggested that the inclusion of this amendment will at least make the program more palatable.

Language was also added to specify that the evaluation report to be submitted to the legislature include the following data as available: comparative rates, before and after the program period, of drug addiction and HIV infection among newborn infants, sexual partners, and among intravenous drug users; comparative statistics on drug related crimes; and documentation of the frequency and duration of participant enrollment in drug abuse treatment, education, and counseling programs. These specifications are to ensure that meaningful data will be compiled by the pilot program and a thorough and unbiased evaluation will be conducted.

Language was also added to require that the evaluation report include a demographic profile of the participants and information on the impact the program has had on the behaviors which caused the participants to be at risk for HIV transmission.

- (10) A new section has been added to the bill to authorize the director of health to terminate the program before July 1, 1992 in the event it is found that the program is ineffective or is promoting drug abuse.

As a final note, your Committee would like to state that while it is indeed a sad commentary that hard core intravenous drug users exist in our society, their existence, which has adverse impacts on the entire community, must be recognized and their problems must be addressed, no matter how difficult the task. Your Committee is convinced that this pilot program could be effective in reaching this group for treatment and rehabilitation while at the same time slowing down the spread of AIDS. When there is no other viable alternative, unconventional methods cannot be ignored. The needle and syringe exchange pilot program may provide the only hope for the innocent partners and unborn children of intravenous drug users. Despite strong personal concerns among Committee members about providing sterile needles and syringes to drug users, such feelings have been set aside in favor of the hope that the spread of the HIV infection can be

curtailed and the lives of humans, especially children, can be spared. Your Committee would be remiss if it did not support such a program.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2413, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2413, S.D. 2.

Signed by all members of the Committee except Senators Aki, Holt and Nakasato.

**SCRep. 2626      Judiciary on S.B. No. 2737**

The purpose of this bill is to ensure that mental health treatment is offered to convicted sex offenders and to create a class C felony offense for trespassing on residential premises with intent to commit an offense against the person, including certain sexual offenses, or property.

Your Committee received testimony in support of the bill from the Attorney General, the Honolulu Prosecutor and four private citizens. The Attorney General expressed strong support for the bill, particularly the provision that would require that treatment be offered to sex offenders. The Honolulu Prosecutor also expressed strong support for the treatment provision, noting that the compulsive, repetitive behavior of sex offenders can be changed only by specialized therapy.

Support was also expressed for the provision of the bill that would address the "peeping tom" type of offenses which are not currently covered by the Penal Code.

Your Committee found the testimony provided by the four private citizens regarding these offenses to be particularly compelling. One person recounted a series of incidents over a period of four years during which a male intruder stole undergarments from a clothesline, began knocking at the door during the early morning hours and hounded her to the point of a nervous breakdown. Ultimately, she was forced to move.

Another person testified about similar conduct occurring over a two year period. An unknown man stole lingerie, prowled outside the bedroom window at night and was caught twice looking in. This person was so disturbed by this conduct that she spoke to other women and found that many in her neighborhood had experienced repeated visits from men who masturbate outside and into their windows. She even interviewed one offender by arrangement with his therapist. The man reported that he had a twenty year career as a peeping tom and public masturbator and that, while he had been arrested seven or eight times, he had spent only three days in jail and that was imposed on the mainland. He also stated that he was not required to undergo treatment. Another person testified about a peeping tom lurking in her yard who was later identified as a rapist being sought by the police.

These people also expressed frustrations about the ability of the police and courts to deal with these offenders. Because these offenses are at most misdemeanors, they are not given the attention paid to more "serious" crimes. In addition, offenders are processed along with the rest of the large case load handled by the District Court and frequently receive only a fine with little, if any, counseling. As a result, the opportunity to examine the offender and provide treatment that will prevent escalation in the severity of these offenders is lost.

Your Committee received testimony from the Department of Corrections and the Public Defender in opposition to the bill as introduced. The Department of Corrections expressed reservations about some of the sentencing provisions and the manner and type of treatment required. The Public Defender expressed similar concerns, particularly with respect to the treatment provisions and some of the sentencing provisions which he felt would unduly escalate the penalty for some offenses while depreciating others.

Your Committee finds that the need for early intervention and treatment of sexual offenders is imperative. While "peeping toms" and "exhibitionists" may seem harmless, these offenses are typically perceived by the victims as potential burglaries or sexual assaults. The criminal records of these individuals justifies this concern because the rate of recidivism amongst this class of offenders is extremely high and many go on to commit more serious, violent crimes. Treatment must be afforded to these offenders and they must be monitored closely. At the same time, however, the seriousness of these offenses must be recognized and appropriate sanctions, in addition to treatment, must be imposed.

Accordingly, your Committee has amended the bill to require that all convicted sex offenders be offered mental health treatment while under sentence of the court. This would mandate that treatment be offered to offenders placed on probation whereas currently such treatment is offered only discretionarily under Section 706-624(2)(k), Hawaii Revised Statutes. Treatment would also be offered to incarcerated offenders and the Hawaii Paroling Authority would be required to consider the offender's willingness to undergo treatment and their progress, if any, when considering whether to grant parole. The authority would also be required to condition parole on continued treatment if recommended by the offender's therapist.

Your Committee has also undertaken substantial amendments to the trespass laws to address the problems of "peeping toms" and exhibitionists.

Your Committee finds that there is a wide gap between trespass on residential property which is a misdemeanor and breaking and entering into a home to commit a crime against person or property which is a class B felony. As a result, persons who trespass on residential property with the intent to commit one of the sex offenses outside the home can only be punished as misdemeanants. Therefore, your Committee has created a new offense of trespass in the first degree which will punish as a class C felony entering or unlawfully remaining on residential property with intent to commit a crime against a person, including sex offenses, or property or with intent to commit specific voyeuristic acts which are a prelude to the commission of sexual offenses. This amendment will allow prosecution both of the felony trespass and the underlying sex offense where it consummated. It will also allow prosecution for the felony trespass where the underlying offense is not consummated but where the intent to commit it can be circumstantially proved such as by prior conduct. A felony prosecution will provide appropriate punishment while processing the offender through the Circuit Court where a

detailed presentence investigation and diagnosis of the offender can be accomplished and treatment offered to prevent escalation of the offense.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2737, as amended, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2737, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2627      Judiciary on S.B. No. 2943**

The purpose of the bill is to conform the Board of Education districts to the appropriate representative districts determined by the 1984 reapportionment.

The Board of Education testified that it had no objections to the intent of the bill. There was no testimony in opposition.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2943 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2628      Judiciary on S.B. No. 2964**

The purpose of this bill is to increase the penalty for causing bodily injury to a contest official from a misdemeanor to a class C felony.

Testimony in support of the bill was offered by the Department of Education, the Hawaii State Boxing Commission and the 50th State Umpires Association. The Department of Education submitted that the bill would be helpful in ensuring the safety of contest officials against physical assaults and would serve as an incentive in hiring and retaining qualified contest officials.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2964 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 Holt.

**SCRep. 2629      (Majority) Judiciary on S.B. No. 3402**

The purpose of this bill is to: (1) clarify the official description of the Hawaiian Flag; (2) establish standardized colors and rules governing the correct usage and display of the flag; (3) establish prohibited practices; and (4) provide the historical background to the state song, Hawai'i Pono'i.

Your Committee received favorable testimony for the bill from the Superintendent of Education, the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, and the Huna Hanauna Society.

The Hawaiian Flag and song Hawai'i Pono'i are forever symbols of our proud and enduring heritage. Enacting this bill into the Hawaii Revised Statutes will accord the Flag and the Song an official and lasting place in our history. Present and future generations will be more respectful of displaying the Flag properly, respecting what it stands for, and knowing the origins of our state anthem.

Your Committee has amended this bill by deleting the words "or who shall publicly mutilate, deface, defy, or defile, trample upon or cast contempt, either by words or act" on page 3, lines 11-13. This language was deleted because of First Amendment concerns that were raised during the hearing on this bill. Two other amendments to language were made for clarity and understanding.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3402, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3402, S.D. 2.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.  
Senator Crozier did not concur.

**SCRep. 2630      Judiciary on S.B. No. 3487**

The purpose of this bill is to limit access to voter registration information for election or governmental purposes only and to provide special protection for the voter registration information of law enforcement personnel who show good cause that a life threatening circumstance exists to the law enforcement person or a member of the law enforcement person's household.

Voter registration affidavits are maintained by the county clerks and contain information on the voter including resident address, date of birth, and social security number. Voter lists compiled from information disclosed in these affidavits are maintained by the county clerks and the Lieutenant Governor's office. Frequently, requests are made for access to those files from insurance people, credit bureau companies and other nonelection businesses in order to acquire personal information about the voter. Law enforcement officials have expressed concern that the general availability of their resident addresses to the public jeopardizes their safety and the safety of their families.

Testimony was received from the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii in favor of restricting access to voter information for only election and government purposes in order to safeguard the voter's right to privacy and in favor of providing confidentiality for certain law enforcement persons. Testimony was also received from the City and County of Honolulu Police Department in favor of protecting the safety of members of the law enforcement community.

Your Committee believes that although an individual may be required to disclose certain information in order to safeguard the integrity of the vote, the individual's privacy interest in such information should be protected against use of the information for other than election or government purposes. Your Committee believes that the best way to balance the interests of the individual, the public, and the government, is to limit the public's access to information disclosed for voter registration, government and election purposes only. Although concerns were expressed during the hearing on this bill about the need for civic organizations, such as the League of Women Voters, to have access to voter registration information, your Committee feels that such organizations can be accommodated within the general provisions of this bill. Your Committee also believes that there is a present and growing need to provide some measure of protection to law enforcement persons whose safety may be threatened by persons obtaining home addresses from voter registration records.

Your Committee amended the bill as follows:

- (1) To use the term "any law enforcement person" instead of "any person" in section 2 of the bill to clarify that only enforcement personnel shall be able to seek confidentiality under this bill;
- (2) To provide that if a voter challenge is filed against a law enforcement officer, the officer's residence address shall be released to the challenger and the agency or court hearing the appeal from the challenge, if any.
- (3) To expressly state who may use the voter registration affidavits or any lists made therefrom;
- (4) To clearly specify for what purposes voter registration affidavits or any list made therefrom may be used;
- (5) To set forth statutory procedures to be followed when releasing voter registration affidavits or lists; and
- (6) To provide for a penalty to deter the unauthorized use of voter registration information.

Your Committee also made some minor technical changes that do not affect the substance of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3487, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2631      Judiciary on S.B. No. 3488**

The purpose of this bill, as originally provided, was to state expressly that there shall be no limitation of the amount of time within which the State may bring an action for fraud, misrepresentation, or the unauthorized use of confidential information for personal gain or the benefit of anyone. The purpose of the bill has changed, as reflected by the amendments made thereto, so that the statute of limitations provided in Chapter 84, Hawaii Revised Statutes, is extended from three to six years. This chapter addresses the conduct of public officers and employees governed by the State Ethics Commission.

Testimony in support of the bill was offered by the Lieutenant Governor. He indicated that because it is difficult to ascertain or expose fraudulent or unauthorized conduct on the part of public officers and employees having access to confidential information, oftentimes the conduct is not discovered until the statute of limitations has expired, thus precluding the State from taking any action against said persons. The Lieutenant Governor submitted that, particularly with persons holding elective office, fraudulent or unauthorized acts are not discovered until the perpetrator's term has ended.

The Attorney General testified that since the State is not subject to the statute of limitations as a matter of common law, the statute of limitations should not be reflected in either Chapter 84, governing the State Ethics Commission, or Chapter 661, governing actions by and against the State. The State Ethics Commission indicated that it could accept an increase in the statute of limitations from three to six years, but opposed the portion of the original bill which eliminated the statute of limitations set forth in Chapter 84.

Your Committee on Judiciary notes that last session, the Legislature enacted the three year statute of limitations for actions brought under Chapter 84. Based on independent research conducted by your Committee, in conjunction with the testimony received, your Committee has determined that it would not be timely or proper to eliminate the statute of limitations as it applies to conduct governed by Chapter 84. However, your Committee does agree that the present three year statute of limitations may be insufficient for the reasons stated by the Lieutenant Governor.

Your Committee concluded that the proposed amendments to Chapter 661, expressing that the statute of limitations does not apply to actions for fraud, misrepresentation or the unauthorized use of confidential information would constitute nothing more than surplusage, as common law already addresses this area. Your Committee amends the bill to extend the statute of limitations governing H.R.S., Chapter 84, from three to six years, and further deletes proposed language regarding the statute of limitations in Chapter 661.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3488, and recommends that it pass Second Reading in its amended form, attached hereto as S.B. 3488, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2632      Judiciary on S.B. No. 2307**

The purpose of this bill is to enact a new chapter in the Hawaii Revised Statutes to provide for substance abuse testing. The bill would ensure that appropriate and uniform substance abuse test procedures are employed throughout the State, that privacy rights are protected, and that reliable and accurate test results are achieved.

Your Committee received testimony in support of this bill from the Department of Health, the Director of Civil Service of the City and County of Honolulu, the Director of Laboratories of Kapiolani Medical Center for Women and Children, and the Police Department of the City and County of Honolulu.

After due consideration of the testimony, your Committee has amended this bill as follows:

1. Amending the definition of "Confirmatory test" in Section 2 to reflect that blood testing for alcohol does not rely on an initial screening test;
2. Amending the definition of "Positive test results" in Section 2 for the purposes of clarity and exactness;
3. Amending the definition of "substance abuse test" to clearly indicate that substance abuse testing does not cover DUI testing for alcohol and to exclude toxicology tests from the ambits of this bill so as to facilitate the timely release of pertinent clinical information vital to the appropriate treatment of the patient. In addition, several technical changes were made;
4. Amending Section 3 for the purpose of providing consistency with Chapter 286 or 291;
5. Amending Section 4(b)(4) by deleting the specific references to the method of confirmatory testing;
6. Amending Section 4(b)(6) to reflect that confirmatory testing should be qualitative and not quantitative;
7. Amending Section 6 by expanding the amount of information to be included in the requisite form;
8. Amending Section 6(c) to mandate the sufficiency of a positive confirmatory test result; and
9. Making several technical, nonsubstantative amendments for the purpose of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2307, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. 2307, S.D. 2.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2633      Judiciary on S.B. No. 2566**

The purpose of this bill is to permanently enact the Hawaii omnibus criminal forfeiture act. This will be accomplished by amending Act 260, Session Laws of Hawaii 1988, to delete the sunset provision that would have repealed the act effective July 1, 1990.

Your Committee received testimony in support of the bill from the Attorney General, who stated that the two year trial of the Act shows that this comprehensive forfeiture law has been fairly but productively used by law enforcement. Total seizures and forfeitures have increased since the time that the provisions on forfeitures were scattered throughout the Hawaii Revised Statutes. More than ninety percent of the forfeiture actions filed have been handled administratively and, of those, nearly ninety percent have been uncontested. This has resulted in a tremendous savings in time and effort compared to the exclusively judicial proceedings under prior law.

Based on its own independent research, as well as on discussions at the hearing, your Committee is concerned by the tendency of the police departments of the respective counties to "go federal" with the forfeiture cases rather than bringing them under State law. The apparent reason for this practice is that federal equitable sharing, the process by which the proceeds of a forfeiture are distributed to the participating state and law enforcement agencies, is based on an assessment of the relative contributions of the participants as opposed to the rigid formula provided under a State law. As a result, agencies routinely obtain up to eighty percent of the proceeds whereas under State law they would receive, at least initially, only twenty-five percent. Further, the Prosecuting Attorney who brings the action under State law automatically receives twenty-five percent without regard to whether that action was a simple administrative one or a complex judicial proceeding. Finally, fifty percent of the proceeds are deposited into the criminal forfeiture fund administered by the Attorney General for the benefit of law enforcement. While your Committee finds that it is reasonable to maintain sufficient money in this revolving fund to support law enforcement, particularly where an emergency arises, this figure is arbitrary and too high.

Accordingly, your Committee has amended the bill to delete from Section 712A-16, Hawaii Revised Statutes, the rigid distribution formula and has inserted criteria, drawn from the federal guidelines for seized and forfeited property, that will be applied by the Attorney General in determining how to distribute the proceeds of forfeiture to the agencies that made the most significant contribution to the forfeiture. We believe that this will make State law more attractive to our county police departments and encourage them to use the law more frequently. Your Committee finds that this change will

enhance law enforcement efforts in Hawaii, provide an important source of revenue, and help develop this important weapon against financially motivated crimes and criminals.

Your Committee believes that the Legislature needs to be kept well informed regarding the use of this powerful tool so that it can make amendments to the law when and if necessary. Accordingly, your Committee has amended the bill to clearly specify that the Attorney General will submit the contents of the annual Report to the Legislature immediately prior to each session. This way, the Legislature will receive specific information in a timely fashion that will allow it to make any necessary amendments once the session starts.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2566, as amended, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2566, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2634      Judiciary on S.B. No. 2607**

The purpose of this bill is to provide for the entry into the automatic fingerprint identification system of the fingerprints of minors taken into custody by police.

Your Committee received testimony in support of the bill from the Attorney General; and Daniel G. Heely, Senior Judge of the Family Court of the First Circuit; and a private citizen. The Attorney General stated that, under current law, fingerprints of minors can only be used in connection with the criminal case from which they arise and that they may not, therefore, be entered into the computerized automatic fingerprint identification system (AFIS) that will come on-line later this year. This system will allow for the identification of persons who have left latent fingerprints at the scene of a crime, as well as of otherwise unidentifiable remains.

Currently, there are 30 states with AFIS systems. Of these, the states of California, Colorado, Delaware and North Carolina permit the fingerprinting of minors for all offenses, including status offenses. The remainder require some form of fingerprinting for felonies or misdemeanors, or both. In a survey conducted of the 50 state identification bureaus, Georgia reported that 40 per cent of property crimes in that state are committed by minors and Virginia reported that 20 per cent of its AFIS "hits" were on the fingerprints of minors.

Judge Heely testified in support of the bill, but indicated that the Judges of the Family Court were unable to reach a consensus as to whether all minors taken into custody should be fingerprinted, whether it should be limited to those who come within Section 571-11(1), Hawaii Revised Statutes, commonly referred to as "law violators" and whether there should be any age restrictions. He also expressed confidentiality concerns, particularly with respect to the vague language of that portion of the bill which would amend Section 571-84(e), Hawaii Revised States, to permit "persons who are employed in conjunction with or are associated" with AFIS to gain access and use a minor's fingerprints.

Your Committee finds that the number of property crimes committed by minors represents a serious problem. It is of the opinion that the inclusion of the fingerprints of minors who have been arrested into the AFIS system will create a data base that will solve many crimes that now go unresolved.

Notwithstanding this, your Committee believes that the fingerprints and photographs of minors taken into custody should not otherwise be circulated, except as authorized by the Family Court, because their dissemination is subject to abuse. This is particularly true in the case of photographs which, unlike fingerprints, clearly identify the minors to anyone who views them. In view of this, your Committee has amended the bill so that it is clear who has access and use of minor's fingerprints. Your Committee has made other technical amendments to the bill that clarify its intent and application.

Your Committee is in accord with the intent and purpose of S.B. No. 2607, as amended, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2607, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2635      (Majority) Judiciary on S.B. No. 2731**

As received by your Committee, the purpose of this bill was to provide for the defense and indemnification of all State employees, officers, and volunteers in cases of any civil and criminal proceedings brought against them because of such individuals' actions or omissions occurring within the scope of their duties.

Testimony offered by the Attorney General indicated many instances where the defense and indemnification of State employees charged with criminal conduct taking place within the course and scope of their duties would be wholly inappropriate. The bill, in its original form, would force the State to pay for the defense and for criminal fines and penalties in instances such as: a State employee who embezzles money from the State; a State employee who drives drunk during work hours; a State volunteer who speeds while performing a rush errand for a State agency; or a State psychotherapist who has "therapeutic" sex with a mentally ill patient. In fact, the latter incident actually occurred and is presently up on appeal.

The Attorney General further indicated that to defend and indemnify all State employees in civil actions would eliminate many protective immunities set forth in the State Tort Liability Act, contained in Chapter 662. This law immunizes the State from liability in certain specified situations, including claims involving the performance of "discretionary functions", claims arising out of the assessment of collection of taxes, and claims arising out of assault and battery, misrepresentation, and interference with contract rights. If the State were obligated to indemnify its employees in all instances, including those from which the State is presently immune, it would be tantamount to repealing the protective provisions of the State

Tort Liability Act, as well as other laws protecting the State from exposure. Moreover, as pointed out by the Attorney General, numerous bargaining contracts currently require the State to provide defense counsel to its employees, upon request, for actions arising out of the performance of their duties. In addition, an executive order has been issued which basically provides the same protection to non-union State officers and employees. Moreover, under the State Tort Liability Act, the Attorney General is vested with the discretion to defend any civil action or proceeding brought against any State employee for personal injuries and property damage resulting from acts or omissions arising in the course and scope of their duties.

Your Committee is sensitive to the fact that any State employee can possibly become the subject of a lawsuit or criminal proceeding due to on-the-job conduct. On the other hand, the Committee is very aware that few citizens have the legal right to expect that their employer will pay for a legal defense and hold them absolutely immune from any financial consequences of their conduct.

In the absence of strong policy considerations, your Committee is hesitant to expose the State to an unknown and potentially large number of claims for reimbursement or indemnification from employees. For that reason, your Committee has substantially amended this bill to narrow its scope.

As amended, this bill would provide limited protection to those employees who face a risk of exposing themselves to criminal liability by dealing with emotionally disturbed or violent persons. Since the difference between a reasonable force to subdue a violent individual and an allegation of criminal use of force is sometimes just a matter of degree, your Committee believes it is fair that employees exonerated of criminal charges arising from their attempts to restrain or subdue dangerous persons receive reimbursement for their legal fees.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2731, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2731, S.D. 2.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.  
Senator Reed did not concur.

**SCRep. 2636      Judiciary on S.B. No. 2759**

The purpose of this bill as received was: (1) to require the Department of Public Safety to notify the victims of crimes of any change in the custodial status of an offender who is released into the community; and (2) to mandate testing of prisoners for AIDS.

Your Committee has amended this bill by deleting Section 3, providing for mandatory testing of prisoners for AIDS.

It is the intent of this bill, as amended, to augment the rights of crime victims by notifying them when the custody status of an individual incarcerated for committing a crime against them has been changed. Victims of violent crimes are often fearful that when the offender is released he will return and commit a new act of violence against them. This bill would allow the victims to protect themselves.

Your Committee received favorable testimony from the Department of the Prosecuting Attorney and the Police Department of the City and County of Honolulu. Supporting testimony was also received from the Hawaii State Coalition Against Sexual Assault, the Sex Abuse Treatment Center, and an individual who was the victim of a brutal assault wherein she was beaten and stabbed by a person who has threatened to kill her when he is released.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 2759, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. 2759, S.D. 2.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2637      Judiciary on S.B. No. 2811**

The purpose of this bill is to add powers to the county liquor commissions. Specifically, this bill authorizes the county liquor commissions to request a background check from the Hawaii Criminal Justice Data Center on an applicant for a liquor license upon written authorization of the applicant and to deny, terminate, or suspend a license if the check shows the applicant has been convicted of a crime other than a minor traffic violation involving a fine of \$50 or less, or that the applicant poses a threat to the health, welfare, and safety of the community.

It is the intent of this bill to provide for the efficient administration of justice by the liquor commissions while preserving the rights of affected individuals.

Testimony in support of this bill was received from the Hawaii Criminal Justice Data Center of the Department of the Attorney General.

Your Committee has amended this bill by clarifying that the county liquor commissions can request background checks from the national criminal history record files. Your Committee has further amended this bill by providing for a new section in the Hawaii Revised Statutes rather than revising an existing section. This is due to a technical error in the original drafting of the bill and has no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2811, S.D. 1, as amended herein, and recommends that it pass Third Reading and in the form attached hereto as S.B. No. 2811, S.D. 2.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2638      Judiciary on S.B. No. 2832**

The purpose of this bill is to elevate the penalty for the intentional issuance or negotiation of worthless negotiable instruments of more than \$300 in a six month period to a Class C felony. Currently, the intentional issuance or negotiation of worthless negotiable instruments of any amount is a misdemeanor.

Testimony in support of the bill was offered by the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Retail Merchants Association, Liberty House and Telecheck. Testimony revealed a trend on the part of offenders to issue and negotiate worthless checks with frequency and disregard, due to the fact that the penalty therefor is only a misdemeanor. It was further indicated that prosecution of these offenses is difficult, due to the fact that misdemeanors take must take low priority over the prosecution of felonies. Amendments to the bill were proposed by those testifying in favor of the bill. Specifically, it was suggested that the bill reduce the threshold amount necessary to constitute a Class C felony from \$500 or more to more than \$300, in order to conform with the penalty provisions provided for shoplifting and theft. A second amendment was proposed that would make the threshold amount cumulative to prevent deliberate issuance of checks in a lesser amount in order to avoid a felony charge. This cumulative application is provided for in credit card offenses.

Your Committee has amended the bill to reduce the threshold amount from \$500 or more to more than \$300. It has further amended the bill to provide that the threshold amount of more than \$300 will apply to the issuance or negotiation of worthless instruments over six month period.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2832, and recommends that it pass Second Reading in the amended form attached hereto as S.B. No. 2832, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2639      Judiciary on S.B. No. 2865**

The purpose of this bill is to prohibit persons who have, as minors, been adjudicated by the Family Court to have committed certain offenses from owning or possessing a firearm until they reach the age of twenty-five.

Testimony in support of the bill was received from the Attorney General. He indicated that, under current law, all minors who commit non-felonious crimes of violence or felonies, including drug offenses, may own or possess a firearm. In contrast, all adults, who commit a felony, a crime of violence, or an illegal sale of drugs are prohibited from owning or possessing a firearm for the rest of their lives. The Attorney General stated that, given the increase in the number of youth gangs, minors with a propensity to commit crimes of violence, crimes involving the sale of drugs and felonies should be prohibited from ownership or possession of a firearm until the age of twenty-five.

Your Committee received testimony in opposition to the bill from the Public Defender. He expressed concern that under the amendment proposed by the bill, a minor who had been adjudicated for commission of a petty misdemeanor assault (arising, for example, from a mutual school-yard affray and causing only slight pain) would be precluded from owning or possessing a firearm until age twenty-five. This would unfairly deny the minor the opportunity to hunt or to join the police department after graduation from high school, and would essentially penalize him for acts which are predictably typical for teenagers to commit.

Your Committee acknowledges the concern raised by the Public Defender, but is equally concerned about permitting those who have demonstrated a propensity for violence to own or possess firearms.

Accordingly, your Committee has amended the bill to require that the minor commit two or more crimes of violence. We believe, and the Attorney General concurs, that this draws the appropriate balance between the need to keep firearms out of the hands of those who have a history of repeated violent conduct and the need not to unduly punish those who exercised poor judgment on a single occasion.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2865, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2640      Judiciary on S.B. No. 2937**

The purpose of this bill is to repeal Section 84-31.5, Hawaii Revised Statutes, which requires that the Ethics Commission maintain a record of all persons examining public disclosure statements.

Testimony in support of the bill was offered by the Attorney General, the State Ethics Commission and Common Cause Hawaii. The Attorney General indicated that the repeal of the subject section would be consistent with the Uniform Information Practices Act, Chapter 92F, which promotes open government, while protecting an individual's constitutional right to privacy. The act does not require identification of persons inspecting public records. Common Cause concurred with the Attorney General, submitting that public officials should expect to have their disclosure records scrutinized by their constituents, opponents and critics.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2937 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Holt.



**SCRep. 2641      Judiciary on S.B. No. 2797**

The purpose of this bill is to tighten penalties against drug offenders.

Testimony pertaining to the bill was offered by the Attorney General, the Department of Corrections, the Public Defender, the Honolulu Police Department, and a representative of Citizens Advocating Responsible Education. In its original form, the bill sought to establish mandatory minimum prison sentences for conviction of offenses relating to dangerous or harmful drugs and commercial promotion of marijuana, as well as to reduce the threshold quantities of controlled substances necessary to constitute aggravated degrees of promoting a harmful drug and commercial cultivation of marijuana. The bill further reclassified marijuana from a detrimental to a harmful drug. The Attorney General, the Public Defender and the Honolulu Police Department all pointed out problems with the bill, as drafted.

Among the concerns expressed by the Attorney General and the Public Defender were that the bill carried varying mandatory minimum terms for certain acts, all of which constituted class A felonies. It was expressed that these terms were set inconsistently without any apparent reason. Secondly, it was pointed out by the Attorney General, the Public Defender, and the Honolulu Police Department that changes to Sections 712-1244 and 712-1245, would place the promotion of marijuana in the same category as promotion of a harmful drug, as provided for in Sections 712-1249.4 and 712-1249.5.

Thirdly, it was noted that amendments to Sections 712-1264 and 712-1246.5 would cause possession of marijuana to be a more serious offense than the possession of its more dangerous derivative, marijuana concentrate, and also was inconsistent with the bill's intent to elevate marijuana from a detrimental drug to a harmful drug. Finally, the Honolulu Police Department and the Public Defender expressed concern that the imposition of mandatory minimum sentences may not be justified in cases of first time offenders.

Your Committee on Judiciary has amended the bill to incorporate the concerns expressed by the law enforcement community and the Public Defender. Nevertheless, your Committee on Judiciary has retained provisions of the bill that would further tougher penalties for drug offenders. These provisions reflect the concern of your Committee about the drug problem statewide and that tougher measures are warranted to send out a strong signal that drugs will not be tolerated in our communities.

Your Committee has retained the provisions regarding the inclusion of the third degree promotion of a harmful drug under sentencing provisions for repeat offenders, as well as deleted the promotion of harmful drugs from the conditional discharge provisions. The bill further reduces the amount of marijuana necessary to constitute first degree commercial promotion from 25 to 10 pounds. Finally, the bill permits marijuana seized as evidence to be photographed, weighed and subsequently destroyed.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2797, and recommends that it pass Second Reading in its amended form, attached hereto as S.B. No. 2797, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2642      Judiciary on S.B. No. 3018**

The purpose of this bill is to make amendments to Chapter 576E, relating to the administrative process for child support enforcement. This chapter was enacted in 1988 as an alternative process to establish, modify, and enforce support obligations owed to dependent children by parents. The administrative procedures are designed to expedite the payment of these obligations.

Specifically, this bill would improve the statutory framework in which child support orders are created through the administrative process. The intent is to promote efficiency of the administrative process while harmonizing it with existing judicial processes. The need for the amendments contained in this bill are based on one year of actual experience by the Child Support Enforcement Agency. Some of these amendments are necessary to conform with federal child support enforcement requirements.

The use of the administrative process for adjudicating child support is mandated by federal law in the Social Security Act, with oversight of the program placed in the U.S. Department of Health and Human Services.

The provisions of this bill relate to improving the administrative process to ensure that the system of child support enforcement operates expeditiously and efficiently, which is ultimately in the public interest because these children could otherwise become dependent on public assistance. Therefore, this bill is a housekeeping measure introduced upon request of the Department of the Attorney General, which is charged with responsibility for administering the chapter.

Your Committee received supporting testimony from the Family Courts and the Hawaii State Commission on the Status of Women. The Commission stated that divorced women are the nation's "New Poor." They depend very heavily on receiving child support payments from their ex-husbands. They believe this bill would serve to clarify, enhance, and expedite the enforcement of child support obligations.

Your Committee has made several amendments to accommodate recommendations of the Family Court and the Hearings Officer Section of the Attorney General's Office. These amendments add definitions and delineate powers and functions as between the courts and enforcement agency. Your Committee desires to make it clear that the due process rights of all parties must continue to be protected. All provisions of this bill, as amended, have been reviewed by the Family Courts and the Attorney General which have found no constitutional problems with the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3018, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin, Aki, Holt and Nakasato.

**SCRep. 2643      Judiciary on S.B. No. 2432**

The purpose of this bill is to establish a representative payee agency within the family court.

Specifically, the agency would provide for the certification and designation of representatives to handle all financial matters for developmentally disabled or mentally retarded persons as defined in section 333F-1, Hawaii Revised Statutes. The agency would maintain a registry of persons designated to serve as representative payees, and establish: (1) procedures to petition for representative payeeship; (2) duties of the representative payee; (3) procedures for removal, termination, or resignation of a representative payee; (4) provisions for review of records by the agency; (5) rules of procedure for the representative payeeship system to be disseminated to all persons on the registry and interested parties.

Your Committee has amended this bill by:

- (1) Deleting provisions authorizing the family court to establish and maintain a representative payee agency, and requiring the Department of Health (DOH) or one or more representative payee agencies authorized by DOH to provide for the certification and designation of representative payees;
- (2) Expanding representative payee services to include "mentally ill persons" as defined in section 334-1, Hawaii Revised Statutes; and
- (3) Making several technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2432, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2432, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2644      Judiciary on S.B. No. 2285**

The purpose of this bill is to amend Section 706-624(2)(a), Hawaii Revised Statutes, by increasing the term of imprisonment from one to two years as a condition of probation where a person is convicted of a Class B felony.

Testimony in support of the bill was offered by the Attorney General and the Judiciary. The Judiciary testified that in 1986 the Legislature took a close look at the Penal Code and passed Act 314, which instituted amendments to reflect the punitive sentiments of the community. The overhaul of the Penal Code changed from a rehabilitative model to one of just punishment. The Attorney General testified that the amendment would allow the court to impose up to two years of incarceration as a term and condition of probation involving a Class B felony in recognition of the fact that such offenses are more serious than Class C felonies and to be consistent with the rationale for the longer maximum term of incarceration provided for Class B felonies.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2285 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 Levin, Aki, Holt and Nakasato.

**SCRep. 2645      Judiciary on S.B. No. 2567**

The purpose of this bill is to outlaw gambling aboard ships whether it takes place on ships operated solely for that purpose or on ones which offer gambling incidental to other legitimate activities.

Your Committee received testimony in support of the bill from the Attorney General and the Department of Transportation. The Attorney General noted that the State has long taken a stand against gambling because of its traditional association with organized crime and because it tends to diminish the State's reputation as the premier tourist destination, with a corresponding economic impact, especially for families. He indicated that this bill would prevent a recent proposal to begin intra-island operation of one of these ships from becoming a reality.

The Department of Transportation expressed its support for the bill but indicated concern that the language of the bill was not sufficiently specific to exclude foreign flag ships and those traveling from the continental United States from being placed within its ambit. These ships close down and lock their gambling equipment when they sail in State waters and, therefore, do not present the cause for concern represented by gambling ships operated locally. Accordingly, your Committee has amended the bill to make it clear that these ships are not in violation of the proposed law.

Your Committee on Judiciary has amended the bill to clarify that foreign flag ships, and those traveling from the continental United States, who close and lock down their gambling operations before entering State waters are not affected by this law. Your Committee has also amended the bill to make it clear that operators of legitimate tour ships, on which gambling is being conducted without their consent or knowledge, will not be subjected to criminal liability for gambling conducted by employees or passengers. Your Committee further amends the bill so that persons transporting passengers to and from ships on which gambling is taking place are not subjected to criminal liability. The final amendment made by your Committee deletes the provision which subjects persons soliciting, enticing, inducing, persuading or procuring

persons from visiting gambling ships to criminal liability. Your Committee is of the opinion that this provision raises questions of equal protection, as persons are permitted to make identical solicitations and promotions for gambling operations conducted outside of the State.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2567, as amended, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2567, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2646      Judiciary on S.B. No. 3021**

The purpose of this bill is to make additions and corrections to the controlled substance schedules, to broaden the offense of fraudulent obtaining of a controlled substance to include theft, and to make it unlawful to obtain a legal prescription for a controlled substance by misrepresenting or withholding information. Changes to the existing controlled substance schedules were necessitated in order to conform with federal law.

Your Committee received testimony in support of the bill from the Attorney General. He testified that the inclusion of theft has been added to address the diversion of controlled substances by registrants and employees, all of whom have access to legally stocked inventories of controlled substances.

Finally, Section 329-42(a)(6), has been added to make it unlawful for a patient to obtain a legal prescription for a controlled substance by misrepresentation or by withholding information regarding current controlled substance use and/or acquisition. One of the main sources of drugs in the illicit market is through legitimate prescriptions from well intended physicians who are conned and scammed by a group of manipulative and creative individuals who spend the better part of each day going to doctors in order to obtain drugs. These individuals are known as "doctor shoppers" and they are generally addicted to these drugs and frequently sell, share, or trade them for other drugs.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3021 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 Holt.

**SCRep. 2647      Ways and Means on S.B. No. 2159**

The purpose of this bill is to appropriate funds for the design, preparation, construction, and general development of capital improvement projects. This bill appropriates the sum of \$1 out of moneys in the state treasury received from general obligation bonds to each of four unspecified projects.

Your Committee finds that this bill will serve as the vehicle to facilitate further discussions on the funds needed for the development of capital improvement projects determined to be necessary by the legislature. Your Committee finds that it would be premature to recommend amendments to this bill prior to fully determining the details of the projects that will be authorized and the levels of funding they will require.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2159, 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 George.

**SCRep. 2648      Consumer Protection and Commerce on H.B. No. 2312**

The purpose of this bill is to expressly authorize credit unions to invest in State and county revenue, special purpose revenue, and housing bonds.

Your Committee finds that, although current law makes it clear that credit unions may invest in the general obligations of the State and the counties, the absence of any express reference to credit unions in the various bond laws has created uncertainty as to whether or not they may invest in revenue, special purpose revenue, and housing bonds.

Your Committee further finds that the authorization of the purchase of revenue, special purpose revenue, and housing bonds by credit unions would give the State and counties additional purchasers for their bonds while providing credit unions the ability to diversify their portfolios with sound investments. The authorization will also give credit unions additional security with which to collateralize public fund deposits which they have been authorized to accept since 1988.

Your Committee received supporting testimony from the Department of Commerce and Consumer Affairs and the Hawaii Credit Union League.

Your Committee has corrected a typographical error and made other nonsubstantive technical amendments for the purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2312 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2312, S.D. 1, and be placed on calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2649      Health on H.B. No. 2901**

The purpose of this bill is to: (1) clarify the activities of the Department of Health's epidemiological specialists, and (2) to broaden the scope of the Department's preventive medicine responsibilities to include the field of communicable disease control.

Currently, the law does not define the allowable activities of epidemiological specialists. This bill creates a new section under part II of chapter 321, Hawaii Revised Statutes, allowing epidemiological specialists to collect blood by venipuncture or capillary puncture and through other methods of specimen collection under the direct or indirect supervision of a licensed physician.

Section 321-31, Hawaii Revised Statutes, limits the Department of Health's responsibility in the area of preventive medicine to tuberculosis and venereal disease. This bill broadens the scope of the Department's functions to include communicable disease control.

Your Committee concurs with the intent of this bill to clarify the activities of epidemiological specialists since these activities are necessary and traditional in conducting disease investigations for the Department of Health, and finds that requiring a licensed physician to oversee specimen collection activities will ensure proper training and supervision of epidemiological specialists. Your Committee further finds that broadening the scope of the Department of Health's preventive medicine responsibilities to include communicable disease control will allow more effective public health intervention by the Department.

Your Committee has amended this bill by adding language to allow the Department of Health to formulate and effectuate programs to reduce disease and disability. Present law provides for prevention programs only.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2901, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2650      Energy and Natural Resources on S.C.R. No. 2**

The purpose of this concurrent resolution is to urge the counties to establish programs to require energy conservation plans for all new commercial buildings.

Your Committee finds that energy efficiency and conservation are absolutely essential to the long term well being of the people of this state. A positive step toward this goal is to mandate energy conservation in all new commercial buildings.

Your Committee received testimony in support of the concurrent resolution from Hawaiian Electric Company, Inc., indicating that periodic updating of building codes to reflect the latest knowledge in efficient and productive energy use is the most practical way to improve the energy efficiency of new buildings. Your Committee finds merit in this approach and has amended the title and first BE IT RESOLVED paragraph to urge the counties to periodically review their building codes and incorporate applicable nationally recognized standards relating to energy efficiency.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 2, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2651      Energy and Natural Resources on S.R. No. 3**

The purpose of this resolution is to urge the counties to establish programs to require energy conservation plans for all new commercial buildings.

Your Committee finds that energy efficiency and conservation are absolutely essential to the long term well being of the people of this state. A positive step toward this goal is to mandate energy conservation in all new commercial buildings.

Your Committee received testimony in support of the resolution from Hawaiian Electric Company, Inc., indicating that periodic updating of building codes to reflect the latest knowledge in efficient and productive energy use is the most practical way to improve the energy efficiency of new buildings. Your Committee finds merit in this approach and has amended the title and first BE IT RESOLVED paragraph to urge the counties to periodically review their building codes and incorporate applicable nationally recognized standards relating to energy efficiency.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 3, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 3, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2652      Energy and Natural Resources on S.C.R. No. 3**

The purpose of this concurrent resolution is to urge the Congress of the United States to reauthorize the Coastal Zone Management Act (CZMA) and to enact a federal oil spill law.

Your Committee finds that the CZMA, enacted in 1972, has proven to be a model for intergovernmental relations that encourages coastal states to carry out national policies through state and local initiatives combined with federal program and fiscal support. Although progress has been made on some of the problems and issues which prompted the enactment of the CZMA, there are still many others requiring work, including shore erosion, protection and development of living

marine resources, the rising sea level, non-point source pollution, marine mineral mining, and ocean dumping. In addition, as the demands on our coastal and ocean resources continue to increase, the partnerships established through the CZMA will help to more effectively deal with the inevitable conflicts and problems that will ensue. Hence, it is in the best interests of the western states and the United States as a whole for Congress to reauthorize the CZMA and provide stable and predictable grant funding.

Your Committee further finds that Presidential Proclamation No. 5928 of 1988, extending the United States territorial sea from three to twelve miles, has resulted in confusion as to the respective management responsibilities of the federal and state governments in this expanded zone. Your Committee believes that clarification is necessary and has amended the concurrent resolution to encourage interested coastal states to initiate a cooperative planning effort with the federal government for the rational conservation and development of this increasingly important area.

Your Committee believes that it is more appropriate to deal with the reauthorization of the CZMA and federal oil spill legislation as separate issues and has, therefore, amended the concurrent resolution to delete all references to federal oil spill legislation from its title and body.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 3, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 3, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2653      Energy and Natural Resources on S.R. No. 4**

The purpose of this resolution is to urge the Congress of the United States to reauthorize the Coastal Zone Management Act (CZMA) and to enact a federal oil spill law.

Your Committee finds that the CZMA, enacted in 1972, has proven to be a model for intergovernmental relations that encourages coastal states to carry out national policies through state and local initiatives combined with federal program and fiscal support. Although progress has been made on some of the problems and issues which prompted the enactment of the CZMA, there are still many others requiring work, including shore erosion, protection and development of living marine resources, the rising sea level, non-point source pollution, marine mineral mining, and ocean dumping. In addition, as the demands on our coastal and ocean resources continue to increase, the partnerships established through the CZMA will help to more effectively deal with the inevitable conflicts and problems that will ensue. Hence, it is in the best interests of the western states and the United States as a whole for Congress to reauthorize the CZMA and provide stable and predictable grant funding.

Your Committee further finds that Presidential Proclamation No. 5928 of 1988, extending the United States territorial sea from three to twelve miles, has resulted in confusion as to the respective management responsibilities of the federal and state governments in this expanded zone. Your Committee believes that clarification is necessary and has amended the resolution to encourage interested coastal states to initiate a cooperative planning effort with the federal government for the rational conservation and development of this increasingly important area.

Your Committee believes that it is more appropriate to deal with the reauthorization of the CZMA and federal oil spill legislation as separate issues and has, therefore, amended the resolution to delete all references to federal oil spill legislation from its title and body.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 4, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 4, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2654      Energy and Natural Resources on S.C.R. No. 4**

The purpose of this concurrent resolution is to urge the establishment of a compact of Pacific States (Alaska, Washington, Oregon, California, Idaho and Hawaii) and the Canadian Province of British Columbia to foster cooperative planning and management of common renewable resources in the Pacific Ocean.

The Province of British Columbia has already undertaken efforts to cooperate with the Pacific States regarding oil spill responses and the prohibition of drift gill nets on the high seas. Further sharing of information and management practices on a regional basis will foster a unified approach to coastal and ocean management for Pacific Ocean renewable resources and will be in the best interests of all parties concerned.

Your Committee has made several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 4 as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 4, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2655      Energy and Natural Resources on S.R. No. 5**

The purpose of this resolution is to urge the establishment of a compact of Pacific States (Alaska, Washington, Oregon, California, Idaho and Hawaii) and the Canadian Province of British Columbia to foster cooperative planning and management of common renewable resources in the Pacific Ocean.

The Province of British Columbia has already undertaken efforts to cooperate with the Pacific States regarding oil spill responses and the prohibition of drift gill nets on the high seas. Further sharing of information and management practices on a regional basis will foster a unified approach to coastal and ocean management for Pacific Ocean renewable resources and will be in the best interests of all parties concerned.

Your Committee has made several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 5 as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 5, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2656      Energy and Natural Resources on S.C.R. No. 5**

The purpose of this concurrent resolution is to urge the United States Department of State to press for the elimination of high seas drift gill nets through its international negotiations, particularly with Japan, Taiwan, and Korea.

Your Committee finds that the use of drift gill nets on the high seas is causing unwarranted and indiscriminate destruction of living marine resources. Long gill nets, usually set adrift from 24 to 48 hours at a time, are non-selective of the species they catch and often ensnare fish with little or no commercial value that are then discarded in a dead or greatly weakened state. Marine mammals and turtles are also often entangled in these nets and killed. Perhaps the most serious environmental problem associated with drift nets, however, results from their loss, in which case they "ghost fish" for indefinite periods and continue to trap fish and other marine life with no beneficial purpose whatsoever.

Your Committee amended the concurrent resolution to urge the "complete" elimination of drift gill net fishing and that negotiations include the means to enforce such complete elimination.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 5, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 5, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2657      Energy and Natural Resources on S.R. No. 6**

The purpose of this resolution is to urge the United States Department of State to press for the elimination of high seas drift gill nets through its international negotiations, particularly with Japan, Taiwan, and Korea.

Your Committee finds that the use of drift gill nets on the high seas is causing unwarranted and indiscriminate destruction of living marine resources. Long gill nets, usually set adrift from 24 to 48 hours at a time, are non-selective of the species they catch and often ensnare fish with little or no commercial value that are then discarded in a dead or greatly weakened state. Marine mammals and turtles are also often entangled in these nets and killed. Perhaps the most serious environmental problem associated with drift nets, however, results from their loss, in which case they "ghost fish" for indefinite periods and continue to trap fish and other marine life with no beneficial purpose whatsoever.

Your Committee amended the resolution to urge the "complete" elimination of drift gill net fishing and that negotiations include the means to enforce such complete elimination.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 6, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 6, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2658      Energy and Natural Resources on S.C.R. No. 7**

The purpose of this concurrent resolution is to urge the President and the Congress of the United States to extend the territorial limits of the United States and the coastal states from three to twelve miles offshore.

On December 27, 1988, President Reagan issued Presidential Proclamation 5928, extending the territorial sea from three to twelve miles. Although the Presidential Proclamation is consistent with sovereignty and jurisdictional issues at the international level, there is still a need for Congress to clarify domestic law.

Because it is unnecessary to urge the President to act on this matter, your Committee has amended the concurrent resolution to delete references to Presidential action in the title and body of the measure.

Your Committee has further amended the concurrent resolution to add that, while there may not be any international jurisdictional issues raised by the Presidential Proclamation, congressional action is still required to establish the effect of the Proclamation on domestic law relating to the territorial sea and on related state interest issues.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 7, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 7, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2659      Energy and Natural Resources on S.C.R. No. 20**

The purpose of this concurrent resolution is to urge the Congress of the United States to enact federal groundwater legislation that supports the states' primary role in groundwater management.

Your Committee finds that the management of groundwater is vitally important for Hawaii and all of the western states. Your Committee believes that state officials in Hawaii and each of the western states are in the best position to manage the groundwater in each jurisdiction and that there should be a minimum of interference from federal officials who have less knowledge of the unique problems and characteristics of the individual areas.

Your Committee has amended the concurrent resolution to clarify that Hawaii supports the principle of equitable apportionment of interstate groundwater even if it would not be applicable to this state.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 20, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 20, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2660      Energy and Natural Resources on S.R. No. 16**

The purpose of this resolution is to urge the Congress of the United States to enact federal groundwater legislation that supports the states' primary role in groundwater management.

Your Committee finds that the management of groundwater is vitally important for Hawaii and all of the western states. Your Committee believes that state officials in Hawaii and each of the western states are in the best position to manage the groundwater in each jurisdiction and that there should be a minimum of interference from federal officials who have less knowledge of the unique problems and characteristics of the individual areas.

Your Committee has amended the resolution to clarify that Hawaii supports the principle of equitable apportionment of interstate groundwater even if it would not be applicable to this state.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 16, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 16, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2661      Energy and Natural Resources on S.C.R. No. 21**

The purpose of this concurrent resolution is to urge the federal government to resolve the issue of federally reserved water rights.

Your Committee finds that, should the federal government decide to unilaterally exercise the large and vaguely quantified water rights assigned to it under the doctrine of federally reserved water rights expressed in Winters v. United States, there could be a massive disruption in current use and distribution of water in the Western United States. Your Committee believes that the federal government should work with the affected states to resolve disputes and adverse impacts within the framework of water laws established by these states.

Your Committee also finds that the doctrine of federally reserved water rights may not be directly applicable to the State of Hawaii, which has its own unique system of custom and water law. Your Committee has, therefore, amended the concurrent resolution to delete all references to island governments, added a paragraph citing Hawaii's unique water rights system, and, in the title and throughout the body of the concurrent resolution, made proper reference to those affected western states as western continental states.

Your Committee has also amended the concurrent resolution to state that, although Hawaii may not be directly affected under the doctrine of federally reserved water rights, it supports the western continental sister states and urges federal action to resolve the issue.

Your Committee on Energy and Natural Resources concurs 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. 2662      Energy and Natural Resources on S.R. No. 17**

The purpose of this resolution is to urge the federal government to resolve the issue of federally reserved water rights.

Your Committee finds that, should the federal government decide to unilaterally exercise the large and vaguely quantified water rights assigned to it under the doctrine of federally reserved water rights expressed in Winters v. United States, there could be a massive disruption in current use and distribution of water in the Western United States. Your Committee believes that the federal government should work with the affected states to resolve disputes and adverse impacts within the framework of water laws established by these states.

Your Committee also finds that the doctrine of federally reserved water rights may not be directly applicable to the State of Hawaii, which has its own unique system of custom and water law. Your Committee has, therefore, amended the resolution to delete all references to island governments, added a paragraph citing Hawaii's unique water rights system, and, in the title and throughout the body of the resolution, made proper reference to those affected western states as western continental states.

Your Committee has also amended the resolution to state that, although Hawaii may not be directly affected under the doctrine of federally reserved water rights, it supports the western continental sister states and urges federal action to resolve the issue.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 17, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 17, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2663      Energy and Natural Resources on S.C.R. No. 22**

The purpose of this concurrent resolution is to urge the federal government to incorporate management concerns and the laws of the western states and island governments in developing agency procedures and practices and in enacting federal laws.

Your Committee finds that the actions of the Federal Energy Regulatory Commission (FERC) are significant to the State of Hawaii because they affect the administration of water under the Hawaii State Water Code as it relates to the authorization of federal hydropower projects. The FERC has held that it alone is empowered to establish instream standards for water flows below hydropower projects. This runs counter to Hawaii law which places that responsibility with the Hawaii Commission on Water Resource Management. Until this matter is resolved, hydropower developers in Hawaii will not know to whom they are responsible for instream flows below hydropower facilities. Further, while the FERC has issued water licenses for hydropower projects in other states without accommodating prior water rights issued by state agencies, under the Hawaii State Water Code, the Hawaii Commission on Water Resource Management designates water management areas and regulates uses of the water therein, including water used for hydropower projects.

Your Committee believes that it is in the best interest of the United States and the State of Hawaii for the Federal Power Act to be amended so proper deference is given to the water laws of Hawaii and other western States and island governments. Your Committee further believes that the FERC should include water concerns of Hawaii and the other western states and island governments in its hydropower licensing decisions.

Your Committee has determined that all of the other forty-nine states support California's petition for writ of certiorari to the United States Supreme Court in California v. Federal Energy Regulatory Commission and has amended the concurrent resolution accordingly.

Your Committee has made other technical, nonsubstantive changes.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 22, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2664      Energy and Natural Resources on S.R. No. 18**

The purpose of this resolution is to urge the federal government to incorporate management concerns and the laws of the western states and island governments in developing agency procedures and practices and in enacting federal laws.

Your Committee finds that the actions of the Federal Energy Regulatory Commission (FERC) are significant to the State of Hawaii because they affect the administration of water under the Hawaii State Water Code as it relates to the authorization of federal hydropower projects. The FERC has held that it alone is empowered to establish instream standards for water flows below hydropower projects. This runs counter to Hawaii law which places that responsibility with the Hawaii Commission on Water Resource Management. Until this matter is resolved, hydropower developers in Hawaii will not know to whom they are responsible for instream flows below hydropower facilities. Further, while the FERC has issued water licenses for hydropower projects in other states without accommodating prior water rights issued by state agencies, under the Hawaii State Water Code, the Hawaii Commission on Water Resource Management designates water management areas and regulates uses of the water therein, including water used for hydropower projects.

Your Committee believes that it is in the best interest of the United States and the State of Hawaii for the Federal Power Act to be amended so proper deference is given to the water laws of Hawaii and other western States and island governments. Your Committee further believes that the FERC should include water concerns of Hawaii and the other western states and island governments in its hydropower licensing decisions.

Your Committee has determined that all of the other forty-nine states support California's petition for writ of certiorari to the United States Supreme Court in California v. Federal Energy Regulatory Commission and has amended the resolution accordingly.

Your Committee has made other technical, nonsubstantive changes.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 18, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 18, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2665      Energy and Natural Resources on S.C.R. No. 23**

The purpose of this concurrent resolution is to urge the federal government to honor the laws, interstate compacts, court decrees and rights of the western states for the planning and development of needed water projects.



The federal government has generally recognized states' water development and protection rights, and federal participation has occurred primarily through grants and subsidies for water projects. Recently, however, federal budget constraints have grown, financial support for water development and protection has decreased, and the federal government has begun to focus its efforts on expanding its regulatory powers. This has led to a stifling of state and local government initiatives in water projects and the need of the western states for relief from federal over regulation.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 23, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2666      Energy and Natural Resources on S.R. No. 19**

The purpose of this resolution is to urge the federal government to honor the laws, interstate compacts, court decrees and rights of the western states for the planning and development of needed water projects.

The federal government has generally recognized states' water development and protection rights, and federal participation has occurred primarily through grants and subsidies for water projects. Recently, however, federal budget constraints have grown, financial support for water development and protection has decreased, and the federal government has begun to focus its efforts on expanding its regulatory powers. This has led to a stifling of state and local government initiatives in water projects and the need of the western states for relief from federal over regulation.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 19, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2667      Energy and Natural Resources on S.C.R. No. 46**

The purpose of this concurrent resolution is to urge the President and Congress of the United States to suspend trade relations with any nation supporting or sanctioning the practice of driftnet fishing.

Your Committee finds that the use of driftnets is one of the greater threats to the Pacific Ocean's fragile ecosystem. Every night some 1,500 vessels from Japan, Taiwan and South Korea lay out between 20,000 and 30,000 miles of pelagic driftnets. These nets cannot be detected by cetacean sonar, thus rendering them invisible to whales and dolphins. It has been estimated that over 125,000 marine mammals are killed annually in these nets.

Your Committee believes that the continued use of pelagic driftnets to "strip-mine" vast areas of the Pacific Ocean has the distinct potential for causing one of the worst environmental disasters of our time. Further, as other fishing methods are presently available which can be used to target particular fish catches and not inflict indiscriminate damage on other marine life, the practice of driftnet fishing should be banned.

Your Committee has amended the concurrent resolution to include a clause acknowledging the adoption of the October 1989 Proclamation on High Seas Driftnet Fisheries in the North Pacific Ocean, which urges the United States and Canada to initiate diplomatic efforts through the United Nations to secure an international ban on driftnet fishing.

Your Committee on Energy and Natural Resources concurs 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.

**SCRep. 2668      Energy and Natural Resources on S.R. No. 43**

The purpose of this resolution is to urge the President and Congress of the United States to suspend trade relations with any nation supporting or sanctioning the practice of driftnet fishing.

Your Committee finds that the use of driftnets is one of the greater threats to the Pacific Ocean's fragile ecosystem. Every night some 1,500 vessels from Japan, Taiwan and South Korea lay out between 20,000 and 30,000 miles of pelagic driftnets. These nets cannot be detected by cetacean sonar, thus rendering them invisible to whales and dolphins. It has been estimated that over 125,000 marine mammals are killed annually in these nets.

Your Committee believes that the continued use of pelagic driftnets to "strip-mine" vast areas of the Pacific Ocean has the distinct potential for causing one of the worst environmental disasters of our time. Further, as other fishing methods are presently available which can be used to target particular fish catches and not inflict indiscriminate damage on other marine life, the practice of driftnet fishing should be banned.

Your Committee has amended the resolution to include a clause acknowledging the adoption of the October 1989 Proclamation on High Seas Driftnet Fisheries in the North Pacific Ocean, which urges the United States and Canada to initiate diplomatic efforts through the United Nations to secure an international ban on driftnet fishing.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 43, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 43; S.D. 1.

Signed by all members of the Committee.

**SCRep. 2669      Housing and Hawaiian Programs on Gov. Msg. No. 89**

Recommends that the Senate advise and consent to the nomination of HOALIKU L. DRAKE as Chairperson, Hawaiian Homes Commission, term to expire December 31, 1990.

Signed by all members of the Committee.

**SCRep. 2670      (Joint) Housing and Hawaiian Programs and Government Operations on S.C.R. No. 41**

The purpose of this concurrent resolution is to request the counties to grant real property tax relief to lessees of Hawaiian home lands where these lessees are unable to occupy and use their lands because of the lack of required utilities and other infrastructure.

Your Committees received supporting testimony from the Chairperson of the Hawaiian Homes Commission, the Office of Hawaiian Affairs, the State Council of Hawaiian Homestead Associations, the Aged Hawaiians, Humuula Pastoral Homestead Applicants, and other concerned citizens.

Your Committees find that the issue addressed by the concurrent resolution will be resolved by the enactment of S.B. No. 2699, S.D. 1, or comparable legislation.

Your Committees have amended the title and body of the concurrent resolution to address the proposal by the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs that tracts of land leased by native Hawaiians from the Department of Hawaiian Home Lands be exempted from real property taxes. The concurrent resolution, as amended, would request the views of the counties on this proposal.

Your Committees on Housing and Hawaiian Programs and Government Operations concur with the intent and purpose of S.C.R. No. 41, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 41, S.D. 1.

Signed by all members of the Committees.

**SCRep. 2671      Housing and Hawaiian Programs on S.C.R. No. 51**

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct an examination of executive branch procedures and mechanisms necessary to ensure that Hawaiian beneficiary programs receive the revenue entitlements due under Article XII, section 1 of the State Constitution and section 10-13.5, Hawaii Revised Statutes. The concurrent resolution would require the Legislative Auditor to report to the Legislature on this matter before the Regular Session of 1991.

Your Committee received testimony on the concurrent resolution and S.C.R. No. 53 and S.R. No. 46, addressing the same subject but leaving the necessary actions and report to the executive departments involved, from the Chairperson of the Board of Land and Natural Resources, the Chairperson of the Hawaiian Homes Commission, and the Housing Finance and Development Corporation. The Chairperson of the Board of Land and Natural Resources supported the concurrent resolution, rather than S.C.R. No. 53 and S.R. No. 46. The Chairperson of the Hawaiian Homes Commission indicated that the Department of Hawaiian Home Lands preferred the approach incorporated into S.C.R. No. 53 and S.R. No. 46.

Your Committee finds that, as a Nation of laws, it is incumbent upon the Legislature to ensure that the spirit and letter of all laws are complied with, including the provisions of the Constitution and laws of the State of Hawaii. Your Committee further finds that an examination of this matter by the Legislative Auditor would assist in the formulation of appropriate procedures and mechanisms to ensure that Hawaiian beneficiary programs promptly receive their full revenue entitlements.

Your Committee has amended the eighth WHEREAS clause of the concurrent resolution to clarify the need to give the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs a more active role in examining proposed land exchanges and dispositions. Your Committee has also made several technical amendments to the concurrent resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 51, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2672      Housing and Hawaiian Programs on S.C.R. No. 48**

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a study of the feasibility of authorizing and encouraging self-government in government sponsored housing projects.

Your Committee received testimony from the Hawaii Housing Authority and the Housing Finance and Development Corporation. The Hawaii Housing Authority indicated that tenant associations presently exist in housing complexes managed or administered by the Authority. The Authority also indicated that guidelines exist with respect to federally financed projects. The Authority is currently reviewing this subject and representatives of the Authority will be attending an upcoming conference sponsored by the U.S. Department of Housing and Urban Development on tenant management.

Your Committee finds that empowerment of our citizens to manage their own lives is a concept whose time has come. This concept should be allowed to grow and mature. Increased participation of residents in the management of Hawaii Housing Authority housing complexes is essential to the betterment of the complexes and the living conditions and satisfaction of the residents.

Your Committee has amended the title and provisions of the concurrent resolution to limit its applicability to housing complexes managed and administered by the Hawaii Housing Authority, with the Authority being responsible for the study rather than the Legislative Auditor. Projects sponsored by the Housing Finance and Development Corporation will be addressed in a separate measure. Your Committee has also made several technical amendments to the concurrent resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 48, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 48, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2673 (Joint) Housing and Hawaiian Programs and Government Operations on S.R. No. 38**

The purpose of this resolution is to request the counties to grant real property tax relief to lessees of Hawaiian home lands who are unable to occupy and use their lands because of the lack of required utilities and other infrastructure.

Your Committees received supporting testimony from the Chairperson of the Hawaiian Homes Commission, the Office of Hawaiian Affairs, the State Council of Hawaiian Homestead Associations, and the Aged Hawaiians, Humuula Pastoral Homestead Applicants, and other concerned citizens.

Your Committees find that the issue addressed by the resolution will be resolved by the enactment of S.B. No. 2699, S.D. 1, or comparable legislation.

Your Committees have amended the title and body of the resolution to address the proposal by the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs that tracts of land leased by native Hawaiians from the Department of Hawaiian Home Lands be exempted from real property taxes. The resolution, as amended, would request the views of the counties on this proposal.

Your Committees on Housing and Hawaiian Programs and Government Operations concur with the intent and purpose of S.R. No. 38, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 38, S.D. 1.

Signed by all members of the Committees.

**SCRep. 2674 Consumer Protection and Commerce on H.B. No. 1660**

The purpose of this bill is to limit the authority of all banks and financial institutions in the State to disclose records pertaining to depositors or customers except as ordered by a court.

Your Committee has amended this bill by deleting its contents and inserting an amendment to the Statute of Frauds, section 656-1, Hawaii Revised Statutes, which prohibits an action against a person upon an agreement by the person to lend money or extend credit in an amount greater than \$50,000 unless the promise or contract is in writing and signed by the person charged or a duly authorized representative.

Your Committee finds that several states have enacted similar measures to forestall suits claiming failure of a party to keep an oral promise to lend money or extend credit.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1660, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1660, H.D. 1, S.D. 1, and be recommitted to the Committee on Consumer Protection and Commerce for further study.

Signed by all members of the Committee except Senators Chang, Ikeda and Koki.

**SCRep. 2675 Consumer Protection and Commerce on H.B. No. 2362**

The purpose of this bill is to enable the Real Estate Commission to investigate and enforce the right of condominium apartment owners to examine information about their projects.

The bill also clarifies that the fidelity bond required of a managing agent protects the association of apartment owners against loss due to fraud or dishonest acts of an employee of the managing agent, and gives an association the right to proceed against the real estate recovery fund if it cannot recover its loss from the managing agent's bond.

The bill further provides for an application fee to defray the administrative costs of processing new applications for licensing as a managing agent.

Your Committee finds that this bill will clarify the powers of the Real Estate Commission relating to condominiums, make it easier for managing agents to obtain fidelity bonds, and facilitate recovery of losses incurred by condominium associations.

Your Committee has amended this bill by changing the reference to "registration fee" on page 8, line 16 to "reregistration fee" to reflect current text, and by deleting the word "also" on page 5, line 21 for the same reason. Your Committee has also amended this bill by clarifying the purpose of standard fidelity bonds for managing agents, as described in section 1.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2362, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2362, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Koki.

**SCRep. 2676 Labor and Employment on S.R. No. 146**

The purpose of this resolution is to urge Local 5 and the Council of Hotels to return to the bargaining table and settle the hotel workers strike which is threatening the economy and Hawaii's visitor industry.

Over 7,500 members of Local 5, AFL-CIO went out on strike on March 3, 1990 against the Hilton Hawaiian Village, the Hyatt Regency, the Ilikai, the Kahala Hilton, the Kona Hilton, the Moana Surfrider, the Princess Kaiulani, the Royal Hawaiian, the Sheraton Kauai, the Sheraton Maui, and the Sheraton-Waikiki hotels. Negotiations were abandoned on March 9 despite the intervention of Governor Waihee and the efforts of federal mediator Frank Schoeppel, and now two other large hotels are talking about joining the strike.

This resolution urges the parties to return to the bargaining table and continue talking and negotiating in good faith until a settlement is reached.

Your Committee on Labor and Employment concurs with the intent and purpose of S.R. No. 146 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2677 Labor and Employment on S.C.R. No. 160**

The purpose of this concurrent resolution is to urge Local 5 and the Council of Hotels to return to the bargaining table and settle the hotel workers strike which is threatening the economy and Hawaii's visitor industry.

Over 7,500 members of Local 5, AFL-CIO went out on strike on March 3, 1990 against the Hilton Hawaiian Village, the Hyatt Regency, the Ilikai, the Kahala Hilton, the Kona Hilton, the Moana Surfrider, the Princess Kaiulani, the Royal Hawaiian, the Sheraton Kauai, the Sheraton Maui, and the Sheraton-Waikiki hotels. Negotiations were abandoned on March 9 despite the intervention of Governor Waihee and the efforts of federal mediator Frank Schoeppel, and now two other large hotels are talking about joining the strike.

This concurrent resolution urges the parties to return to the bargaining table and continue talking and negotiating in good faith until a settlement is reached.

Your Committee on Labor and Employment concurs with the intent and purpose of S.C.R. No. 160 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2678 Labor and Employment on H.B. No. 2489**

The purpose of this bill is to require individuals who established a prior unemployment insurance benefit year to work in covered employment and earn wages of at least five times the individual's weekly benefit amount in order to establish a subsequent benefit year.

Your Committee finds that the additional eligibility requirement for receipt of unemployment benefits conforms with the requirements of section 3304(a)(7) of the Internal Revenue Code of 1986, as amended. Although the federal law does not specify the amount of wages that must be earned in order to qualify for a subsequent unemployment insurance claim, your Committee believes that five times an individual's weekly benefit amount is appropriate as it is consistent with other qualifying requirements found in chapter 383.

Your Committee has amended the bill by deleting the word "and" at page 2, line 18, as it inadvertently changed the intended meaning of the paragraph. Your Committee has also made several nonsubstantive technical amendments in accordance with recommended drafting techniques.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2489, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2489, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2679 Labor and Employment on H.B. No. 2789**

The purpose of this bill is to provide a pension adjustment bonus to retirees who have ten or more years of credited service on July 1, 1990 and each July 1st thereafter.

Your Committee finds that pensioners living on fixed incomes need assistance to cope with the ever increasing cost of living and believes that pensioners who have served the government for ten or more years should receive pension adjustment bonuses.

The Public Employees Management Association of Hawaii, the Hawaii State Teachers Association and the Coalition of Hawaii State-Counties Retirees testified in support of the bill.

Your Committee has amended the bill for clarity and to correct typographical errors.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2789, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2789, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2680      Labor and Employment on H.B. No. 2884**

The purpose of this bill is to provide salary increases for the following public officers and employees: the Executive Director of the Housing Finance and Development Corporation, the members of the Public Utilities Commission, the members of the Labor and Industrial Relations Appeals Board, the members of the Hawaii Labor Relations Board, and the Director of the Office of Veterans' Services.

Your Committee finds that the salaries of the above-mentioned positions are not commensurate with other comparable positions and believes that parity and equity require their upward adjustment.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2884, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2681      Labor and Employment on H.B. No. 2889**

The purpose of this bill is to provide a vehicle for State and County public employer contributions to the health plans of retirees with less than ten years of service who enroll in the Health Fund's new prescription drug, vision care and adult dental plans.

Your Committee finds that, although retirees with less than ten years of service are eligible to enroll in the Health Fund's new benefit plans, they are required to pay the entire amount of the monthly premium for the coverage because no public employer contribution has been established. Your Committee believes that it is fair and equitable for public employers to pay one-half of these retirees' monthly premiums based on active employee rates.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2889, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2682      Labor and Employment H.B. No. 2929**

The purpose of this bill is to fund the added cost of repricing actions for all civil service secretaries, private secretaries and school administrative services assistants in the executive branch.

Your Committee finds that, because the duties and responsibilities of secretaries, private secretaries and school administrative services assistants have increased significantly over the past fifteen years due to greater workload, job difficulty, and complexity of the administrative routines, these classes should be repriced. However, because funding the increased costs from existing payroll appropriations would have serious fiscal repercussions, additional funds are required.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2929, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2683      Labor and Public Employment on H.B. No. 2932**

The purpose of this bill is to raise certain salary range (SR) levels for state employees.

Specifically, the bill funds specific repricing for civil service adult corrections officer, youth corrections officer, registered professional nurse, and anesthetist classes in the recommended compensation plan of the Executive Branch of the State of Hawaii.

Your Committee finds that while a substantial number of heavily populated classes were repriced during recent reviews, most departments would be unable to fund the increased payroll costs from existing appropriations without deferring filling vacant positions or, conceivably, transferring funds from other program areas. Therefore, additional funds are essential to avoid serious fiscal repercussions in the employing departments.

Your Committee received supporting testimony from the Department of Personnel Services, the Department of Corrections, the HGEA, and the UPW.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2932, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2684 Higher Education on H.B. No. 2208**

The purpose of this bill is to provide funds to be deposited into the discoveries and inventions revolving fund for four nine-passenger electric vehicle G-Vans.

Your Committee finds that although electric vehicles are not in general use today, they are promising as a means to meet future transportation needs under certain applications. As there is a need to explore future transportation alternatives and as the U. S. Department of Energy has expressed a willingness to cover half the cost of the first test G-Van, your Committee believes that now is the time to act on this matter.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2208, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2685 Higher Education on H.B. No. 2962**

The purpose of this bill is to establish a revolving fund for the University of Hawaii College of Continuing Education's Conference Center Program.

Your Committee finds that current restrictions contained in sections 103-22 and 103-43, Hawaii Revised Statutes, prevent the Conference Center from exercising purchasing flexibility necessary for efficient procurement of logistical services for conferencing. Hence, your Committee believes that a conference center revolving fund should be established.

Your Committee has amended this bill by making two technical, nonsubstantive changes.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2962, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2686 Consumer Protection and Commerce on H.B. No. 2413**

The purpose of this bill is make uniform the minimum requirements to obtain a license to practice psychology in Hawaii.

Currently, the law provides that an applicant for licensure as a psychologist who is professionally competent and has demonstrated knowledge in the practice of psychology may satisfy the requirements in two ways. First, the applicant may possess a doctoral degree approved by the American Psychological Association, or hold a doctoral degree from a regionally accredited institution of higher education and meet the experiential requirements for inclusion in the National Register of Health Service Providers in Psychology.

Second, an applicant can meet the requirements by holding a diplomate certificate in good standing granted by the American Board of Examiners in Professional Psychology.

All applicants must, of course, pass the examination prescribed by the Board.

This bill deletes reference to the National Register of Health Service Providers in Psychology and inserts specific experience requirements, including two years of supervised experience in psychology of which at least one year is a predoctoral internship in an organized health service training program and one year is post doctoral. The applicant may satisfy all requirements if the doctoral degree was conferred prior to January 1, 1994 by a program approved by the American Psychological Association and the candidate files the application by June 30, 1994.

Your Committee finds that this bill provides a uniform standard of minimum requirements for all candidates for licensure and clarifies the experiential requirements.

Your Committee has amended this bill by making nonsubstantive technical and language changes for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. 2413, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2413, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2687 Consumer Protection and Commerce on Gov. Msg. Nos. 127, 128, 162, 163, 164, 165, 167, 168, 169 and 170.**

Recommending that the Senate advise and consent to the nominations of the following:

DEBORAH MERRITT to the Board of Osteopathic Examiners, term to expire June 30, 1994;

TODD KIYOSHI INAFUKU and ROBERT LA MADRID to the Board of Pharmacy, terms to expire June 30, 1994;

EILEEN C. PHILLIPS and PATRICK H. OKAWAKI to the Board of Public Accountancy, terms to expire June 30, 1994;

SUSAN TAMURA SATO and TED S. WATANABE, D.C., L. Ac., to the Board of Acupuncture, terms to expire June 30, 1992;

BENNY C. RODRIGUES to the Boxing Commission, term to expire June 30, 1994;

LUCRECIA ANNE WHITEHURST and MILTON Y. MIGITA to the Board of Cosmetology, terms to expire June 30, 1994;

BUSTER M. KOMORI to the Motor Vehicle Repair Industry Board, term to expire June 30, 1994;

CHARLES C. DENMAN to the Motor Vehicle Repair Industry Board, term to expire June 30, 1990;

CHARLES C. DENMAN to the Motor Vehicle Repair Industry Board, term to expire June 30, 1994;

ALEXANDER K. CHO and HOWARD TAGOMORI to the Board of Private Detectives and Guards, terms to expire June 30, 1994; and

JEAN ADAIR-LELAND, Ph.D., and KEN T. KUNIYUKI to the Board of Psychology, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2688      Corrections on H.B. No. 3265**

The purpose of this bill is the addition of a new section to chapter 706(Disposition of Convicted Defendants), Hawaii Revised Statutes, providing that upon the escape from custody of a prisoner convicted of any offense against the person, the Department of Corrections shall expeditiously notify the victim and the immediate family of the victim.

This bill provides for the means for any victim, or a victim's survivors, to notify the Department in writing requesting such notification. A further proviso obviates all liability on the part of the State, its officers and employees, arising from the notification, or the attempt to, or process of, notification.

Your Committee received testimony from the Director of the Department of Corrections, from the Department of the Prosecuting Attorney of the City and County of Honolulu, and from the Captain, commanding, the Criminal Investigation Division of the City and County of Honolulu Police Department. Each favored the general intent of this bill.

Your Committee on Corrections is in accord with the intent and purpose of H.B. No. 3265 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2689      Agriculture on H.B. No. 2266**

The purpose of this bill is to appropriate funds for a statewide collection and disposal project for household and agricultural hazardous wastes.

Your Committee received supporting testimony from the Department of Health and the University of Hawaii College of Tropical Agriculture.

Your Committee finds that it is becoming increasingly difficult to collect and dispose of hazardous wastes in the State and that conducting this project on a long-term basis in addition to conducting the statewide household and agricultural hazardous waste collection project would be in the best interest of the State.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2266, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2690      Agriculture on H.B. No. 2882**

The purpose of this bill is to reestablish the Molokai Irrigation System Water Users Advisory Board until June 6, 1991, and thereby clarify the ambiguity with regard to its official status.

During the 1987 session, the Legislature inadvertently passed two conflicting measures relating to chapter 175, Hawaii Revised Statutes. Act 179, Session Laws of Hawaii 1987, added new section 175-2.5, establishing the Molokai Irrigation System Water Users Advisory Board, to chapter 175. Under Act 179, the board was to remain in existence until June 6, 1991. However, section 19 of Act 306, Session Laws of Hawaii 1987, provided for the repeal of chapter 175, including section 175-2.5, as of July 1, 1989.

Your Committee finds that it was not the intent of the Legislature to terminate this advisory board prior to June 6, 1991. This bill would remedy the problem by reestablishing the advisory board and allowing the original board members to serve the balance of their terms. In addition, the bill places the advisory board within the Department of Agriculture for administrative purposes.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2882 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. 2691      Housing and Hawaiian Programs on H.B. No. 2890**

The purpose of this bill is to authorize the Housing Finance and Development Corporation to issue up to \$100,000,000 in revenue bonds to finance or refinance the development or acquisition of for-sale housing projects.

Your Committee received strong supporting testimony from the Department of Budget and Finance and the Housing Finance and Development Corporation (HFDC) on this administration bill. The Department of Budget and Finance indicated that existing funds in the Homes and Dwelling Units Revolving Funds are likely to be insufficient to meet anticipated demand because of HFDC's accelerated development schedule. The Department also indicated that developers are likely to seek State assistance in the form of low-interest interim construction financing. Your Committee also received supporting testimony from the Office of Housing and Community Development, County of Hawaii and the Affordable Housing Alliance.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2890, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2692      Housing and Hawaiian Programs on H.B. No. 2909**

The purpose of this bill is to authorize the Hawaii Housing Authority to certify for exemption from general excise taxes eligible gross income received by any qualified person or firm from the rehabilitation or construction of housing developed for or by the Authority under chapters 356 and 359, Hawaii Revised Statutes. Currently, the Housing Finance and Development Corporation must exercise this authority on behalf of the Hawaii Housing Authority.

Your Committee received supporting testimony from the Hawaii Housing Authority and the Department of Taxation and comments from the Tax Foundation of Hawaii on this administration bill.

Your Committee finds that it is appropriate for the Hawaii Housing Authority to have independent authority to certify tax exemptions for projects that the Authority is responsible for developing, such as federally-funded projects. Your Committee finds that, given the increase in demand for rental housing, granting the Hawaii Housing Authority independent certification authority will help to expedite the development of low-income rental housing.

Your Committee has made several technical amendments to the bill to clarify the bill and more closely track the language of section 201E-205, Hawaii Revised Statutes, as proposed to be amended by S.B. No. 2184, S.D. 1. These amendments have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2909, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2909, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2693      Housing and Hawaiian Programs on H.B. No. 2939**

The purpose of this bill is to amend section 235-55.7(c), Hawaii Revised Statutes, to allow resident individuals who have no income or no taxable income to claim the renter's income tax credit, as long as they meet the other eligibility requirements for the credit. The bill would allow individuals such as senior citizens living on social security or pension benefits, which are tax exempt, to apply for the tax credit.

Your Committee received supporting testimony from the Department of Taxation and one interested citizen, and comments from the Tax Foundation of Hawaii.

Your Committee finds that this bill is consistent with the original intent of the Legislature in enacting the renter's income tax credit. The bill will correct an inequity in existing tax law.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2939 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. 2694      Housing and Hawaiian Programs on H.B. No. 2941**

The purpose of this bill is to amend section 235-5.5, Hawaii Revised Statutes, to modify the procedures for recapture of taxes on distributions from individual housing accounts (IHA) used to purchase residential real property. Current law requires that, upon sale of the property, the entire amount of the distribution is to be included as gross income for individual income tax purposes in the year of the sale and that the taxpayer pay a penalty equal to ten percent of the distribution.

The bill would provide that:



- (1) For residential real property purchased after December 31, 1989 with a distribution from an IHA, the individual must include one-tenth of the total distribution as gross income for individual income tax purposes in the year of the distribution and one-tenth in each of the nine tax years thereafter;
- (2) If the individual sells the property before the end of the ten-year recapture period, an amount equal to the amount of the distribution from the IHA not previously reported must be included as gross income for income tax purposes in the year of the sale and that the taxpayer pay a penalty equal to ten percent of the total distribution;
- (3) An individual who purchased residential real property before January 1, 1990 with a distribution from an IHA may make an election by January 1, 1991 to use the new recapture procedures, rather than follow the procedures in current law;
- (4) Properties "transferred by will or by operation of law" in addition to properties "sold due to death or total disability" as provided in current law would be exempt from the tax recapture provisions; and
- (5) The new provisions would be effective for taxable years beginning after December 31, 1989.

Your Committee received supporting testimony from the Department of Taxation and one interested citizen, and comments from the Tax Foundation of Hawaii on this administration bill. The Department explained that the current recapture procedures with a large one-time increase in gross income and a ten percent penalty, result in a substantial burden on taxpayers who wish to sell their properties. The bill would allow affected taxpayers to avoid this burden, as long as they hold the property for at least ten years and make periodic tax recapture payments during that time. Your Committee notes that H.B. No. 2941, H.D. 1, is substantively identical to S.B. No. 3120, S.D. 1, as approved by the Senate, except that S.B. No. 3120, S.D. 1, included several clarifying amendments. The Department of Taxation originally advised your Committee of the acceptability of the clarifying amendments, but later expressed its preference for the House version of the legislation for simplification purposes.

Your Committee finds that modifications to the current individual housing account program to reduce the tax burden on individuals wishing to sell their properties are appropriate and consistent with other policies in effect regarding state-assisted housing purchases.

Your Committee, as a matter of legislative intent and statutory interpretation, notes that: (1) under section 235-5.5(f)(2), Hawaii Revised Statutes, as amended by the bill, a taxpayer will report one-tenth of the total distribution from an IHA in the taxable year in which the distribution has been completed and one-tenth in each of the nine taxable years thereafter, irrespective of whether the year of "purchase of the residential property" coincides with the year "in which the distribution is completed"; and (2) the ten percent penalty does not apply to an individual who sells residential property after having reported the total distribution from the IHA during the ten-year period provided in the bill.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2941, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2695 (Majority) Housing and Hawaiian Programs on H.B. No. 3238**

The purpose of this bill is to appropriate \$200,000 for fiscal year 1990-1991 to finance: (1) a study of how innovative housing construction and applications taking advantage of efficient new alternate energy technologies can promote affordable housing development; and (2) housing fairs in the four counties and informational materials promoting innovative housing construction methods and designs taking advantage of new technologies, including alternative energy technologies. The sum appropriated would be expended by the Housing Finance and Development Corporation.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Department of Business and Economic Development, The Solar Electric Co. Inc., and the Hawaii Association of Realtors.

Your Committee finds that, given the increasing demand for affordable housing in this State, a study of innovative housing construction methods and energy-efficient building designs capable of lowering housing costs is both appropriate and timely. Your Committee further finds that this study should be integrated with other public and private studies, both past studies and ongoing studies, relating to similar subject matters.

Your Committee has amended the bill to reduce the amount to be appropriated from \$200,000 to \$100,000. Your Committee has also amended the bill to clarify that the study may include construction methods, energy-efficient building designs, and other appropriate new technologies in addition to alternate energy technologies. Your Committee has also made a number of grammatical and technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3238, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3238, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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

**SCRep. 2696 Corrections on H.B. No. 3356**

The purpose of this bill is to establish a correctional industries special fund within the Department of Public Safety to expand the training of felon inmates of both sexes in marketable skills.

Your Committee, after much consideration, fully endorses this proposal and its objectives, and has amended the bill by adding a new chapter to the Hawaii Revised Statutes, providing for a comprehensive correctional industries program within the Department of Public Safety.

Your Committee has also increased the appropriation made in the bill to \$100,000 to permit a full and serious start-up for the program.

Your Committee received supporting testimony from the Director of the Department of Corrections and Special Master W. L. Kautzky.

Your Committee on Corrections is in accord with the intent and purpose of H.B. No. 3356, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3356, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2697      Judiciary on H.B. No. 2057**

The purpose of this bill is to establish and attach the Judiciary History Center to the Office of the Administrative Director of the Courts for administrative purposes.

The Judiciary History Center, located on the ground floor of the Ali'iolani Hale Building, was created to promote the historical and cultural contributions of the Judiciary in Hawaii. Since its creation in August of 1989, the Center has been funded by a combination of state, federal, and private grants. This bill will establish a new administrative structure for the Center.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2057, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2698      Judiciary on H.B. No. 2202**

The purpose of this bill is to allow sixteen and seventeen year old persons to be appointed as precinct workers.

In 1987, the Lieutenant Governor, pursuant to Act 209, Session Laws of Hawaii 1987, recruited approximately three-hundred sixteen and seventeen year olds to serve as precinct workers in the 1988 general election. This enabled election officials to have flexibility in hiring when qualified adults were not otherwise available for recruitment either from within or without the precinct or representative district. However, Act 209 was automatically repealed as of December 31, 1989, and thus these young workers can no longer be recruited, notwithstanding the fact that over ninety-six percent of the precinct chairpersons expressed a desire to have them return. This bill would make permanent the authority to appoint sixteen and seventeen year olds if other qualified persons cannot be found.

Your Committee has amended this bill by adding clarifying language to eliminate any question that persons over the age of sixteen, but not yet eighteen, may be qualified.

Your Committee has also made some technical changes which have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2202, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2699      Judiciary on H.B. No. 2207**

The purpose of this bill is to enlarge the amount of time allowed for objections to a candidate's nomination papers.

Your Committee previously heard testimony on S.B. No. 2952, the Senate companion measure, from the Lieutenant Governor, Attorney General, and Common Cause Hawaii. A number of amendments to the original Senate Bill were proposed and incorporated by your Committee into S.B. No. 2952, S.D. 1 upon the findings that: (1) setting the deadline for challenges at election day, rather than at the time the candidate was deemed elected, as originally proposed, is clearer and easier to apply; (2) providing for a preliminary determination by the election officer and ultimate determination by the circuit court on challenges that could result in disqualification is a fair and appropriate procedure; (3) requiring the election officer to make the preliminary determination within five working days of the filing of the challenge would make the procedure more efficient and minimize the potential for abuse; and (4) challenges should be limited to registered voters.

Your Committee has amended the House Bill to incorporate the provisions of S.B. No. 2952, S.D. 1, except that the time period within which the election officer must file a complaint in the circuit court has been changed from two working days to seven working days to account for the five-day period within which the officer must make the preliminary determination. Your Committee has also made some technical amendments with no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2207, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2207, H.D. 1, S.D. 1, and be placed on calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2700      Judiciary on H.B. No. 2231**

The purpose of this bill is to increase certain fees and charges relating to the service of criminal and civil process by sheriffs and police officers in the State of Hawaii.

Testimony in support of the bill was given by Dennis Nakata, deputy sheriff in the First Circuit, who indicated that the fees and costs provided by statute do not reflect the increases in costs to process servers caused by inflation and operating expenses.

Your Committee has amended Section 1 of the bill by increasing the charges set forth in section 607-4, Hawaii Revised Statutes, for service of a subpoena or garnishee summons, from \$7 to \$10 and for mileage incurred by process servers from 20 cents to 35 cents. These amendments, which were incorporated into S.B. No. 2799, S.D. 1, will make the charges in section 607-4, relating to district court process servers, the same as the charges in section 607-8, Hawaii Revised Statutes, as amended by the bill, relating to process servers for the circuit courts, intermediate appellate court, and supreme court. Your Committee has amended Section 2 of the bill to delete the proposed increases for: (1) returning as unserved any process from \$2 to \$3; and (2) serving writs of possession or restitution from \$1 to \$2.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2231, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2231, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2701      Judiciary on H.B. No. 2844**

The purpose of this bill is to expressly charge the chief election officer with the responsibility of educating the public regarding voter registration and voter information.

Your Committee finds that the Lieutenant Governor's Office is already conducting public education regarding voter registration and information, and that the authority of the Lieutenant Governor to do so is implicit in the statutory duties of the position. This bill will clarify the Lieutenant Governor's responsibilities in this regard.

Your Committee has amended this bill by making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2844, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2702      Judiciary on H.B. No. 2871**

The purpose of this bill is to appropriate funds from the general revenues of the State of Hawaii to satisfy claims for legislative relief, judgments against the State, settlements and miscellaneous claims.

Testimony in support of the bill was presented by the Attorney General's office which stated that since the bill was first introduced additional cases have been settled or resolved for additional amounts, and the Department requested payment of those additional items. Brief descriptions of each case were included as well as a statement that all cases had necessary supporting documentation, including judicial approval of settlements.

Your Committee has amended this bill to reflect additional, documented claims which have been presented for payment since the passage of H.B. No. 2871, H.D. 2.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2871, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2871, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2703      Judiciary on H.B. No. 2872**

The purpose of this bill is to clarify the authority of the Attorney General on matters relating to civil identification. The bill authorizes the Attorney General to require applicants for civil identification certificates to furnish original or certified copies of documents to establish their identities and to permit the Attorney General to establish by rule what documents will be required to support or corroborate civil identification applications. The bill further confers discretionary authority on the Attorney General to dispose of any civil identification information or records maintained, pursuant to Part II of Chapter 846, Hawaii Revised Statutes, when retention is no longer required.

Testimony in support of S.B. No. 3017, which is substantively identical to H.B. No. 2872, H.D. 1, was received from the Attorney General, indicating that the Civil Identification Section of the Hawaii Criminal Justice Data Center issues

approximately 30,000 civil identification certificates annually. Presently, the law requires the Attorney General to preserve a written record of applicants for civil identification, and does not make provision for the disposal of the records when they are no longer needed. This has resulted in the accumulation of thousands of records with no useful purpose. Currently, there are approximately two million records on file.

Your Committee has amended the bill by substituting the word "certain" for the word "the" on page 3, line 19 of the bill. This amendment has no substantive effect and makes the bill identical to S.B. No. 3017.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2872, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2872, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2704      Judiciary on H.B. No. 2883**

The purpose of this bill is to transfer responsibility for processing claims for legislative relief from the Director of Finance to the Attorney General.

The bill also provides for primary referral to the Comptroller, instead of the affected State agency, submission of additional claims during the legislative session, and transmission of an explanation, in lieu of substantiating data and documents, for legislative review.

Your Committee finds that the current role of the Department of Budget and Finance in processing claims for legislative relief is perfunctory in that authority to conduct reviews or make recommendations regarding disposition of claims is vested with the Attorney General. This bill conforms the language of the law with the current practice and eliminates an inconsistency.

Your Committee has amended this bill by making nonsubstantive language changes for the purpose of clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 2883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2883, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2705      Judiciary on H.B. No. 2905**

The purpose of this bill is to repeal the June 30, 1993, sunset date for Act 381-89, regarding dependent adult protective services.

The Department of Human Services testified that if the "drop-dead" provision is not repealed, the State will have no legislation pertaining to adult abuse, neglect, or exploitation as of June 30, 1993. The Department further testified that the temporary nature of Act 381 prevents the Department from establishing permanent staff positions to carry out the mandates of the Act, and that temporary staff positions are difficult to fill and are subject to a high turnover rate.

Based on the Department's testimony, your Committee believes that it is in the public interest to maintain the provisions relating to protection of dependent adults on an ongoing basis.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2905 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. 2706      Consumer Protection and Commerce on H.B. No. 1660**

The purpose of this bill is to amend the Statute of Frauds, section 656-1, Hawaii Revised Statutes, by prohibiting an action against a person upon an agreement by the person to lend money or extend credit in an amount greater than \$50,000, unless the promise or contract is in writing and signed by the person charged or a duly authorized representative.

Huge damage awards based on alleged oral loan commitments reported from the mainland have made loan officers and their attorneys wary and protective in dealing with prospective borrowers. The standard process involving give-and-take discussions is becoming stilted, formal, and difficult to conduct. Oral communications are being replaced with memoranda, letters, or faxes. Loan officers are more than ever requiring their attorneys to attend and monitor meetings with prospective borrowers to discuss loan terms. These are things which serve no purpose except to increase the cost to the borrower. As a result, the lending process has become more complicated, more expensive, and less flexible.

This bill will add certainty as to when the borrower can consider the lender committed. No doubt some disputes in this area resulted from honest misunderstandings on the part of the borrower as to when the lender became committed to make the loan. A loan officer's expression of intent or belief could well be mistaken as a commitment. This bill will make absolutely clear that the commitment is made when a letter of commitment is signed.

Your Committee wishes to emphasize that there is nothing in this bill which will prevent a successful action against a lender that commits fraud. Traditional common law remedies will continue to apply.

Your Committee has amended this bill by substituting the term "financial institution" for "person" on page 2, line 7. It is the intent of your Committee that a "financial institution" in the context of this bill is any entity regulated by the Division of Financial Institutions, Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1660, H.D. 1, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 1660, H.D. 1, S.D. 2.

Signed by all members of the Committee.

**SCRep. 2707      Consumer Protection and Commerce on H.B. No. 2293**

The purpose of this bill is to appropriate \$150,000 for fiscal year 1990-1991 to be expended by the Department of Commerce and Consumer Affairs for a comprehensive review of the State's laws relating to financial institutions.

The Commissioner of Financial Institutions would submit a progress report of findings and recommendations to the 1991 legislature and a final report would be submitted in 1992.

Your Committee finds that there is probably good cause to do a comprehensive study of Hawaii's laws relating to financial institutions. However, this bill contains no expenditure plan to explain how the money will be allocated and no clear articulation of the work to be done. Your Committee notes that when the insurance laws were recently recodified, there was a model law to give focus to the project. There is no comparable model for studying or recodifying the laws relating to financial institutions. Thus, although your Committee sympathizes with the good intentions and the probable need for such a study, the lack of specificity and spending criteria is troublesome.

Your Committee has amended this bill by reducing the appropriation to one dollar, pending further elucidation in the next committee.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2293, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2293, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2708      Consumer Protection and Commerce on H.B. No. 2358**

The purpose of this bill is to establish a second permanent condominium specialist position within the Department of Commerce and Consumer Affairs to inform, advise, and refer consumers on matters relating to condominium property regimes.

Currently there is one condominium specialist in the Department who has greatly assisted consumers, apartment owners, boards of directors, associations, managing agents, real estate licensees, government officials, and the general public with information, education, and advice on condominium laws and management. However, increased visibility and an increasing array of duties and tasks have resulted in a workload too extensive for one person to handle, clearly indicating the need for another position.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2358, H.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2709      Consumer Protection and Commerce on H.B. No. 2536**

The purpose of this bill is to enact the "Uniform Foreign-Money Claims Act."

This bill will facilitate uniform judicial determination of claims when the issue of foreign money is involved, and require judgments and arbitration awards in such cases to be entered in foreign currency rather than United States dollars. In addition, this bill addresses a problem which is of particular importance to jurisdictions such as Hawaii, where there is considerable international movement and commerce.

American courts historically follow one of two different rules in selecting a time during litigation for converting foreign money into United States dollars. These are called the "breach day rule" (the date the money should have been paid), and the "judgment date rule" (when judgment is entered). Other countries use the "payment day rule" (when the judgment is paid), which is endorsed by your Committee and incorporated into this bill on its merits. Your Committee finds that this approach has been gaining recognition and positive acceptance throughout the United States.

This bill recognizes the right of parties to agree upon the money that governs their relationship. In the absence of an agreement, the bill gives the aggrieved party the amount owed in the party's own money or the money in which the loss was suffered, the principle being to restore the aggrieved party to the economic position he or she would have been in had the wrong not occurred. The bill also addresses other issues including revalorization and interest which will be beneficial to Hawaii's business community and forestall potential conflicts that may arise as Hawaii moves toward her international destiny.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2536 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2710      Government Operations on H.B. No. 628**

The purpose of this bill is to appropriate funds to initiate a program to improve the statewide rainfall and flood information system.

Following the flooding disaster in 1987 on New Year's Eve which devastated parts of Oahu, an interagency hazard mitigation task force was established to review, analyze, and develop a list of actions that could reduce the impact of similar occurrences in the future. A key recommendation of the task force involved increasing the capability of local civil defense agencies to monitor heavy rainfall situations, which would enhance their decision and response action capabilities.

This bill will allow the Department of Defense to query selected potential flood area rain gauges to provide county and State civil defense agencies with rainfall information. Once installed, rainfall data will be telemetered from designated rain gauges to the central weather forecasting office and into the civil defense system. This system will also be programmed to automatically notify various civil defense agencies whenever predetermined limits of rainfall or rates of rainfall is exceeded.

Testimony in support of this bill was received from the Department of Defense.

Your Committee on Government Operations is in accord with the intent and purpose of H.B. No. 628, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2711      Government Operations on H.B. No. 2103**

The purpose of this bill is to appropriate funds for the implementation of the United States Postal Service ZIP + 4 code program to sort and handle business mail in certain State departments.

The bill proposes that implementation of the program begin in the Fiscal Benefit Office of the Department of Human Services, the Preaudit Office of the Department of Accounting and General Services, the Tax Service and Processing Division of the Department of Taxation, and the Administrative Services Office of the Department of Education.

Testimony in support of the measure was received from the United States Postal Service who stated that in addition to the benefit of more efficient mail delivery service, the State would realize a substantial amount of savings if the Zip + 4 program is implemented by State agencies.

Your Committee on Government Operations is in accord with the intent and purpose of H.B. No. 2103, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2712      Tourism, Recreation and Planning on H.B. No. 2296**

The purpose of this bill is to require the Office of State Planning to conduct regional or islandwide studies of the carrying capacity of the State in light of projected increases in both resident populations and visitors. The Office of State Planning would be required to submit an interim report to the Legislature during the Regular Session of 1992 and a final report before the Regular Session of 1993. The bill would appropriate \$200,000 for fiscal year 1990-1991 for the Office of State Planning to conduct these studies.

Your Committee received testimony from the Office of State Planning, the Hawaii Hotel Association, Outrigger Hotels Hawaii, and the Maui Hotel Association.

Your Committee finds that it is essential for the Office of State Planning to assess the potential impact of increasing resident populations and visitors on the State and its various regions. Studies on the capabilities of various areas to absorb projected population growth will assist the State in managing this growth, in balancing competing needs and demands, and in planning for necessary infrastructure and service improvements.

Your Committee has amended the bill to incorporate it into section 225M-2, Hawaii Revised Statutes, and simplify the language. This will afford the Office of State Planning greater flexibility in determining the appropriate scope of the new impact studies required by the bill and in combining these new studies with other studies already required by section 225M-2, Hawaii Revised Statutes, such as the periodic reviews required by section 225M-2(7). Your Committee, however, intends that the new impact studies required by the bill would include analyses of public and private infrastructure demands, land use and zoning matters, and social, economic, cultural, environmental, safety, and other relevant factors and issues. Your Committee has also amended the bill to require that the impact studies be conducted at least every five years, rather than only one two-year study. Your Committee has added a new section to the bill to require the Office of State Planning to conduct a survey and evaluation of existing data bases and data collection systems and to identify new data bases and collection systems that are necessary for carrying out appropriate impact analyses. The Office of State Planning would be required to submit a report during the Legislature's 1991 Regular Session on its findings and recommendations, including a long range implementation plan and cost estimates. Finally, your Committee has increased the amount to be appropriated to carry out the purposes of the bill to \$300,000. Generally, these amendments would make the bill substantially similar to S.B. No. 3229, S.D. 1.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of H.B. No. 2296, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2296, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2713 (Majority) Tourism, Recreation and Planning on H.B. No. 3095**

The purpose of this bill is to create a centralized approach to the management and development of the most important element of the State's economy, the visitor industry. Specifically, the bill would establish a new Division of Tourism within the Department of Business and Economic Development and change the name of the Department to the Department of Business, Economic Development, and Tourism. The Division of Tourism would promote, market, and develop the State's visitor industry; carry out other duties and responsibilities relating to coordination and implementation of the State's long-range tourism policies and plans and coordination with the private sector; and perform other duties currently vested in the tourism branch of the Department of Business and Economic Development. The bill would also establish a seven-member Tourism Commission within the Department of Business, Economic Development, and Tourism to establish state tourism policy relating to the development of a state tourism strategic marketing plan. The bill would take effect on July 1, 1990.

Your Committee received supporting testimony from the Hawaii Hotel Association, Outrigger Hotels Hawaii, the Maui Hotel Association, and the Chamber of Commerce of Hawaii. The Department of Business and Economic Development opposed several parts of the bill. The Department opposed the creation of a Division of Tourism, but supported the appointment of a Deputy Director for Tourism as long as it was clear that the new Deputy Director would report to the Director of the Department of Business and Economic Development. The Department also opposed the creation of a policy-setting Tourism Commission, but indicated that if a new Tourism Commission were established it should have eleven members and an advisory role only, with the Director of Business and Economic Development serving as an ex-officio member.

Your Committee finds that creation of an office of tourism headed by a new deputy director of the Department of Business and Economic Development will give the visitor industry the profile and level of emphasis that it deserves. It is clear that the State needs a centralized approach for managing and further developing its most important industry. Your Committee also finds that placing the new office of tourism within the Department of Business and Economic Development will allow better coordination of tourism and economic development initiatives.

Your Committee has amended the bill to substitute the language of S.B. No. 2972, S.D. 2. The primary differences between the Senate bill and H.B. No. 3095, H.D. 2, are:

- (1) The new deputy director of the Department of Business and Economic Development would head an Office of Tourism, rather than a Division of Tourism;
- (2) The Hawaii Tourism Commission would be expanded from seven to eleven commissioners, with four commissioners representing the counties and the seven at-large commissioners representing the Hawaii Visitors Bureau, the hotel industry, and the airline industry;
- (3) The Hawaii Tourism Commission would be given broader responsibilities;
- (4) The name of the Department of Business and Economic Development would remain the same;
- (5) The sum of \$200,000 would be appropriated to implement the bill; and
- (6) The effective date of the bill would be July 1, 1991.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of H.B. No. 3095, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3095, H.D. 2, 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. 2714 Tourism, Recreation and Planning on H.B. No. 3114**

The purpose of this bill is to provide for the beautification of Waikiki and the surrounding area. The bill would appropriate \$1 for fiscal year 1990-1991 for the beautification of Kapiolani Park, Kuhio Beach Park, Waikiki mini-parks, Ala Moana Park, Ala Wai Boulevard, Ala Wai Canal, and Ala Wai promenade. The sum appropriated would be expended by the City and County of Honolulu and would pay for eighty percent of total beautification project costs. The City and County of Honolulu would be responsible for the remaining twenty percent of costs.

Your Committee received supporting testimony from the State Department of Transportation; the Department of Parks and Recreation of the City and County of Honolulu, the Waikiki Improvement Association, the Chamber of Commerce of Hawaii, the Hawaii Hotel Association, and Outrigger Hotels Hawaii.

Your Committee finds that the beautification of Waikiki and the surrounding area will promote tourism and the enjoyment of this area by both tourists and local residents. Your Committee further finds that the beautification project to be funded by the bill will help Waikiki to maintain its reputation as a premier visitor destination in the face of increasing international competition.

Your Committee has made one grammatical amendment to the bill which has no substantive effect.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of H.B. No. 3114, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3114, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2715 (Majority) Tourism, Recreation and Planning on H.B. No. 3165**

The purpose of this bill is to appropriate \$50,000 for fiscal year 1990-1991 for the Visitor Industry Education Council to produce the fifth in a series of visitor industry career information videos for presentation to high school students. The sum appropriated would be expended by the Department of Business and Economic Development.

Your Committee received supporting testimony from the Department of Business and Economic Development, the Hawaii Hotel Association, Outrigger Hotels Hawaii, Maui Hotel Association, the Visitor Industry Education Council, and the State Commission on Employment and Human Resources, Department of Labor and Industrial Relations, on behalf of the Tourism Training Council.

Your Committee finds that it is important to inform young people about career opportunities available in the visitor industry as well as the education requirements necessary to pursue these careers. Use of career information videos has proven to be an effective and invaluable tool for achieving this objective.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of H.B. No. 3165, 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.

Senator Cobb did not concur.

**SCRep. 2716 Human Services on H.B. No. 2046**

The purpose of this bill is to support family caregivers, assure safe and adequate care of elders, and pursue cost-effective service options for older adults by providing grants to renovate and improve existing facilities used to deliver a variety of services.

Your Committee finds that there is a need to expand the availability of adult day care and day health programs statewide. Cost-effective strategies should be adopted which encourage the independence, self-sufficiency and well-being of elders through community-based programs.

The Department of Health, the Executive Office on Aging and the Hawaii State Federation of Chapters of the National Association of Retired Federal Employees testified in support of the bill.

Your Committee has amended the bill by deleting the \$1 appropriation and inserting \$1,000,000 in its place. Several technical, nonsubstantive amendments for clarity and style have also been made.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2046, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2046, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2717 Human Services on H.B. No. 2281**

The purpose of this bill is to establish a statewide two-year family support center demonstration project, which shall include family literacy programs at three sites.

Your Committee finds that because the families are the basic building blocks of society, timely and accessible intervention services should be available before families become fragmented and dysfunctional. Coordinated efforts should be made to ensure that readily accessible services will be available to those persons in need.

Testimony in support of the bill was received from the Judiciary and the Office of Children and Youth.

Your Committee has amended the bill by increasing the appropriation amounts for the establishment of the family support center demonstration sites and family literacy programs, and by making several nonsubstantive, technical amendments for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2281, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2281, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2718 Human Services on H.B. No. 2381**

The purpose of this bill is to appropriate funds to plan and develop a coordinated statewide program for the provision of services to control violent behavior.



Your Committee finds that it is necessary to pull together information and resources to address the critical problem of violent behavior in the areas of sexual abuse, spouse abuse, child abuse, elderly abuse and family violence. Further, it is equally important to ensure that each police department will sensitively and effectively perform its duty in responding to cases involving domestic violence, sexual abuse and child abuse. Your Committee believes this bill, a follow-up to Act 361, Session Laws of Hawaii 1989, will help address violent behavior in the State.

The Department of the Prosecuting Attorney of the City and County of Honolulu, the State Attorney General, and the Office of State Planning testified in support of the bill.

Your Committee has amended the bill by decreasing the total amount appropriated, decreasing the amount allocated to the Office of State Planning, and increasing the amount allocated to the Department of the Attorney General.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2381, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2381, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2719      Human Services on H.B. No. 2582**

The purpose of this bill is to provide programs to assist the homeless population.

Your Committee finds that the homeless problem in the State is substantial and is growing. There is an immediate need for expanded services to homeless families to help them regain their independence and self-sufficiency.

The Department of Human Services, the Department of Health, the Office of Children and Youth, the Hawaii State Commission on the Status of Women, the Chancellor for Community Colleges of the University of Hawaii, Homeless Aloha, Inc., the Affordable Housing Alliance, the Maili Housing Project and the Maui Catholic Charities testified in support of the bill.

Your Committee has amended the bill by increasing the amount to be appropriated for additional staff and retention of consultant services.

Your Committee has further amended the bill to appropriate funds for staffing at the Maui Catholic Charities Homeless Center and for street outreach and first response care statewide.

Your Committee has made other technical, clarifying changes.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2582, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2582, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2720      Human Services on H.B. No. 2904**

The purpose of this bill is to implement the Job Opportunities and Basic Skills (JOBS) Program in the State of Hawaii.

Your Committee finds that the mandatory JOBS work program for recipients of Aid to Families with Dependent Children will provide much needed programs and assistance to families striving to break out of the cycle of poverty and become financially self-sufficient. Further, in view of the critical shortage of labor in the State today, the welfare population is an important human resource which should not be ignored.

The Department of Human Services, the Department of Labor and Industrial Relations, the Office of Children and Youth, the Honolulu Community Action Program, Inc., the YWCA of Oahu, and the Committee on Welfare Concerns testified in support of the bill.

In testimony presented to your Committee it was pointed out that some incentives should be incorporated into the bill to help ensure success of the JOBS program. Your Committee agrees and has therefore amended the bill to: (1) authorize the Department of Human Services to create a work incentive by allowing families to keep part of their incomes and (2) raise assistance payments to a higher percentage of the standard of need. Your Committee has also made a few nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2904, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2904, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2721      Human Services on H.B. No. 3018**

The purpose of this bill is establish a child protective services team program within the Department of Human Services. The bill also empowers the director to prioritize the services that are provided by the department.

Your Committee finds that present child protective services programs are inadequate for communities that have a higher than average number of cases of child abuse or neglect but lack easy access to crisis and long-term services. Innovative programs must be devised to address this problem.

Testimony received by your Committee indicated that federal law disallows any limitations on the number of children served on the basis of an agency's capacity and resources. As such, your Committee has amended the bill to delete the section on limitation on services.

Your Committee has further amended the bill by appropriating funds for a pilot family support unit on the Waianae Coast of Oahu and stating the unit's objectives.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3018, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3018, 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 Koki.

**SCRep. 2722 Human Services on H.B. No. 3109**

The purpose of this bill is to appropriate funds to train personnel of key agencies in child welfare services, law enforcement and the judiciary system to recognize and deal with factors contributing to domestic violence.

Your Committee finds that family violence is a serious problem in Hawaii today which has significant impact on child abuse and continued violence among youths. Effective intervention to break the cycle requires personnel working in the field to be properly trained in recognizing and dealing with the dynamics involved.

The Department of Human Services, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Hawaii State Commission on the Status of Women testified in support of the bill.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3109, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2723 Human Services on H.B. No. 3355**

The purpose of this bill is to appropriate funds to the Department of Human Services and the Judiciary to enable them to develop community-based foster care prevention, training, support and treatment programs.

Your Committee finds that the child protective services system must become more efficient and effective in protecting children and resolving the problems which necessitate such protection. Further, it is imperative that significant additional resources are committed to improving the lot of children consigned to State care to remedy existing flaws in the foster care system.

The Department of Human Services, the Department of Health, the State Attorney General and the Office of Children and Youth testified in support of the bill.

Your Committee has amended the bill by inserting appropriation amounts for those programs for which such information was provided and by including an appropriation for paralegal support services.

Your Committee has also made two nonsubstantive technical amendments in section 1.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3355, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3355, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2724 Human Services on H.B. No. 3357**

The purpose of this bill is to maximize federal dollars in the State medicaid program.

Your Committee finds that medicaid financing is a cost effective alternative for enhancing and expanding the scope of health services to the poor and uninsured. Your Committee believes these services are essential to the health and well being of the people of our State.

The Department of Health, the Commission on Persons with Disabilities, the State Planning Council on Developmental Disabilities, the National Association of Social Workers, Inc., the Hawaii Healthy Mothers, Healthy Babies Coalition, the Honolulu Community Action Program, Inc., the Committee on Welfare Concerns of the Legal Aid Society of Hawaii, and the Life Foundation testified in support of the bill.

Your Committee has amended the bill by increasing the age limit for covered children and raising the income ceiling for their families to qualify for optional health care.

Your Committee has further amended the bill to establish the income eligibility level for the medically needy program at one hundred thirty-three percent of the assistance allowance.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3357, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3357, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2725      Human Services on H.B. No. 3385**

The purpose of this bill is to assist the pilot outreach program of the Office of Children and Youth by providing for a program development outreach specialist to serve the literacy needs of the people on the island of Hawaii.

Your Committee finds that since the establishment of the Governor's Council for Literacy in 1987, literacy coalitions have taken root in all of the counties statewide. There is, however, much work yet to be done to address the literacy needs of the people. An immediate concern is the need for a literacy program development outreach specialist.

Your Committee has amended the bill to provide that the outreach specialist serve literacy needs statewide rather than just those of the island of Hawaii.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3385, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yamasaki.

**SCRep. 2726      Human Services on H.B. No. 2603**

The purpose of this bill is to supplement Medicaid or Medicare reimbursements made by the Department of Human Services for health care providers.

Your Committee finds that within the past several years, both acute and long term care providers have had to cope with marked reductions in federal outlays for health care. More recently, a severe shortage of nurses and other health care workers and the soon-to-be implemented Medicare and Medicaid Requirements for Long Term Care Facilities have added dramatically to the costs of delivering quality care.

This bill would counteract the increasing differences between the cost of providing health care services and Medicaid payments to ultimately provide accessible and quality health care in the State.

Your Committee has amended the bill by: 1) appropriating \$2.8 million for supplemental funds; 2) establishing eligibility requirements for health care providers and guidelines for the dispersal of funds by the Department of Human Services; and 3) deleting the material in section 2 of the bill which has no substantive effect.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2603, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2603, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2727      Judiciary on H.B. No. 2059**

The purpose of this bill is to increase the salaries of the justices and judges of the Hawaii Judiciary and the salaries of the administrative director and deputy administrative director of the courts.

Your Committee received testimony in support of this bill from the Judiciary and Hawaii State Bar Association. The Judiciary stressed that adequate financial incentives must be established in order to attract and retain qualified and experienced practitioners in judicial office. This will come to pass only when a decision to assume the bench or continue to serve as a judge does not entail too great a financial sacrifice.

In response to the fact that judicial salaries have not been adjusted since 1986, the Chief Justice impaneled an Advisory Committee on Judicial Salaries to study the issue and make appropriate recommendations. After carefully considering salaries of judges in other states, as well as other professionals of similar import and responsibility, the Committee concluded in their report that judicial salaries in Hawaii were inadequate.

Furthermore, a dramatic rise in the income of private and public practitioners has resulted in an even greater differential between the salaries of those practitioners qualified for, and those already in, judicial office. In order to achieve reasonable parity and be able to attract able lawyers to the bench and keep experienced judges there, judicial salaries need to be increased.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2059, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2728      Judiciary on H.B. No. 2260**

The purpose of this bill is to increase from \$100 to \$250 the tax deduction for political contributions by taxpayers to political candidates, including candidates who have not agreed to abide by campaign expenditure limits.

This measure also imposes a \$1,000 limit for contributions to any candidate running for any state or county office in the State; except that contributions for candidates running for a mayoral or gubernatorial office shall not exceed \$2,000.

Citizen participation in political campaigns increase communication and understanding between citizens and those who run for and are elected to office. Encouraging citizens to contribute to and support candidates, who represent differing political philosophies, is a necessary first step in revitalizing communication.

Your Committee believes that this measure will encourage greater participation in the political process by individual citizens and de-emphasize the importance of political action committees.

Your Committee has amended this bill by retaining the \$100 limit for a tax deduction for political contributions. This amendment is based upon testimony received from Richard Kahle, Jr., Director of Taxation, who stated that the existing deductions for political contributions are taken advantage of by those already involved in the political process and that increasing the deduction is unlikely to result in more grass roots political activity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2260, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2260, 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 Blair.

**SCRep. 2729      Judiciary on H.B. No. 2600**

The purpose of this bill is to amend section 607-4(b), Hawaii Revised Statutes, to increase certain District Court fees prescribed therein, due to inflation and increased processing costs.

Testimony in support of the bill was received from the Judiciary, who indicated that the prescribed fees have not increased in twenty years. While the Hawaii Supreme Court has the power to increase these costs as a matter of rule, the Judiciary elected to seek a legislative increase, thereby receiving input through the legislative process.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2600, 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. 2730      Judiciary on H.B. No. 2845**

The purpose of this bill is to amend the procedures relating to the filling of candidate vacancies caused by death, withdrawal, or disqualification.

Specifically, the bill clarifies ambiguities in the election laws which could arise if a candidate vacates the candidacy after the ballots have been printed by setting specific time lines and procedures for handling such vacancies. The bill addresses instances in which a vacancy is created by death, withdrawal, or determination of disqualification. Upon notice of the vacancy, the affected political party will have an opportunity to fill the vacancy and insert the alternate's name on the ballot. If the affected party fails to do so, no candidate's name will be reflected on the ballot. If the ballots have already been printed and reflect the vacating candidate's name, by proclamation, the public will be advised by the chief election officer that a vote for the vacating candidate identified on the ballot will be counted according to specific formulas devised for partisan and non-partisan races in primary or special elections, as well as for general elections.

The bill further mandates that parties shall adopt rules to comply with these new provisions and submit them to the chief election officer.

Testimony in support of the bill was offered by the Lieutenant Governor. He stated that passage of the bill would give political parties greater flexibility in filling candidate vacancies, yet protect the ability of election officials to finish balloting in conformance with federally required guidelines.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2845 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2731      Corrections on H.B. No. 2353**

The purpose of this bill is to provide that children committed to the Hawaii Youth Correctional Facilities shall receive institutional care and therapeutic services to facilitate their reintegration process into the community.

This bill changes the emphasis from incarceration and punishment of offending youth, to a recognition of the fact that all youth will be released back into their homes. Therefore, the operative terms have been changed from incarceration and punishment, to institutional care and therapeutic services.

Your Committee received testimony in support of this bill from the Department of Corrections, the Office of the Public Defender, and the Hawaii Chapter of the American Civil Liberties Union. Testimony was also received from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee on Corrections is in accord with the intent and purpose of H.B. No. 2353, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2732      Education on H.B. No. 2211**

The purpose of this bill is to appropriate \$28,500 for fiscal year 1990-1991 to purchase an American and a Hawaiian flag for each public school classroom in the State.

Each school would select, purchase, and install its own flags and would be responsible for ensuring that they are displayed in each of its classrooms.

This appropriation would cover the cost of the flags themselves. Installation would require an additional \$900,000; however, your Committee has received assurances from the Superintendent of Education and civic-minded groups such as the Hawaii Hotel Association that the additional money will be forthcoming from the private sector and through fundraising efforts of individual schools. In light of such enthusiastic support, your Committee supports this proposal.

However, your Committee finds that specifically placing the onus on the individual schools to display flags in each classroom and to raise the additional money, select, purchase, and install flagholders is inappropriate considering the generous offers from the private sector and the limited state funds available for this activity. Therefore, your Committee has amended this bill by deleting Section 3.

Your Committee has also amended this bill by changing the appropriation to \$1 because your Committee is uncertain as to the cost of this project as it relates to the size of flags and mounting of flags, especially if mounting includes a staff or pole.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2211, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Levin.

**SCRep. 2733      Education on H.B. No. 2868**

The purpose of this bill is to enable the Department of Education to establish a checking account with working capital.

Money in the account would be derived from advances from the state treasury in the form of warrants in amounts and times agreed upon by the Governor or the Director of Finance and the Department of Education.

Your Committee heard supporting testimony from the Superintendent of Education and finds that the authorization provided by this bill is needed for the Department's Vendor Payment System. Currently the Department is authorized to pay its vendors but has no means to establish a checking account or generate working capital except by tapping an appropriation account. Reimbursements from the Department of Accounting and General Services take approximately ten days. This bill will allow the Comptroller to furnish the Department with working capital while waiting for reimbursement of actual expenditures.

Your Committee has amended this bill by making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2868, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2734      Education on H.B. No. 2869**

The purpose of this bill is to establish a storeroom for Department of Education supplies and a revolving fund for receiving proceeds from the storeroom's activities and purchasing new supplies and services needed to operate the storeroom.

Moneys in the fund would be derived from charges to schools for supplies and the cost of issuing supplies, and from transfers from other accounts and funds. Balances in the fund in excess of \$400,000 will lapse into the general fund at the end of the fiscal year.

Currently, revenues derived from sales to schools are immediately deposited into the general fund.

Your Committee received supporting testimony from the Superintendent of Education and finds that this bill will allow the Department to make purchases according to the best economical quantity and accumulate money to make larger purchases.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2869 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. 2735 (Majority) Government Operations on H.B. No. 1900**

The purpose of this bill is to designate the Vice-Director of Civil Defense as a first assistant within the meaning of section 26-53, Hawaii Revised Statutes.

This change in description from "chief administrative assistant to the director" to "first assistant to the director" will provide an increase in the level of compensation for the Vice-Director of Civil Defense in recognition of the increased responsibilities placed on this position.

Your Committee received testimony in support of this measure from the Department of Defense and the National Weather Service, Pacific Region. Testimony indicated that over the past twenty years, the continued increase in the State population, demographic changes, growth in technology, and changes in Federal laws have increased the scope and complexity of civil defense operations. Consequently, the responsibilities for managing, directing, and controlling these operations have also expanded. Therefore, your Committee finds that the proposal to compensate the Vice-Director of Civil Defense at the first assistant level is appropriate and justified.

Your Committee on Government Operations is in accord with the intent and purpose of H.B. No. 1900 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 Blair and George did not concur.

**SCRep. 2736 Government Operations on H.B. No. 2268**

The purpose of this bill is to establish a satellite state office pilot project in rural and suburban communities in the State.

Specifically, four satellite state offices will be established within the Office of Information, one each in windward Oahu, leeward Oahu, Maui, and the Big Island. The purpose of this pilot project is to improve access to state government services and to reduce traffic congestion and driving distances for the public.

Testimony in support of this bill was received from the Office of State Planning and the Governor's Office of Information.

Your Committee finds that expanding access to government services is currently a critical issue. With development moving toward the suburban and rural areas of the State, and state agencies usually located in urban centers, accessibility to government services has become increasingly difficult for suburban and rural residents. Your Committee believes that offering state government services in outlying areas would be consistent with present efforts to increase accessibility and decentralization.

Pursuant to Act 390, Session Laws of Hawaii 1988, the Office of State Planning conducted a study on the feasibility of establishing satellite state offices. Your Committee concurs with the findings of the Office of State Planning report which determined that satellite state offices could provide valuable services including information about government services, application forms, referral links, as well as issue state identification cards, marriage licenses, and state park permits.

Your Committee has amended this bill by including the establishment of a satellite state office on Kauai and giving the Office of Information discretion and flexibility in establishing the satellite offices and determining their locations. In addition, the Office of Information is required to assess the feasibility of establishing satellite state offices in shared locations with satellite city halls. It is the intent of your Committee to explore alternatives that will allow the public to obtain government services as conveniently and efficiently as possible. Your Committee believes that if satellite state offices and satellite city halls share the same site, operations of both offices may be enhanced, making needed services more accessible to the public.

Your Committee on Government Operations is in accord with the intent and purpose of H.B. No. 2268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2268, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2737 Government Operations on H.B. No. 2459**

The purpose of this bill is to increase the maximum loan amounts made available in times of state-declared disasters.

Presently, the Disaster Commercial Loan Program provides \$25,000 for business loans and \$5,000 for personal loans. This bill increases these amounts to \$50,000 for business loans and \$25,000 for personal loans.

The Department of Defense and the Department of Business and Economic Development testified in support of this bill stating that the present amounts are insufficient.

Your Committee finds that these increases are justified because of the increased cost of doing business in our state, as well as the general increase in the cost of living.

Your Committee on Government Operations is in accord with the intent and purpose of H.B. No. 2459 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2738      Judiciary on H.B. No. 2308**

The purpose of this bill is to provide for the development of a coordinated youth gangs response system that incorporates the critical elements of law enforcement and intelligence, training and community awareness, community intervention, community prevention, information, and evaluation.

This bill amends section 571-84, which authorizes the court to permit relevant persons, institutions or agencies having a legitimate interest in the disposition of the minor, to have access to the Court's legal and social record on the minor.

Your Committee received testimony, from the Office of Youth Services at an earlier informational hearing on youth gangs, which indicated membership in youth gangs is a natural result of universal human needs of youth not being met by traditional institutions of family, school, and church.

The Family Court testifying at the same informational meeting shared that in November, 1989, in response to a legislative inquiry, the First Circuit Court identified 210 youths known to be involved with gangs.

In December, 1989, the Honolulu Police Department identified forty different gangs on Oahu composed of approximately 600 youths. These gangs were known to be involved in crimes against both persons and property. Some of these gangs are heavily involved in the sale and distribution of drugs, especially cocaine and crystal methamphetamine. The gang problem is also being experienced on the islands of Hawaii, Maui, Molokai and Kauai to a lesser degree.

While agencies in Hawaii have been responding to the gang problem, for the most part, their efforts have been uncoordinated. The establishment of statewide policies and goals to guide agencies in their approach to and treatment of gang-related problems is critical. The development of a comprehensive, coordinated, statewide youth gangs response system is essential to maintaining control of the gang situation. It must involve schools, courts, parents, government, agencies, community organizations, and community leaders.

Your Committee heard testimony in support of this bill from the Office of the Attorney General, Office of Youth Services, Department of Education, Judiciary, Department of Health, Honolulu Police Department, Juvenile Justice Interagency Board and the University of Hawaii - Center for Youth Research.

Your Committee has amended the bill as follows:

- (1) Page 6, line 22, deleted the word "and" and on line 23, added the phrase ", and the development of statewide gang training and a statewide law enforcement task force.";
- (2) Page 7, line 4, amended "county" to specify "police department of the" to ensure that the funds appropriated are channelled to the appropriate department; and deleted the words "and develop existing gang prevention programs" since that task will be assumed by the Department of Education (DOE) and is covered in Section 8 of the bill;
- (3) Page 7, line 8, deleted Section 7 because your Committee believes that the necessary data can be developed without the expenditure of additional funds;
- (4) Page 8, line 13 deleted reference to specific schools with regards to the expansion of the school personnel training program of the DOE since the target area is statewide, and replaced that reference with the words "department of education to continue the school based gang and drug prevention/intervention project initiated by the Honolulu Police Department in 1990 at Kalakaua and Dole Intermediate schools, and to expand the project statewide to other intermediate school sites."; and
- (5) Page 8, line 21 deleted reference to "targeted communities" and inserted the word "statewide."

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2308, H.D. 2 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2308, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2739      Judiciary on H.B. No. 2608**

The purpose of this bill is to amend Act 315, Session Laws of Hawaii (SLH) 1989, in order to provide supplemental appropriations to the Judiciary for the fiscal year 1990-91.

The Judiciary's original request for supplemental appropriations was previously submitted and considered by your Committee as S.B. No. 2276. In reviewing the Judiciary's proposed supplemental budget, your Committee continues to be very supportive of the goals and objectives of the Judiciary, and recognizes that sufficient resources must be provided to that branch of government so that it can effectively carry out important programs and responsibilities. However, while it is the Committee's intent to provide adequate funding for its programs, the Judiciary must continue to develop and implement sound fiscal and management policies to enhance accountability and credibility with the Legislature and the general public.

Based on testimony and information received from the Judiciary, your Committee has amended the bill by adjusting the position counts and appropriations in the programs identified as JUD 101, JUD 111, JUD 112, JUD 121, and JUD 201. Your Committee has also included various provisos in this bill which are as follows:

- (1) An appropriation for the convening of a committee to conduct a comprehensive study of the Hawaii Rules of Evidence and to submit a report containing its findings and recommendations to the Legislature prior to the 1991 regular session.
- (2) An addition of \$50,000 for the Congress on the Future of the Courts.
- (3) Appropriates \$13,000 for the purchase of shelving for the Supreme Court Library.
- (4) An additional sum of \$193,063 to employ the following positions in the intermediate court of appeals: one associate judge, one administrative assistant and two clerks.
- (5) An addition of \$271,728 to employ the following positions in the first circuit: two district/family judges, four circuit court clerks II, and two court bailiffs.
- (6) An additional sum of \$82,584 to employ two district court clerks II and two district court clerks I for judicial services in the first circuit.
- (7) An addition of \$108,000 to support the Hawaii State Bar Association in assuming its responsibilities as the Supreme Court mandated integrated bar.

Furthermore, a proviso has been added requiring that in response to the legislative auditor's report no. 89-5, the Judiciary shall submit a written report to the auditor regarding the progress being made in implementing recommendations as well as a budget format which comports with that of the executive branch. The Legislative auditor shall prepare a report containing such findings for the 1991 regular session of the legislature.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2608, H.D. 2 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2608, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2740      Transportation on H.B. No. 2006**

The purpose of this bill is to extend for one year the prohibition of construction, repairs, or maintenance on Interstate H-1 between the Kapiolani and Kahauiki interchanges between 6:00 a.m. and 6:00 p.m., Monday through Friday until June 30, 1991.

Your Committee has amended the bill to allow the Department of Transportation to expedite the process by which night work may be approved for this portion of Interstate H-1.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2006, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2741      Transportation on H.B. No. 2705**

The purpose of this bill is to require the notation in legible print of the date when a drivers' licensee will attain the age of twenty-one years on all Hawaii drivers' licenses issued to persons under twenty-one years of age.

Your Committee finds that this bill will facilitate easier recognition of the actual age of persons under twenty-one for law enforcement officials and retailers and dispensers of alcoholic beverages.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2075, 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. 2742      Transportation on H.B. No. 2368**

The purpose of this bill is to allow a disabled driver to park in any metered parking space and be exempt from paying meter fees.

Your Committee finds that there are many disabled drivers who are unable to feed meters and risk parking tickets when they have to park in metered spaces because designated disabled spaces are full. These drivers need and should have greater access to parking lots statewide.

To resolve the problem of potential abuse of the privilege, your Committee has amended the bill to provide a maximum on the amount of time a disabled person may park in a metered stall. Furthermore, your Committee has amended the bill by requiring disabled persons to pay for parking fees in parking lots serviced by parking attendants.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2368, H.D. 1 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2368, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.



Signed by all members of the Committee.

**SCRep. 2743      Transportation on H.B. No. 2425**

The purpose of this bill is to prohibit a vessel from mooring in a state harbor if it has been found by law enforcement authorities to have been carrying illegal drugs.

Your Committee has amended the bill to prohibit the mooring of vessels found to be carrying illegal drugs upon conviction of the captain or owner. Additionally, your Committee has provided exemptions for: (1) common carriers; (2) commercial vessels or vessels for hire (when the drugs are not found within the possession of the captain or owner); (3) vessels seized by law enforcement authorities; and (4) vessels sold or transferred to new owners.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2425, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2425, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2744      Transportation on H.B. No. 2956**

The purpose of this bill is to allow the Department of Transportation to pay their Airport Division employees in the same manner as other airport personnel for their participation in and training for aircraft emergencies.

Your Committee finds that presently, non-rescue and non-fire fighting airport division employees are receiving a \$25 per month "pay differential" regardless of whether they attend a drill or perform rescue service while other airport employees are paid for each drill attended and each response to an aircraft emergency. Your Committee also finds that the bill provides incentive for employees to attend training drills, thereby increasing the overall competency level of personnel performing emergency services.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2956 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. 2745      Transportation on H.B. No. 2957**

The purpose of this bill is to allow the Department of Transportation to dispose of abandoned vessels more efficiently.

The bill allows the Department of Transportation to dispose of abandoned vessels with an appraised value of \$250 or less. Presently, the law requires that a newspaper notice be issued before abandoned vessels with an appraised value of \$100 or less can be disposed of without a public auction.

Your Committee finds that the \$100 value was set in 1970, and the administrative costs of placing a notice in the newspaper and conducting a public auction have increased to the point where the Department of Transportation is unable to recover their costs from the sale of vessels of less than \$250 in value.

Your Committee has amended the bill by deleting the requirement of public notification by means of a newspaper notice.

Your Committee finds that although this amendment to the bill will delete the requirement of a newspaper notice, a notice must be placed on the vessel itself stating the vessel's disposition and a deadline for response.

Consequently, the bill will not only save money, but will also provide a more expeditious means of disposing of abandoned vessels with a value of \$250 or less.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2957, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2957, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2746      (Majority) Transportation on H.B. No. 2960**

The purpose of this bill is to amend section 261D-1, Hawaii Revised Statutes, to make the Transportation Use Special Fund a separate account within the Airport Revenue Fund. The bill makes conforming amendments to section 37-53, Hawaii Revised Statutes, relating to the transfer of special funds, and to other sections within chapters 261 and 261D.

Your Committee finds that the bill proposes essentially housekeeping amendments to existing law that will facilitate the administration of the Transportation Use Special Fund. Your Committee has made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2960, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2960, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

Senator George did not concur.

**SCRep. 2747      Transportation on H.B. No. 3125**

The purpose of this bill is to require every rental motor vehicle to contain a decal, instead of a permanently affixed notice, informing renters of Hawaii's seat belt, child passenger restraint, and driving under the influence (DUI) laws.

Your Committee finds that the present requirement of a conspicuously displayed, permanently affixed notice in every rental motor vehicle offered to the public is onerous, as the notices must be reprinted each time the statutes are amended. The Department of Transportation (DOT) informed the Committee that it has decals ready for distribution to all of Hawaii's rental car companies, which provide general information on Hawaii's seat belt, child restraint, and DUI laws. Given the ready availability of these DOT decals and the difficulties rental companies are experiencing under current law, your Committee believes a change in the system is called for.

Your Committee has amended the bill to provide that the requirements, prohibitions and penalties associated with our seat belt, child restraint, and DUI laws be printed on cards placed in the glove compartments of rented motor vehicles.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3125, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3125, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2748      Legislative Management on H.B. No. 2258**

The purpose of this bill is to create a Joint Legislative Management Committee within the Legislature to establish general policy directions and to evaluate, supervise, and coordinate activities among the legislative support service agencies.

Your Committee finds that with the increased workload of the Legislature and the growing demand for public access to legislative information, there is a need for improved coordination of services provided by and among legislative support service agencies and those provided by each chamber of the Legislature.

Your Committee further finds that while the rapid growth in automated legislative data systems has served the Legislature well in providing access to current information, there is a need to consolidate the computer systems within the Legislature into a inclusive network to better serve the Legislature and the public, at a potential savings in cost of operation.

Accordingly, your Committee believes that the establishment of a Joint Legislative Management Committee to develop policies and coordinate legislative activities would result in more efficient legislative operations and improved public access to legislative information.

Your Committee received testimony supporting the intent of this measure from the Legislative Reference Bureau, the Office of the Legislative Auditor, the Office of the Ombudsman, Common Cause Hawaii, NFIB Hawaii, and GTE Hawaiian Tel.

Your Committee has amended this bill to create a Legislative Commission on Planning and Fiscal Policy with the additional responsibility to provide the Legislature with research, evaluation, analysis, and recommendations in furtherance of the purposes of the chapter.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 2258, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2258, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2749      Legislative Management on H.B. No. 2259**

The purpose of this bill is to appropriate funds to promote improved public access throughout the State of Hawaii using technological and other means.

Your Committee finds that the development of electronic information services will foster the development of private and additional public information providers. Accordingly, this measure appropriates funds for the purchase of public access terminals, related communications lines, software development, other related equipment, and technical staffing in the public schools, public school libraries, state public libraries, University of Hawaii library system, neighbor island state office buildings, and state court libraries. It is the intent of your Committee that the public would be served better by having more of the public access terminals located in public libraries.

Testimony in enthusiastic support of this measure was presented by state government representatives and the general public. Your Committee finds that this positive response reaffirms its belief that the people of Hawaii are ready to become active participants in the Age of Information.

Your Committee has amended this bill by deleting section 7, which makes an appropriation for the installation of benches in the capitol building, because the capitol will undergo extensive renovations in the next two years and it would be impractical to expend such moneys at the risk of removal or destruction of the benches during renovations. Your

Committee has also increased the appropriation for public access terminals for the public library system; decreased the appropriation for the University of Hawaii system; and deleted the appropriation for the neighbor islands.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 2259, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2259, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2750      Transportation on H.B. No. 2951**

The purpose of this bill is to exempt commercial driver licenses issued in Canada and any state of the United States from state licensing requirements.

Your Committee finds that commercial drivers licenses issued by a province of the Dominion of Canada, under the Canadian National Safety Code, and by any state of the United States, under the provisions of the Commercial Motor Vehicle Safety Act of 1986 (CMVSA), are based on compatible testing and licensing standards.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2951 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2751      Labor and Employment on H.B. No. 2891**

The purpose of this bill is to clarify the law which allows members of the Employees' Retirement System to acquire service credit for prior military service.

Specifically, the bill:

- (1) Clarifies that "active military service" for the purpose of acquiring credit means service in the armed forces of the United States;
- (2) Clarifies that membership service credit for active military service will be at no charge;
- (3) Provides membership service credit for active military service to retirees who have at least three years of credited service during re-employment;
- (4) Provides that active military service will be considered service in the contributory member's occupation at the time the service is purchased;
- (5) Provides a refund to noncontributory members who purchased service after June 30, 1989 pursuant to Act 385, Session Laws of Hawaii 1989; and
- (6) Clarifies the provision prohibiting a member from collecting a federal military pension and acquiring membership service credit for military service.

Your Committee is concerned that state law which restricts a person's right to collect a federal military pension may be subject to challenge as contrary to federal law. Therefore, your Committee has amended the bill by deleting the provision in section 88-132.5, Hawaii Revised Statutes, that excludes members who receive or are eligible to receive federal military pensions from acquiring membership service credit.

Your Committee has also made minor technical amendments that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2891, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2891, 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 Solomon.

**SCRep. 2752      Energy and Natural Resources on H.B. No. 2104**

The purpose of this bill is to appropriate funds for a study to determine the feasibility of cleaning the Ala Wai Canal.

Your Committee finds that the Ala Wai Canal has become an eyesore and its cleanup will require commitments at both the county and state levels. Before proceeding any further, however, a study must be conducted to determine the best way to accomplish the cleanup.

It is estimated that initial evaluation of alternative methods and planning will require \$200,000, engineering design studies and drawings to determine the feasibility of the method selected in the planning stage will require between \$400,000 and \$500,000, and preparation of an environmental impact statement will cost approximately \$100,000. Hence, your Committee has increased the appropriation for the study to \$800,000.

Your Committee has also amended the bill to clarify the requirements of the study.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 2104, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2104, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2753      Energy and Natural Resources on H.B. No. 2262**

The purpose of this bill is to ensure effective management of Hawaii's fishing resources by establishing an advisory task force within the Department of Land and Natural Resources to evaluate the State's fishing laws and rules.

Your Committee finds that the number of reports of diminished catches of fishes and shellfish in our waters are increasing at an alarming rate. Although many factors appear to be contributing to this situation, your Committee believes that it would be prudent to first establish whether current laws and rules provide adequate protection to ensure the replenishment of these resources.

The Department of Land and Natural Resources testified that although it concurred with the intent of the bill, the five-month period in which the task force would have to be established, study the issues, and prepare and submit a written report is inadequate to complete an extensive evaluation.

After consideration of the testimony presented by the Department of Land and Natural Resources, your Committee agrees that additional time is necessary for the study and has amended the bill to provide the task force with an additional year to submit its final report.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 2262, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2262, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2754      Energy and Natural Resources on H.B. No. 2439**

The purpose of this bill is to establish and fund a Recycling Proposal Fund to assist individuals developing proposals on methods or programs related to recycling.

Your Committee finds that there is a need for environmentally sound energy and solid waste management solutions and believes that recycling is a vital component of comprehensive energy conservation.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 2439, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2755      Energy and Natural Resources on H.B. No. 2787**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$119,000,000 to assist electric utilities in obtaining lower interest rate bond financing for capital improvement projects.

The bill also extends the statutory authorization to issue such special purpose revenue bonds under part VI of chapter 39A, Hawaii Revised Statutes, from December 31, 1991 to December 31, 1995.

Your Committee finds that assisting electric utilities to obtain lower interest rate bond financing for capital improvement projects will reflect in consumer savings and is in the public interest.

Your Committee has amended this bill by adding the phrase "or any combination thereof" to the capital improvement program listings of all of the utilities for clarification purposes.

The bill has been further amended to provide Maui Electric Company, Ltd., with the same issuance dates as the other two utilities.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 2787, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2787, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2756      Energy and Natural Resources on H.B. No. 3239**

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to Elexs, Ltd. for the purpose of assisting it in generating new capital for the manufacture of electric vehicles and related products in Hawaii.

Your Committee finds that the manufacturing of electric vehicles in Hawaii will diversify the State's economic base, create employment opportunities, generate new capital and additional tax revenues, and decrease our dependence on the use of imported petroleum for transportation fuel. Manufacturing of electric vehicles is therefore clearly in the public interest and should be pursued.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 3239, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2757      Energy and Natural Resources on H.B. No. 3299**

The purpose of this bill is to require the installation of solar energy systems or heat pumps for water heating in all new multi-unit residential buildings and hotels and to provide for income tax credits for their installation in new or existing buildings.

Your Committee finds that meaningful action should be taken to promote and support the State's policy of energy conservation and alternate energy resources. Implementation of demand-side management programs will provide an aggressive and effective energy conservation and management program which will have a significant impact on the State's energy use and dependency on foreign sources for fossil fuels.

Your Committee has amended the bill as follows:

1. Mandatory solar water heating for new multi-unit residential buildings and hotels has been deleted;
2. Only state funded, sponsored and subsidized residential buildings, and buildings on state land will be covered;
3. The requirements of this bill shall apply to building permits issued after June 30, 1991 instead of December 30, 1990;
4. Kapolei I, II, and III housing projects will be excluded;
5. The tax credit for ice storage systems has been increased and more appropriate qualification standards for heat pumps and solar or wind energy systems are established;
6. The tax credit will be allowed to a homeowner's bank or finance company, if applicable;
7. The state energy tax credit has been increased and the linkage to the federal energy tax credit beyond December 31, 1985 has been deleted; and
8. The effective date of the bill will be upon approval rather than June 30, 1991.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 3299, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H. B. No. 3299, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2758      Energy and Natural Resources on H.B. No. 3403**

The purpose of this bill is to institute a tree replanting program on Oahu, Hawaii, Maui and Kauai.

Your Committee finds that the current worldwide atmospheric warming trend and its impact on society, as well as the environment, are of great concern. Further, there is an emerging consensus that widespread planting of trees, combined with conservation of existing forests, is one of the most effective means of halting, and even reversing, the build-up of carbon dioxide in the atmosphere, which is a major factor in global warming. Your Committee believes that it is appropriate for State government to take the lead in initiating a statewide tree planting and education program.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 3403, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2759      Energy and Natural Resources on H.B. No. 2491**

The purpose of this bill is to amend section 188-29 of the Hawaii Revised Statutes to clarify that shrimp or opae may be taken with traps of smaller mesh than the present legal mesh size.

The Director of the Department of Land and Natural Resources testified that when section 189-29 was amended in 1989 to establish a one-inch by two-inch minimum mesh size for traps made of rigid material, it was intended that an exception would be provided for shrimp and opae traps, as was done in the case of nets. This bill corrects the inadvertent omission of the exception from the 1989 legislation.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 2491, 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. 2760      Energy and Natural Resources on H.B. No. 3044**

The purpose of this bill is to extend the closed season for the taking of Kona crabs by a month. The bill would also allow the sale of Kona crabs caught in open season during the extended closed season.

Your Committee finds that lengthening the closed season would enhance the reproductive potential of this heavily fished and valuable marine resource. As the late-spring and summer months are generally the spawning period for Kona crabs, the proposed addition of May to the closed season will provide greater protection for the spawning stock, as well as ensure minimum disturbance to the species during its critical spawning period.

Your Committee further finds that allowing Kona crabs lawfully caught during the open season to be sold in May is consistent with existing provisions which allow licensed sales of Kona crabs during the existing closed season.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 3044, 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. 2761 (Majority) Government Operations on H.B. No. 2302**

The purpose of this bill is to allocate five percent of the gross State general fund tax revenues, less adjustments, to the counties as grants-in-aid.

Under this scheme, each county will receive a percentage of the allocation as follows:

City and County of Honolulu	50 percent
Hawaii County	18 percent
Maui County	18 percent
Kauai County	14 percent

This bill authorizes the Director of Finance to make monthly payments based on the appropriate percentage to each county finance director for highway, sewer, and other infrastructure improvements. In addition, the Director of Finance of each county is required to submit a statement to the Legislature summarizing the expenditure of the revenues allocated to the counties for the prior year.

Your Committee received testimony in support of the intent of this measure from the Hawaii State Association of Counties, City and County of Honolulu, counties of Maui, Hawaii, and Kauai, Hawaii Business League, and the National Federation of Independent Business.

The State has a duty and responsibility to provide for the education, health, safety, and well-being of its citizens, and your Committee supports the efforts of the administration in providing needed programs and services. In addition, your Committee recognizes the growing role of the counties in providing many of these programs, and believes that in order for the counties to effectively implement worthwhile programs that are beneficial to the public, a predictable source of revenue for these programs is needed. This will enable the counties to make long-range budgetary plans and give the counties more flexibility in their decision-making. It is your Committee's intent to address some of the counties' needs through this bill, by providing for the sharing of the State's revenues with the counties.

Your Committee views this issue as a home rule issue, and believes that revenue sharing is a more appropriate alternative for providing funds to the counties than one-time grants-in-aid. It is the opinion of your Committee that grants-in-aid perpetuate the paternalistic role of state government by making the counties dependent on the State by requiring them to return for additional funding each year. Revenue sharing will provide a stable, ongoing mechanism of funding which is in line with the home rule concept by allowing the counties greater self-determination of their destinies.

Your Committee has amended the bill by: (1) changing references of "grants-in-aid" to "revenue sharing"; (2) providing the allocation of revenues without the deduction of adjustments; (3) authorizing the State Director of Finance to pay the counties on odd-numbered months, rather than every month; (4) deleting specific uses for the revenues allocated; and (5) deleting the reporting requirements summarizing the expenditures by the counties.

In making these amendments, your Committee has granted expanded authority to the counties in recognition of their increasing responsibilities, and notes that this authority and independence will require direct accountability of the counties to the taxpayers.

Your Committee considered the possibility of incorporating the contents of S.B. No. 3472, S.D. 2, which affords the counties additional revenues from sources presently collected and kept by the State. These include the excise taxes paid by the counties, public utilities tax, fines and forfeitures under the State's dog licensing chapter, and certain fines resulting from violations of the traffic code. Upon further review, your Committee determined that the contents of S.B. No. 3472, S.D. 2 is not germane to the title of this measure, and therefore, it would be inappropriate and awkward to insert this material into the bill. Your Committee on Government Operations is limited in scope, and is not able to examine and consider every alternative available to the counties in providing additional revenue. Your Committee believes that the Legislature should continue to consider viable sources of revenue for transfer to the counties, including the transient accommodations tax, fines and forfeitures, public utilities tax, and the general excise tax.

Your Committee on Government Operations is in accord with the intent and purpose of H.B. No. 2301, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2301, 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 Menor.  
Senator Blair did not concur.

**SCRep. 2762      Corrections on H.B. No. 2354**

The purpose of this bill is to revise the authority of the Director of Corrections to furlough minors committed for any purpose to his authority.

Your Committee received differing testimony from the Department of Corrections, the Senior Judge of the Family Court of the First Circuit for the Judiciary, the Department of the Prosecuting Attorney of the City and County of Honolulu, and from the Hawaii Chapter of the American Civil Liberties Union.

Following thorough consideration and discussion, your Committee has revised section 352-25, to provide for the director to give a fifteen day notice to the appropriate family court and the appropriate prosecuting attorney, instead of the current requirement of thirty days, prior to the grant of a furlough. This will permit the court to reconsider the matter and to countermand the decision.

These changes have required the revision of section 352-9(a), to conform the requirements of fifteen days notice and the court's reconsideration in cases of persons on probation with a short term commitment as part of the courts' decrees.

Your Committee on Corrections is in accord with the intent and purpose of H.B. No. 2354, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2354, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2763      (Joint) Corrections and Judiciary on H.B. No. 2967**

The purpose of this bill as received is to clarify the scope of the functions and authority of the Department of Public Safety.

By several amendments, your Committees have expanded the purpose of this bill and have reiterated the Senate position on a key aspect of the bill. The purpose of this bill has been expanded to make possible the temporary assignment to the new department of up to eight permanent employees in state government, the Department of Education, and the University system. The amended bill now reiterates the Senate position that narcotics enforcement investigators should retain their arrest powers under part IV of chapter 712, Hawaii Revised Statutes.

Your Committees have made the following amendments:

- (1) Deleted SECTION 1, pertaining to executive security officers;
- (2) Deleted, in the renumbered SECTION 1, the provision requiring that the powers and authority be upon the specific authorization and direction of the speaker, president, or other presiding officer of such house. While your Committees understand why the provision was inserted and is in agreement with such provision, your Committees believe that the provision is outside the scope of the title of the bill and thus is in violation of section 14, article III of the Constitution of the State of Hawaii;
- (3) Added, as subsection 25 in the renumbered SECTION 3, the exemption for the sheriff, first deputy sheriff, and second deputy sheriff which was inadvertently omitted in previous drafts of this bill;
- (4) Clarified, in the renumbered SECTION 5, the respective departments involved in the Hawaii Advisory Commission on Drug Abuse and Controlled Substances;
- (5) Deleted the former SECTION 5 of the House Draft that would have removed the arrest powers of narcotics enforcement officers;
- (6) Deleted, in the former SECTION 6 (now SECTION 12), the requirement that state law enforcement officers transferred to the new Department of Public Safety be physically housed in the state capitol building;
- (7) Added a new SECTION 13 which permits the temporary assignment of up to eight permanent state government, Department of Education, or University of Hawaii personnel to the Department of Public Safety; and
- (8) Amended the effective date section to conform to the section renumbering and to establish the temporary nature of SECTION 13.

One of the reasons for creating the Department of Public Safety was to consolidate all public safety functions and employees of state government into a single department in order to ensure better organization and coordination of public safety functions. Your Committees continue to believe that the Department of Public Safety is fundamentally intended to be a protective agency and by no means to be a state police agency. The police powers of the State have been placed within the jurisdiction of the counties and your Committees intend that the powers remain there. The arrest powers retained by the narcotics enforcement division under part IV of chapter 712, Hawaii Revised Statutes, are intended to be exercised only incidentally to the enforcement of chapter 329. This limitation of power is consistent with the protective intent and function of the Department of Public Safety.

The incorporation of correctional and state law enforcement functions into the new Department of Public Safety is a complex management responsibility. The new department may need the services of experienced personnel in other departments for the start-up period. In fairness to these employees, their return rights to their original positions should not be jeopardized. Your Committees believe that the new SECTION 13 of the bill will provide both the new department

and the employees with the necessary flexibility and safeguards. Your Committees have provided, in SECTION 15, that the temporary assignments shall end on June 30, 1993.

In addition, your Committees believe the new department may need some flexibility to expedite other aspects of its personnel management function. The statutes permit the Director of Personnel Services to delegate any of the functions of the department. The current director has done so with respect to certain functions of the state's community hospital system. Various mechanisms are in place to enable the hospitals to hire staff, including computer access to lists of eligible applicants. There is little doubt that correctional and law enforcement positions also need to be filled expeditiously. Your Committees believe that the Department of Public Safety should be delegated at least some personnel functions to enable it to fulfill its responsibilities. Your Committees request the Director of Personnel Services and the Director of Public Safety to come to an agreement on the appropriate delegation of functions and to report to the 1991 legislative session on the progress achieved.

Your Committees on Corrections and Judiciary are in accord with the intent and purpose of H.B. No. 2967, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2967, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Reed.

**SCRep. 2764 Consumer Protection and Commerce on H.B. No. 2267**

The purpose of this bill is to provide the means for obtaining the greatest possible level of information about foreign investment in Hawaii without adding new bureaucratic functions to state and local government.

Specifically, the bill would do the following:

- (1) Require the Director of Business and Economic Development to submit annual reports to the legislature and the general public on the state of foreign investment in Hawaii using information gleaned from all applicable public and private sources. The reports would provide analyses of the extent of foreign investment in the State and its impact on the people, natural resources, and environment;
- (2) Require the counties, while carrying out their real property functions, to extract pertinent information from nonresident aliens who have acquired an interest or made an investment in real property within the county and release the information to a single state agency designated by the Governor;
- (3) Authorize the Director of Commerce and Consumer Affairs to direct interrogatories to any corporation or officer or director of a corporation as may be necessary to ascertain the nationality of the shareholders and the nature and extent of the corporation's business in the State;
- (4) Appropriate \$200,000 to support county efforts to obtain information on nonresident aliens who acquire property within a county;
- (5) Appropriate \$200,000 to defray the costs of the interrogatories initiated by the Director of Commerce and Consumer Affairs;
- (6) Appropriate \$100,000 to the Department of Business and Economic Development to carry out the purposes of the bill, including the hiring of civil service exempt staff; and
- (7) Appropriate \$1 to support continuing review of real estate purchases by the Hawaii Real Estate Research and Education Center attached to the College of Business Administration at the University of Hawaii.

Your Committee finds that monitoring and gathering information on foreign investment in Hawaii is necessary to provide for the continued economic and social well-being of Hawaii's residents. To accomplish this objective in a more comprehensive manner, without attempting to restrict or inhibit foreign investment, your Committee has substantially redrafted this measure. As amended, this bill:

- (1) Clearly sets forth the issue of foreign investment in contemporary terms as expostulated by one of Hawaii's foremost and most respected economists;
- (2) Adds a new chapter to the Hawaii Revised Statutes requiring nonresident aliens who acquire or hold a significant interest in Hawaii property to register such interest with the Director of Commerce and Consumer Affairs. Registrations would contain information such as the identity, address, occupation, and nationality of the nonresident alien property owner; the date when the interest was acquired; identification and use of the property; the market value; and the percentage interest acquired. Additional information would be required upon the acquisition of a controlling interest. In addition, the nonresident aliens would have to report any changes in the required information or be subject to a civil penalty of not more than \$500 per day of noncompliance. The Director of Commerce and Consumer Affairs would be responsible for submitting annual reports to the legislature and the general public revealing the information acquired through the registration process;
- (3) Changes the county information requirements to authorizations, provides for release of county information to the Department of Commerce and Consumer Affairs, and provides for a civil penalty of not more than \$500 per day in which a nonresident alien fails to comply with a county request for information;
- (4) Increases the appropriation to the Department of Commerce and Consumer Affairs to \$500,000 for fiscal year 1990-1991 to carry out the purposes of the bill, including the hiring of necessary staff;



- (5) Deletes the appropriations to the counties, the Department of Business and Economic Development, and the University of Hawaii; and
- (6) Requires the Department of Commerce and Consumer Affairs to prepare a detailed report, utilizing the best possible information from the public and private sectors, on the current status of foreign investment in Hawaii for submission to the 1991 legislature.

As amended, your Committee believes that this bill will enable the acquisition of significant information relating to foreign investment in Hawaii without placing unreasonable demands on state and local government agencies or infringing on the rights of foreign nationals. The information gathered on an on-going basis will be instrumental in the eventual formulation of a specific policy regarding foreign investment versus speculation, and limitation of real property ownership by nonresident aliens, if warranted.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2267, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2267, 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 Ikeda and Matsuura.

**SCRep. 2765 Consumer Protection and Commerce on H.B. No. 2418**

The purpose of this bill is to replace preferential tax rates given to Hawaii insurance companies with a single insurance premium tax rate for all domestic and foreign insurers.

This bill also provides tax credits for eligible insurers who comply with certain requirements. In addition, an alternate set of rates is provided as a contingency against the first set of provisions being found unconstitutional.

Under current law, the State imposes a tax on the gross premium income generated by insurance companies doing business in Hawaii. The tax rates depend on the type of insurance and the state in which the insurance company is incorporated. Presently, foreign insurers are taxed at a higher rate than domestic insurers on both life (3.197 percent vs. 1.918 percent) and non-life (4.2824 percent vs. 2.9647 percent) insurance business. The Hawaii Tax Appeal Court, however, has held that the current statutory scheme is unconstitutional based on the U.S. Supreme Court decision in Metropolitan Life Insurance Co. v. Ward.

This bill proposes to tax all authorized insurers at the same rates: 3.2 percent for life insurance contracts and 4.3 percent for non-life insurance contracts.

The bill also provides for the allowance of credits against these taxes to any authorized insurer that has a designated employee residing in Hawaii who is responsible for its insurance operations in the State, and annual gross premiums of at least \$250,000 received from all risks or property resident, situated, or located in Hawaii. These credits include:

- (1) Contributions made to the state unemployment compensation fund and for workers' compensation insurance;
- (2) Contributions to a group life insurance plan and a stock bonus, pension, profit-sharing or annuity plan; and
- (3) Income taxes paid by the insurer for its employees working in the State.

Should the premium tax rates proposed in this measure be found unconstitutional:

- (1) This bill contains a "tie-breaker" provision to establish alternative tax rates of 2.9 percent for life insurance contracts and 3.8 percent for non-life insurance contracts;
- (2) The commissioner shall refund to each insurer the excess taxes paid under protest over and beyond the taxes imposed by the proposed premium tax legislation; and
- (3) All authorized insurers entitled to the refund must then come up with a rebate plan, and immediately reduce their premium rates to a point that effectively passes on the tax reduction to their insureds.

Your Committee has amended the bill by making several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2418, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2418, 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 Ikeda and Matsuura.

**SCRep. 2766 (Joint) Housing and Hawaiian Programs, Human Services, and Labor and Employment on H.B. No. 2092**

The purpose of this bill is to establish, within the Department of Labor and Industrial Relations, a social and employment services incubator project board composed of fifteen public and private sector members appointed by the Governor. The Board would study public and private social and employment service programs currently available in the West Oahu region and identify future needs. The Board would plan the establishment of a shared facility at Kapolei to serve as a one-stop center to simplify access to services on a coordinated basis and would oversee its initial

implementation. The bill would also appropriate \$98,605 for fiscal year 1990-1991 to carry out the mandates of the bill, with the Department of Labor and Industrial Relations being the expending agency.

Your Committees received supporting testimony from the State Departments of Health and Labor and Industrial Relations; from the University of Hawaii; from the Honolulu Community Action Program, Inc.; from the West Oahu Employment Corporation Board; from Ko Olina Resort, West Beach Estates; from the Chair of the West Oahu Service Providers Hui; from a member of the Ewa Neighborhood Board; from the Vice President of Finance Realty Co.; and from other community representatives.

Your Committees find the goals of the social and employment services incubator project to be laudable in view of the currently inadequate service delivery system in the West Oahu region and the rapid development taking place in that region. The project could also help in designing service delivery systems for other regions of the State.

Your Committees on Housing and Hawaiian Programs, Human Services, and Labor and Employment are in accord with the intent and purpose of H.B. No. 2092, H.D. 2 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. 2767 (Majority) Housing and Hawaiian Programs on H.B. No. 690**

The purpose of this bill is to provide for the acquisition of Queen Emma Gardens apartment complex. The bill would appropriate \$1 for fiscal year 1990-1991 for the Department of Budget and Finance to carry out the purposes of the bill.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Hawaii Housing Authority, the Affordable Housing Alliance, a representative of Councilperson Gary Gill, and the Queen Emma Gardens Tenants' Association and several tenants. Your Committee received opposing testimony from the Hawaiian Trust Company, Ltd., which manages the apartment complex as trustee for the benefit of The Hawaii Community Foundation.

Your Committee finds that the acquisition of Queen Emma Gardens apartment complex would serve a public purpose and would be in the public interest by preventing the potential displacement of persons of low or moderate income, especially the elderly on fixed incomes, as the Hawaiian Trust Company, Ltd. implements its plan to increase rents to market rates, and by eliminating the potential that this apartment complex will be removed from the inventory of affordable rental housing either through these rent increases or a sale of the complex. Your Committee further finds that, if this apartment complex is acquired by the State, tenancy should be limited to those families and individuals of low or moderate income, with first priority being given to existing tenants of the complex who have low or moderate incomes. Your Committee does recognize that the present owners of the complex are entitled to a fair return on their investment and does not condone any misuse of the Urban Renewal Act to limit their return in this case, where there would be an involuntary disposition of the property before the time period set in the Urban Renewal Act. Nevertheless, your Committee believes that the present owners will be fully protected during the negotiations or condemnation proceedings if these proceedings are necessary.

Your Committee has amended the bill to:

- (1) Incorporate an expanded statement of public purpose and interest in Section 1;
- (2) Add language instructing the Department of Budget and Finance to evaluate alternative methods of financing the acquisition, including appropriations, the issuance of bonds, and land exchanges; and
- (3) Add a new Section 4 authorizing the Hawaii Housing Authority to manage the Queen Emma Gardens apartment complex, after its acquisition, and to adopt rules necessary for its operation as a low and moderate income housing complex, with such rules being consistent with the general requirements set forth in the section.

Your Committee has not amended the bill to increase the amount to be appropriated, which is currently stated as \$1. Your Committee does note that, whatever the amount to be appropriated by this bill, it does not necessarily need to cover the full cost of acquiring Queen Emma Gardens, since this cost will be determined by negotiations or the court if condemnation is necessary. The final amount may also include a combination of appropriations, bond financing, land exchanges, contributions from the City and County of Honolulu, and other sources of revenues.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. 690, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 690, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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

**SCRep. 2768 Housing and Hawaiian Programs on H.B. No. 2279**

The purpose of this bill is to appropriate \$100,000 for fiscal year 1990-1991 to be expended by the Housing Finance Development Corporation (HFDC) on a study of the feasibility of establishing a reverse equity mortgage program in Hawaii.

Reverse equity mortgage programs allow elderly persons to receive monthly income supplements out of their home equity, enabling those on fixed incomes to meet rising expenses such as increased lease rent. When the homeowner dies, the loan is discharged by selling the home. Mortgages under this program are insured by the FHA and purchased by the Federal National Mortgage Association ("Fannie Mae") from local lenders who originate the loans.

HUD has implemented a reverse equity mortgage pilot program on a small scale --2,500 loans nationwide, of which Hawaii received none because of the 250 loans designated for Region X, 50 each were allocated to five Region X lenders selected by lottery. Honolulu Mortgage Company, Inc. was one of the lenders not selected.

This bill will provide the information needed to determine whether the State should initiate its own reverse equity mortgage program to provide valuable housing assistance to our elderly citizens.

Your Committee has amended this bill by opening the program, if established, to persons sixty-two years old, rather than sixty-five. Your Committee has also made some nonsubstantive technical and language changes for the purposes of clarity and style.

Your Committee on Housing, Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2279, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2279, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2769      Housing and Hawaiian Programs on H.B. No. 2458**

The purpose of this bill is to appropriate \$125,000 for fiscal year 1990-1991 to be expended by the Housing Finance Development Corporation (HFDC) to develop guidelines and propose legislation for the establishment of a rental housing trust fund.

HFDC would study existing programs as well as investigate potential sources of revenue most appropriate to Hawaii. The study would specify the precise role of the trust fund in relation to existing programs in order to maximize efficacy. HFDC will submit a report and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 1991.

Your Committee received supporting testimony from HFDC and Homeless Aloha, Inc., among others, and finds similar trust funds on the mainland consisting of the combined efforts of private foundations, state government, business, and charities have been quite successful in generating resources for nonprofit developers of affordable housing. A similar source of partnership financing is clearly needed in Hawaii to ameliorate our affordable housing shortage.

Your Committee has amended this bill by clarifying references to families whose incomes are less than eighty percent of the median family income and specifying that the trust fund is intended to assist very-low and lower income families and individuals, including the homeless and special needs groups. Also, in order to give full breadth to the scope of this important study, your Committee has specifically instructed HFDC to study existing housing trust fund programs in other jurisdictions.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2458, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2458, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2770      Housing and Hawaiian Programs on H.B. No. 2888**

The purpose of this bill is to transfer responsibility for managing, operating, and maintaining housing complexes for elders from the Housing Finance and Development Corporation to the Hawaii Housing Authority, with the Corporation retaining authority for planning, developing, and rehabilitating projects for elders.

Specifically, the bill amends chapters 201E and 359, Hawaii Revised Statutes, to:

- (1) Repeal subpart D of part III of chapter 201E relating to the Housing Finance and Development Corporation and housing for elderly persons;
- (2) Add a new subpart to part III of chapter 201E authorizing the Housing Finance and Development Corporation to develop and rehabilitate housing projects for elders on a priority basis and to transfer these projects, upon completion, to the Hawaii Housing Authority;
- (3) Add new sections to chapter 359 reestablishing the elderly housing revolving fund under that chapter and authorizing the Hawaii Housing Authority to administer the fund;
- (4) Add a new definition of "elder" to section 201E-2;
- (5) Change the definition of "elder" to include only those persons who have attained the age of sixty-two, while excluding those persons who are suffering from physical or mental impairments but are not otherwise "elders";
- (6) Add a new definition of "housing complex" to chapter 359, Hawaii Revised Statutes, that is substantially similar to the definition of "housing project" in section 201E-230, Hawaii Revised Statutes, which is to be repealed by the bill;
- (7) Add a new section to chapter 359, Hawaii Revised Statutes, relating to resident selection, dwelling units, and rentals that is substantially similar to section 201E-234, Hawaii Revised Statutes, which is to be repealed by the bill; and

- (8) Add a new section to chapter 359, Hawaii Revised Statutes, authorizing the authority to adopt rules necessary for the management and operation of housing complexes for elders.

This bill would also make conforming amendments to sections 46-4(d), 321-15.6, 321E-2, and 359-121, Hawaii Revised Statutes.

Your Committee received supporting testimony from the Housing Finance and Development Corporation and the Hawaii Housing Authority. The Commission on Persons with Disabilities strongly opposed the provisions of the bill which exclude individuals under sixty-two years of age who are disabled from elderly housing projects, since this could reduce already limited housing options for the disabled. In earlier testimony on the Senate version of the bill (S.B. No. 3096, S.D. 2), the Hawaii Housing Authority explained that there have been some safety and other problems created by mixing elders and physically or mentally impaired persons in the same complex. For federally-funded projects, the physically and mentally handicapped must be given first priority for accommodations and the amendment proposed by the Authority would not change that requirement. For State-funded projects, the Authority explained that the mixing of elders and physically or mentally impaired persons is not required, is often inappropriate, and is subject to complaints from individuals residing at State housing complexes.

Your Committee finds that the transfer of functions proposed in the bill is consistent with the respective roles of the Housing Finance and Development Corporation as the agency charged with planning, developing, and rehabilitating housing and the Hawaii Housing Authority as the agency charged with managing, operating, and maintaining public housing projects.

Your Committee has amended the bill to use the word "elders" rather than the words "the elderly" throughout the bill. Conforming amendments would be made to other chapters and sections of the Hawaii Revised Statutes. Your Committee has also made several other clarifying and technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2888, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2888, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2771      Housing and Hawaiian Programs on H.B. No. 3111**

The purpose of this bill is to establish a two-year pilot project for the development of fifty to one hundred new cooperative housing units for low income families or the conversion of at least one rental project to the limited equity housing cooperative form. The bill would appropriate \$150,000 for the Housing Finance and Development Corporation to undertake the pilot project.

Your Committee received supporting testimony from the Housing Finance and Development Corporation and the Affordable Housing Alliance. One citizen testified in support of the bill, but with serious reservations about its impact on tenants who are welfare or section 8 recipients to the extent that they might be forced out of an existing building due to the lack of sufficient capital to buy the necessary cooperative housing corporation shares.

Your Committee finds that the limited equity housing cooperative mechanism is a method that can make homeowners of families who would otherwise always remain renters. Your Committee finds that it is appropriate to undertake further studies of this form of housing ownership and to implement a demonstration project. Your Committee is, however, concerned with the plight of welfare and section 8 recipients. Your Committee expects that any conversion of an existing apartment building would be undertaken in a manner that is sensitive to the needs of these tenants and affords them an opportunity to remain in the building as cooperative shareholders if at all possible.

Your Committee has amended the bill to make the Hawaii Housing Authority the agency responsible for the pilot project, rather than the Housing Finance and Development Corporation. Your Committee has also amended the bill to remove the limits on development of new cooperative housing units to give the Hawaii Housing Authority increased flexibility. Your Committee has also make several technical, clarifying, and grammatical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3111, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3111, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2772      Housing and Hawaiian Programs on H.B. No. 3171**

The purpose of this bill is to establish a program to provide low-interest loans of up to \$15,000 per residential unit for physically disabled persons. The loans would allow these persons to make design alternations to their residences in order to accommodate their physical disabilities and assist them in maintaining independent lifestyles. The program would be administered by the Housing Finance and Development Corporation. The bill, for continued discussion purposes only, would appropriate the nominal sum of \$1 for fiscal year 1990-1991 into the housing finance revolving fund to carry out the purposes of the bill.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Department of Health, the State Planning Council on Developmental Disabilities, the Commission on Persons with

Disabilities, the Hawaii Centers for Independent Living, the Founders' Group, Kokua Council for Senior Citizens, and several concerned individuals.

The Housing Finance and Development Corporation recommended that the bill be amended to increase the maximum loan amount from \$15,000 to \$25,000 per residence.

Your Committee finds that the bill will assist persons with physical disabilities in maintaining independent lifestyles and in continuing to live with dignity and self-respect in their own homes, rather than in institutional settings. Your Committee further finds that a State-funded loan program would allow for greater flexibility than is afforded under the federally-funded programs currently administered by the City and County of Honolulu and the County of Kauai.

Your Committee has amended the bill to increase the maximum loan amount to \$25,000 per residence. Your Committee has amended the bill to incorporate its substantive provisions into a new part for chapter 201E, Hawaii Revised Statutes. Your Committee has also clarified the revolving nature of the loan program and the enforcement powers of the Housing Finance and Development Corporation in administering the program. Your Committee has also made several grammatical, technical, and clarifying amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3171, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3171, 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 Reed.

**SCRep. 2773      Agriculture on H.B. No. 2751**

The purpose of this bill is to establish the Temporary Underground Storage Tank Revolving Fund and the Underground Storage Financial Responsibility Guarantee Fund.

The Temporary Underground Storage Tank Revolving Fund will establish a mechanism to provide loans to persons requiring financial assistance to:

- (1) Retrofit or replace underground storage tanks to meet new tank standards; and
- (2) Perform necessary corrective actions to mitigate the effects of a petroleum release that occurred before the person obtained coverage by appropriate financial assurance mechanisms.

The Underground Storage Tank Financial Responsibility Guarantee Fund will assist persons in meeting the requirements of financial responsibility established under law.

Your Committee finds that because of the serious threats to human health and the environment posed by leaking underground storage tanks, the federal government and the State have established regulations and financial responsibility requirements for the proper maintenance of these tanks and for the cleanup of petroleum releases. Unfortunately, many businesses in the State do not always possess the financial capacity to afford the level of liability or financial responsibility coverage necessary under the law, or to maintain or repair leaking underground storage tanks.

Furthermore, your Committee finds that a mechanism should be established to assist underground storage tank owners in meeting the required standards of financial coverage and tank operation. Financial assistance is essential to the economic welfare of small business operators, whose ability to continue operating in an environmentally responsible manner may be jeopardized without this assistance.

Your Committee has amended the bill by deleting sections 2 and 3 and substituting therefor language which establishes a new section in Part II of Chapter 342L, Hawaii Revised Statutes, that creates a Financial Responsibility Guarantee Fund. Furthermore, your Committee has appropriated \$3,000,000 for the purpose of establishing this fund; provided that \$1,000,000 of this appropriation is deposited in the Hawaii Capital Loan Revolving Fund to assist with the purposes of the Financial Responsibility Guarantee Fund.

Your Committee finds these amendments are in the best interest of everyone in the State. By offering financial assistance for replacing underground storage tanks to small businesses engaged in the enterprise of selling petroleum, the State not only supports the furtherance of small business, it protects the precious environment of the State without imposing any new tax burdens on the people.

The Department of Health offered testimony which expressed concern over the implications of State liability in the instance of petroleum spills and necessary cleanup and requested that the Legislative Auditor conduct a one year actuarial analysis on the proposed Financial Responsibility Guarantee Fund. Upon consideration of this suggestion, your Committee has decided not to authorize the actuarial analysis for the following reasons:

- (1) The existing law on regulating underground storage tanks has been in the Hawaii Revised Statutes for three years and to this date, no rules and regulations have been promulgated by the Department of Health;
- (2) Although the Environmental Protection Agency has stated that they are prepared to extend their financial responsibility program for an additional year but as of yet there is no definite commitment; and
- (3) In the past, the Department of Health has a history of reacting slowly in addressing the needs and concerns of the State.

Your Committee finds it is time for the State to act assertively before a detrimental occurrence such as a petroleum spill undermines the sanctity of the State's environment. By enacting this bill, the State will have a policy from which to work from. Furthermore, if the EPA fails to extend their present financial responsibility program, there will be a one year period in which small petroleum dealers of the State will be left uncovered.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2751, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2751, 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 Reed.

**SCRep. 2774      Education on H.B. No. 2299**

The purpose of this bill is to establish a statewide program to provide public school children grades K-6 with supervision during the hours they would normally be unattended after school.

Children from households headed by one parent or two working parents, or whose parents work in the program or are attending school or job training for career development would be eligible.

Program objectives are to (1) provide affordable after-school supervision in a stimulating and caring environment; (2) reinforce and expand learning experiences by providing a spectrum of activities; (3) improve physical development of children through supervised recreation, sports, and fitness activities; (4) maximize use of school facilities; and (5) enhance relationships between the home and the school relating to the needs of the children.

The bill also authorizes the employment of civil service exempt staff and criminal history checks through the Hawaii Criminal Justice Data Center and other sources, and makes an appropriation of \$17,479,000 for fiscal year 1990-1991 to the Department of Education to operate the program through the 1990 -1991 school year.

Your Committee feels that this program will help the State determine the feasibility of implementing permanent state-subsidized after-school care. It is the intent of your Committee that if this program, which your Committee considers a pilot program for fiscal year 1990-1991, proves to be cost-efficient and effective, every effort will be made to make it permanent.

After thorough consideration of the issues relating to state-supported childcare, eligibility criteria, and other aspects which will ultimately contribute to the success or failure of this program, your Committee has amended this bill as follows:

- (1) Characterized it as a pilot program;
- (2) Clarified that the pilot program is voluntary and not part of the compulsory education services provided by the State. Rather, the pilot program is supplemental to the regular school program and until it is evaluated and expanded it may limit its eligibility and be budgeted separately from regular educational programs;
- (3) Changed the appropriation to \$15,668,860 to be expended in fiscal year 1990-1991 by the Department of Education solely and only to implement the pilot A+ pilot program;
- (4) Specified that participating students shall be recommended by the school on the basis of educational need, provided there is space available within the prescribed staff ratio and available resources;
- (5) Provided that if the pilot program or space is not available at a child's school, the child may enroll in a program at a different site, but the parent or parents must arrange and pay for transportation;
- (6) Specified that the pilot program shall operate from September 1, 1990 through the last school day of the 1990-1991 school year, on each regular school day from the close of regular hours until 5:30 p.m., or at other times determined by the individual school. The pilot program will not operate during vacations, holidays, or other regular non-school days or half-days;
- (7) Provided for a late pick-up assessment fee of \$5 for every fifteen minutes the child is picked up late;
- (8) Provided for exclusion for failure to pay the monthly fee, chronic late pick-ups, or disruptive conduct;
- (9) Allowed each school the option to administer the pilot program or to subcontract with a private provider that charges A+ fees. A private provider will be reimbursed by the Department, and the school shall provide appropriate facilities at no cost. A private provider shall also be authorized to offer before-school, vacation care, transportation, or other extra services at an additional fee;
- (10) Provided that students who qualify for the school free or reduced price lunch program shall be exempt from A+ fees, while others will pay a non-refundable fee of \$25 per month in advance. The Board of Education may adjust the fees on a flat rate or sliding fee basis following a chapter 91 public hearing;
- (11) Empowered the A+ pilot program to make use of other Department and state programs, including the Department's after-school instructional program (ASIP); and
- (12) Provided for a Department evaluation of the pilot program to assess student growth and development, both academic and personal; functioning of the regular school program; and morale, workload, and effectiveness of the school staff. The Department shall also report on enrollment and costs as well as concerns and problems, both current and anticipated. The evaluation shall be submitted to the 1991 legislature.

Your Committee notes that all of this material is set forth as session laws and are intended to give the pilot program shape and direction while final decisions are made as to its future in the Department of Education as a regular, full-time program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2299, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2299, 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 Blair.

**SCRep. 2775      Education on H.B. No. 2301**

The purpose of this bill is to provide for the election of the Board of Education members through a system of primary and general elections while retaining the nonpartisan character of Board elections.

Your Committee finds that this measure will enable the public to make a well-informed, meaningful choice when electing candidates for the Board of Education. The primary election narrows the list of candidates running for office and gives the public more time to become familiar with the qualifications and viewpoints of the candidates.

Your Committee has amended this bill by rendering it identical to S.B. No. 3329, S.D. 1, which also provides for primary and general election of board members, but in a manner which your Committee finds to be more concise and accurate. Your Committee has not amended the intent or purpose of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2301, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2776      Transportation on H.B. No. 2950**

The purpose of this bill is to amend Act 320, Session Laws of Hawaii 1989, relating to commercial driver licensing (CDL) provisions.

Specifically, the bill does the following:

- (1) Changes the certificated fleet safety examiner to a third party examiner contracted with the State;
- (2) Exempts persons who have valid commercial motor vehicle driver's licenses issued by any state of the United States or a province of Canada that issues licenses in accordance with the minimum federal standards for the issuance of commercial motor vehicle licenses from the State's licensing requirements;
- (3) Exempts active duty military personnel and federal firefighters under certain conditions;
- (4) Establishes hearing and appeal provisions for revoking CDL's;
- (5) Provides penalties for driving without a CDL;
- (6) Allows a person holding a category (4), (5), (6), (7), (8), (9), or (10) license as of March 31, 1991 to continue to drive with that license until his or her next birthday;
- (7) Changes the effective date of Act 320 to April 1, 1991;
- (8) Provides that fees collected for licensing drivers shall be deposited into the State Highway Fund and that the State shall reimburse the counties for all costs for administering the CDL program; and
- (9) Provides an appropriation of \$800,000 for fiscal year 1990-1991 to the Department of Transportation to carry out the purposes of the bill.

Your Committee finds that this bill brings state law into conformance with federal requirements and is therefore in the public interest.

Your Committee has amended the bill by changing the reference to the State on page 2, line 18, to the county, and by making other technical, nonsubstantive amendments.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2950, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2950, 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 Ikeda and Menor.

**SCRep. 2777      Housing and Hawaiian Programs on H.B. No. 2229**

The purpose of this bill is to amend Act 303, Session Laws of Hawaii 1989, to provide supplemental appropriations to the Office of Hawaiian Affairs (OHA) for fiscal year 1990-1991.

Your Committee received testimony from the Office of Hawaiian Affairs requesting that the bill be amended to restore various cuts made by the House of Representatives to the OHA supplemental budget request.

Your Committee has reexamined the OHA supplemental budget request and the recommendation of the House Committee on Finance that OHA refrain from expansionary programs until it has addressed the concerns raised in the Legislative Auditor's report entitled "Management and Financial Audit of the Office of Hawaiian Affairs," Report No. 90-11, February 1990.

Your Committee is well aware that many changes in OHA's policies, budget and financial procedures, and management and operations are necessary in order for OHA to function more effectively and fulfill its mission of serving the Hawaiian community. At the same time, your Committee finds that OHA is making a serious effort to address the concerns raised in the Legislative Auditor's report. The audit report was meant to be a tool to assist OHA in accomplishing its important mission, and not simply a vehicle for criticizing OHA or hindering its operations. Your Committee finds that it is essential to fund certain portions of the OHA supplemental budget request for fiscal year 1990-1991, particularly in view of the Legislative Auditor's recommendation that "OHA should work on improving external communications to ensure that the public clearly understands its programs and has accurate and timely information."

Your Committee has amended the bill to:

- (1) Increase the sum appropriated under item 2 (Administrative Services) by \$3,604. This amount is necessary to provide on-site technical assistance to the neighboring islands in developing programs and preparing grant assistance applications.
- (2) Increase the sum appropriated under item 6 (Culture) by \$100,000. This amount would be used to provide grant-in-aid assistance to the World Council of Indigenous Peoples-Hawaii to help fund its local operations and assist in the organization of the second conference of the Pacific and Asia Council of Indigenous Peoples to be held in July 1990. Given the worldwide struggle of indigenous peoples to protect their heritage, preserve their rights, and improve their social conditions, your Committee believes that it is imperative for Hawaiians to participate in and learn from these activities. This participation would also further this State's goal of achieving a more significant international presence, particularly in the Asia-Pacific region. An appropriate proviso has been added to the bill as a new section 13a of Act 303.
- (3) Increase the sum appropriated under item 7 (Government and Community Affairs) by \$282,508. Most of this amount would be used to fund OHA's "Blueprint for Entitlements" program. This is an ongoing program and OHA has made a commitment to the Hawaiian people to prepare a revised draft and hold a second series of community hearings and meetings. This process should not be interrupted. The remainder of this amount would be used to support OHA's community liaison outreach efforts, particularly by adding two community liaisons for Oahu where about eighty percent of the Hawaiian people reside.
- (4) Increase the sum appropriated under item 8 (Land and Natural Resources) by \$100,181. Most of this amount would be used to provide funding support to the Native Hawaiian Legal Corporation. The Corporation's role as an independent advocate and legal representative for the Hawaiian people is fundamental and effective. The bulk of the funding support is needed to increase attorney salaries in line with other recent increases in attorney salaries in the public sector, thereby ensuring that qualified and experienced personnel are hired and retained. A proviso has been added to the bill as a new section 14a of Act 303 requiring that a mechanism be developed to distinguish native Hawaiians from other Hawaiians for purposes of services received from the Native Hawaiian Legal Corporation, so that funding is provided for these services from the proper source. The remainder of this amount would be used to support the work of the Historic Preservation Task Force which is mandated by House Concurrent Resolution No. 136, H.D. 1, Regular Session of 1989, to submit a final report to the Legislature before the 1991 regular session, and to support the participation of OHA's Environmental Impact Planner in community meetings, hearings, and negotiating sessions.
- (5) Increase the sum appropriated under item 10 (Education) by \$168,513. This amount would be used to fund OHA's Hawaiian Registry project (Operation Ohana). Identification of all Hawaiian beneficiaries is essential for OHA to fulfill its mission and for purposes of accessing federal benefits and entitlements.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2229, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2229, 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 Reed.

**SCRep. 2778      Housing and Hawaiian Programs on H.B. No. 2896**

The purpose of this bill is to clarify the basis for determining the revenue due to the Office of Hawaiian Affairs (OHA) for the betterment of the conditions of native Hawaiians under the provisions of the State Constitution and chapter 10, Hawaii Revised Statutes.

More specifically, the bill would:

- (1) Clarify which lands comprise the public land trust for native Hawaiians under chapter 10, Hawaii Revised Statutes;
- (2) Clarify what constitutes revenue derived from the public land trust which in turn forms the basis for determining the pro rata share of OHA;



- (3) Provide a process to determine the actual amounts payable to OHA under the clarified standards;
- (4) Provide a process for payment of sums to OHA consistent with restrictions and limitations under existing federal and state laws, rules, and regulations, and bond and contractual obligations;
- (5) Require the Department of Budget and Finance and OHA to determine the actual amount equivalent to twenty percent of the revenue derived from the public land trust;
- (6) Require the Department of Land and Natural Resources, the Office of State Planning, and OHA to identify parcels of public land which may be conveyed to OHA;
- (7) Appropriate \$7,200,000 for fiscal year 1990-1991 as the initial installment of moneys owed to OHA; and
- (8) Appropriate \$500,000 for land surveys, public information meetings, transportation costs, and to otherwise carry out the purposes of the bill.

Your Committee received supporting testimony from the Office of the Governor, the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation, Alu Like, and several native Hawaiians and other interested citizens. Your Committee received opposing testimony from Ka Lahui Hawaii, Ka Pakaukau, the Friends of Kaneohe Bay, and several native Hawaiians and other interested citizens.

Your Committee finds that this bill is an important first step in addressing the concerns and needs of native Hawaiians and Hawaiians. With the confusion cleared up over what constitutes the public land trust and revenue derived therefrom, OHA will be in a position to significantly increase its efforts on behalf of native Hawaiians. Your Committee notes that the proposed settlement is on behalf of native Hawaiians only and leaves open for future negotiations the question of entitlements for Hawaiians with less than fifty percent Hawaiian blood and the question of establishing a separate trust fund to benefit all Hawaiians regardless of blood quantum. Your Committee also notes that this bill in no way replaces, affects, or impairs claims of native Hawaiians and Hawaiians to reparations from the federal government, including claims relating to lands now under federal control in Hawaii.

Your Committee has amended the bill to:

- (1) Add language requiring that all data relating to lands comprising the public land trust and the revenue derived therefrom be subject to review by an independent auditor selected by the Office of Hawaiian Affairs; and
- (2) Add a new Section 9 requiring the Office of State Planning to develop and assist in the implementation of appropriately revised policies, practices, and procedures to ensure that the Office of Hawaiian Affairs is given an active role in monitoring activities of other agencies with regard to the utilization and disposition of lands comprising the public land trust, ensure that a fair market value is set for any utilization or disposition of these lands, including land exchanges between agencies, and ensure that the Office of Hawaiian Affairs receives its revenue entitlements promptly.

Your Committee has also made several grammatical and technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2896, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2896, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Reed.

**SCRep. 2779      Housing and Hawaiian Programs on H.B. No. 3104**

The purpose of this bill is to require the Housing Finance and Development Corporation to conduct a feasibility study on the establishment of a leasehold program under which State-owned lands would be used or made available for the development of housing on a leasehold basis, with the State retaining ownership of the fee interest in the lands. The bill would appropriate \$50,000 for fiscal year 1990-1991 for the Housing Finance and Development Corporation to carry out the study.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the City and County of Honolulu, the Affordable Housing Alliance, and one interested citizen. Your Committee received opposing testimony from one citizen.

Your Committee finds that a study of the use of State-owned lands for the development of housing on a leasehold basis is appropriate, since this strategy could potentially reduce the initial purchase price to be paid by prospective homeowners. At the same time, your Committee is not convinced that establishment of a state leasehold housing program, without pre-determined conversion rights, is a good idea, given the trauma that is now being felt by the owners of single-family homes and condominiums on leasehold lands. It is a human dream, not just an American dream, to own one's own home and the land upon which it stands.

Your Committee has amended the bill to expand the scope of the study. Your Committee has also amended the bill to increase the amount to be appropriated to \$150,000 as a result of the increased scope of the study. Your Committee has also made numerous grammatical and technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3104, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Reed.

**SCRep. 2780 (Joint/Majority) Legislative Management and Judiciary on H.B. No. 2737**

The purpose of this bill is to establish copyright and liability laws for the ACCESS/legislative information services.

Specifically, the bill creates a new chapter within the Hawaii Revised Statutes to limit the liability of the Legislature in providing legislative information and services through the Hawaii Area-Wide Information Network (HAWIAN).

Furthermore, the bill specifies that the Legislature is the sole and exclusive owner of rights, titles, and interests in and to its databases.

Your Committees have amended the bill by making technical, nonsubstantive amendments for the purpose of clarity.

Your Committees on Legislative Management and Judiciary are in accord with the intent and purpose of H.B. No. 2737, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2737, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Reed.  
Senator Blair did not concur.

**SCRep. 2781 (Majority) Health on H.B. No. 2044**

The purpose of this bill is to establish a sterile needle and syringe exchange program as a pilot program within the Department of Health.

This program is designed to reduce the transmission of human immunodeficiency virus (HIV) infections and other blood borne diseases among intravenous drug users (IVDUs) and thereafter to their partners and the general population, by reducing needle sharing among IVDUs, and recruiting IVDUs into treatment and rehabilitation.

Your Committee received testimony in support of this bill from numerous public health and social service organizations. There is a growing consensus that well-designed needle and syringe exchange programs are effective. Data from programs elsewhere in the United States and the world have shown a decrease in the sharing of needles and the frequency of injections, and a greater awareness of needle hygiene. The data also shows an increase in the number of requests for drug treatment and acquired immune deficiency syndrome (AIDS) and HIV counseling and testing, and no increase in overall or first-time drug use.

Your Committee also received strong testimony in opposition to the measure from law enforcement agencies with concerns that a needle exchange program "sends the wrong message" to the public and hinders enforcement of the drug paraphernalia law. It is not the intent of your Committee to support or condone any criminal activity, instead, it is your Committee's intent to save lives whenever possible. Your Committee agrees with the position of law enforcement agencies that the best means for addressing the infectious disease problem is through proper treatment and education programs. Your Committee recognizes, however, that hard core intravenous drug users, who comprise the target group for this pilot program, are the most difficult to reach through education programs. Therefore, while your Committee is highly supportive of the efforts of Hawaii's law enforcement agencies in the war against drugs, your Committee cannot deny implementation of this program when in many cases, it is the only avenue available to reach hard core intravenous drug users. The exchange program allows the department of health to come in direct contact with drug users to provide the counseling, testing, and educational services espoused by law enforcement agencies.

Your Committee has amended this bill by: (1) deleting the reference to the target group for this program; (2) providing that a program participant may exchange needles and syringes at any department of health approved exchange site; (3) requiring the Department of Health to provide drug abuse treatment, counseling, and education services to all participants; (4) making the program available only to participants who accept the drug abuse treatment services; (5) deleting specific evaluative measures and establishing an oversight committee to develop evaluative criteria to measure the program's impact and provide the evaluation of the pilot program; (6) terminating the pilot program on June 30, 1992; and (7) making certain technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2044, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2044, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 2782 Health on H.B. No. 2277**

The purpose of this bill is to appropriate funds to provide a continuum of substance abuse services, including information, education, counseling, intervention, treatment, and rehabilitation.

Your Committee finds that every effort must be made to combat substance abuse in Hawaii's diverse communities, beginning with prevention, education, and aggressive outreach efforts for our young people and other identified high risk

populations. Compassionate, flexible, comprehensive, and cost-effective programs must also be provided for the continuum of care programs for those who require acute detoxification and residential care.

The costs of substance abuse are staggering. More than \$200 billion is lost in the United States each year to the economic and social drain that substance abuse perpetuates. Crime, unemployment, lost productivity, chronic illness, abusive family relationships, and death are all direct consequences of drug and alcohol abuse by addicts and alcoholics.

Even more destructive and irreversible are the consequences of substance abuse that victimize families. Drug and alcohol abuse are an intergenerational phenomena--abusers pass on to their children not only the emotional, social, and financial havoc that drug and alcohol habits create, but also pass a greater risk of developing addictions themselves.

The prognosis need not remain bleak, and efforts should not falter in the face of adversity. Your Committee is committed to supporting those programs and activities that will make a difference in society's battle against drug and alcohol abuse and addiction. The methodology of this measure that addresses the broad spectrum of services and programs is a very positive step in the right direction.

Your Committee has amended the bill by appropriating funds for methadone treatment slots, drug treatment services for the mentally ill and the homeless, as well as enhanced services and facilities to supplement existing ongoing efforts. These latter funds might be used by the Department of Health (DOH) to increase funding for programs such as the Young Men's Christian Association or the Salvation Army, but that decision would be left to the DOH. The Committee also amended the bill by requiring the Director of Health to: (1) expand drug treatment services as needed to accommodate any drug abusers requesting treatment; (2) notify the Legislature if treatment is unavailable due to a lack of resources, and provide an estimate of additional resources needed before the next legislative session; and (3) make technical changes that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2277, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2277, 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 Blair and Reed.

**SCRep. 2783      Health on H.B. No. 2280**

The purpose of this bill is to promote the optimal health of pregnant women and their infants at birth.

This would be accomplished by facilitating access to perinatal care and providing incentives for pregnant women to use prenatal care and seek comprehensive perinatal services.

Specific features of the bill include:

- (1) Creation of a hotline in the Department of Health to act as a referral and resource for pregnant women and women of child-bearing age relating to the importance of prenatal care and access to perinatal services;
- (2) An appropriation of \$75,000 to the Department of Health for the hotline;
- (3) Creation of a three-year demonstration project in the Department of Health to provide incentives for pregnant women to seek prenatal care early in pregnancy, including maternal and infant supplies at little or no cost;
- (4) An appropriation of \$75,000 to the Department of Health for the maternal care incentives project;
- (5) Creation of a three-year demonstration project to provide comprehensive perinatal services in at least one site in the State and reimbursement for comprehensive services for low income or high-risk pregnancies, including nutrition education, health education, psychosocial services, and provision of perinatal vitamins and minerals;
- (6) An appropriation of \$350,000 for the neighbor island comprehensive perinatal project;
- (7) Creation of a three-year demonstration project in the Department of Human Services to provide flat rate Medicaid reimbursements to physicians and certified nurse-midwives for perinatal care per vaginal birth or caesarean section at the prevailing rate, and to encourage such practitioners to accept and promote early pregnancy care for Medicaid patients. This project would run from July 1, 1990 to June 30, 1993, with annual reports and a final report to the legislature;
- (8) An appropriation of \$1,250,000 to the Department of Human Services for the medicaid patient delivery supplement project;
- (9) Provision that all women receiving medicaid assistance are automatically considered eligible for the Women, Infants, and Children (WIC) program as well as family members of eligible pregnant women or infants; and
- (10) An appropriation of \$50,000 to expand eligibility under WIC.

Your Committee received supporting testimony from the Director of Health, the Director of Human Services, and others, and finds that this bill will greatly assist the State in improving its perinatal care services and access. The programs and appropriations contained herein are all responsive to the unquestionable need of many of Hawaii's people for preventative perinatal services which are currently inaccessible for a variety of reasons including prohibitive cost and unavailability.

Your Committee has amended this bill to clarify its focus on perinatal services, which your Committee finds to be those services that are needed or provided from conception through the first year of life. Your Committee has also made several other adjustments which render the bill similar to S.B. No. 2907, S.D. 2. Substantive amendments of this nature include:

- (1) Deletion of the reference to "medical providers" on page 3, line 5 and interpolation of "physicians and certified nurse-midwives;"
- (2) Inclusion of breast feeding women among those targeted for supplemental WIC aid;
- (3) Changing the "Hotline" to the "Perinatal Care Hotline;"
- (4) Changing the "Maternal Care Incentives Project" to the "Maternal Care Incentives Demonstration Project" and providing for a coupon book for obtaining the low cost or free maternal and infant supplies;
- (5) Naming the three-year demonstration project for provision of perinatal care the "Comprehensive Perinatal Care in Needy Areas Demonstration Project," requiring at least three such programs, and increasing the appropriation from \$350,000 to \$450,000; and
- (6) Increasing the WIC appropriation from \$50,000 to \$650,000;
- (7) Amendments to sections 324-1 and 324-2, Hawaii Revised Statutes, to ensure that the work of the perinatal program continues without interruption and that program data confidentiality continues to be protected. These amendments also support other maternal and child health epidemiologist activities to improve perinatal outcomes; and
- (8) Adding an appropriation of \$85,000 for community health clinics serving urban populations.

Your Committee has also made some minor technical amendments that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2280, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2280, 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 Blair and Reed.

**SCRep. 2784      Health on H.B. No. 2602**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds and the refunding of special purpose revenue bonds by the Department of Budget and Finance, to be used for the financing or refinancing of St. Francis Medical Center and St. Francis Medical Center-West.

The issuance of tax-exempt, low-interest special purpose revenue bonds has proven to be a popular method of financing health care facilities as it provides significant cost savings which have benefitted providers, consumers, and third-party payers of health care.

Testimony in support of this bill was received from St. Francis Medical Center and Loretta Schuler.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2602 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. 2785      Health on H.B. No. 2645**

The purpose of this bill is to appropriate funds to educate families of the mentally ill.

This measure seeks to assure that family members of mentally ill persons will have adequate educational resources and training opportunities to better understand mental illness, its treatment, and rehabilitation, and to develop skills in interacting with a mentally ill family member. The Adult Mental Health Division of the Department of Health has identified family education as a pertinent and important component in its spectrum of services for mentally ill persons. In addition, studies have shown that educational programs for families reduce the incidence of relapse and hospitalization of their mentally ill relative.

Testimony in support of this bill was received from the Department of Health, Hawaii State Alliance for the Mentally Ill, and the Oahu Alliance for the Mentally Ill, Inc.

Your Committee has amended this bill by increasing the appropriation from \$50,000 to \$68,880, and specifying that the Department of Health use the symptom and medication management module developed by Dr. Lieberman in its education program.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2645, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2645, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2786      Health on H.B. No. 2649**

The purpose of this bill is to establish a community-based teenage health clinic pilot project to improve health care for problem teenagers.

Specifically, the bill establishes two community-based teenage health clinics on the island of Oahu to improve health care to teenagers, particularly those categorized as follows:

- (1) "High risk": teenagers who are frequently involved in dangerous, anti-social, and criminal behavior, who have been arrested several times;
- (2) "At risk": teenagers who are vulnerable to the temptation of engaging in criminal or antisocial behavior, or who are not prepared with the experience, skill, knowledge, and family support to make a positive transition into adulthood;
- (3) "Runaway": teenagers who have left their parents or other caretakers without permission;
- (4) "Throwaway": teenagers who are forced out of their homes or ignored by their families and who find their way to the streets; and
- (5) "Homeless": Teenagers who are runaways, throwaways, or who have been abducted by either a family member or by a person who is not part of the teenager's family.

Furthermore, the bill also establishes an outreach program for homeless persons under twenty-one years of age at the community-based teenage health clinics.

Your Committee finds that a pilot project might enhance health care activities for problem teenagers, thereby increasing the general health and well being of the State. However, your Committee believes the scope of this bill is too broad.

Your Committee has amended the bill by:

- (1) Deleting all references to "at risk" teenagers;
- (2) Providing for only one clinic on Oahu;
- (3) Amending Section 2 by adding the definitions for "high risk," "homeless," "runaway," and "throwaway";
- (4) Including the University of Hawaii School of Medicine in the project, and by deleting the list of health services to be provided;
- (5) Amending the age limitations to receive medical attention or parental consent; deleting the granting of immunity from malpractice to doctors providing treatment to teenagers; and requiring the clinic to make reasonable efforts to contact and inform the parents or guardians of the medical care provided to their teenager;
- (6) Requiring the Director of Health, with the assistance of the Director of Human Services, to adopt a sliding fee schedule based on Federal Title X guidelines;
- (7) Deleting Sections 6, 7, and 8, and subsequently renumbering the remaining sections;
- (8) Giving the outreach project more flexibility in its program management; and
- (9) Making certain technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee finds these amendments would provide health services to homeless teenagers without unduly interfering in the family.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2649, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2649, 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 Blair, Menor and Reed.

**SCRep. 2787      Health on H.B. No. 2830**

The purpose of this bill is to standardize the requirements and procedures for substance abuse tests conducted throughout the State, to protect the privacy rights of persons tested, and to achieve reliable and accurate test results.

Your Committee finds that the pervasiveness of drug abuse in our society has led some employers to require their employees to be drug free. Drug testing ensures, especially in occupations that provide essential services to the community, that the public's safety and right to efficient and timely service will not be jeopardized. Inasmuch as the employer's and public's concerns are addressed by drug testing, the privacy rights of the person tested may also be jeopardized if adequate precautions are not exercised by the testing facility. Additionally, without uniform testing procedures, test results may vary to the detriment of the person tested.

This bill provides a uniform standard of testing to assure the reliability and accuracy of test results, and protects the privacy of persons tested.

Testimony in support of this bill was received from the Department of Health, American Civil Liberties Union, the City and County of Honolulu Department of Civil Defense, Kapiolani Medical Center for Women and Children, and International Business Machines Corporation (IBM).

Your Committee has amended this bill by:

- (1) Excluding breath tests for alcohol from the definition of "substance abuse test";
- (2) Changing all references to "detection" levels or "therapeutic" levels to "cut-off" levels;
- (2) Clarifying that the Department of Health and any laboratory certifying agency approved by the Director of Health are allowed to check licensed laboratories for compliance with licensure and certification requirements;
- (3) Clarifying that this chapter does not preclude the administration of breath tests to determine the alcohol content of a person's blood;
- (4) Prohibiting the Department of Health from licensing out-of-state laboratories conducting substance abuse testing;
- (5) Authorizing the Director of Health to adopt rules governing the qualifications of laboratory personnel and establishing fees for the licensing of laboratories;
- (6) Providing that confirmatory tests for drugs shall utilize a gas chromatograph with a mass spectrometer detector or other method of greater reliability than the initial screening;
- (7) Including a provision for a medical review officer whose duty will be to provide a final review of all information regarding a person's substance abuse status, since a laboratory is not capable of rendering this determination;
- (8) Requiring a laboratory to test only for those substances specified in the medical review officer's written request;
- (9) Providing for the establishment of procedures to ensure confidentiality of test results and security of samples;
- (10) Requiring the laboratory to retain records of drug abuse tests for two years unless otherwise instructed;
- (11) Requiring the medical review officer to submit an interpretation of the substance abuse status of the person tested to the requesting third party;
- (12) Providing that the medication disclosure form shall not be revealed to anyone; and
- (13) Making several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee believes that the bill, as amended, will ensure uniform and high quality standards in substance abuse testing and protect the privacy rights of persons tested.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2830, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2830, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Blair and Reed.

**SCRep. 2788      Health on H.B. No. 2899**

The purpose of this bill is to clarify that the Department of Health is authorized to establish and administer special funds to maximize the use of federal Title XIX funds collected for Medicaid community programs servicing the developmentally disabled.

Your Committee finds that maximization of federal Medicaid funds for Hawaii is one avenue toward expanding badly needed community-based services for persons with developmental disabilities. Further, although the Department of Health was empowered by Act 341, Session Laws of Hawaii 1987, to establish and administer special funds to service the developmentally disabled, the Department has encountered some difficulties in establishing a special fund account because the authority granted in Act 341 was not drafted as a statutory amendment. This bill will give the Department of Health statutory authority to establish a special fund account and expedite implementation of the Department's community-based programs.

The Department of Health, the Commission on Persons with Disabilities and the State Planning Council on Developmental Disabilities testified in support of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2899 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. 2789      Health on H.B. No. 1651**

The purpose of this bill is to amend section 551D-1, Hawaii Revised Statutes (HRS), to establish a durable power of attorney for making health care decisions.

Currently, chapter 551D, HRS, authorizes the use of durable powers of attorney and specifically authorizes the nomination of guardians for the consideration of the court. Powers of attorney for financial and other non-health care related matters have been recognized for many years. This bill will allow an individual to designate an agent to make health care decisions after he or she becomes incapacitated.

Your Committee received testimony in support of this measure from the Department of Health, Executive Office on Aging, Hawaii Medical Association, Legal Aid Society of Hawaii, Life Foundation, American Civil Liberties Union, private attorney Allan Gifford, and several other private citizens.

Your Committee finds that a durable power of attorney for health care decisions will assist in timely and appropriate decisions consistent with the patient's desires. Your Committee believes that this bill will afford individuals more control over their health care decisions and provide a practical and less restrictive alternative to legal guardianship.

Your Committee has amended this bill by removing the amendment from the definition clause and adding a new section to chapter 551D, Hawaii Revised Statutes, as follows: "A durable power of attorney may be used to authorize an agent to make any lawful health care decision that could have been made by a competent principal at the time of election." In addition, your Committee made a technical, nonsubstantive amendment for the purpose of style and clarity.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1651, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1651, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 2790      Health on H.B. No. 2985**

The purpose of this bill is to appropriate funds for the lease or acquisition, or plans, design, and construction of a multipurpose center for the Leeward Oahu Community Mental Health Center and a similar facility for the Lanakila Mental Health Center.

The appropriations provided in this bill are funds originally appropriated in Act 78, Session Laws of Hawaii 1989. These funds were not expended due to legal constraints engendered by the language in Act 78. This bill gives the Department of Health the necessary flexibility to develop facilities to assist persons with mental illness in Leeward Oahu and the Kalihi-Palama area.

Testimony in support of this bill was received from the Commission on Persons with Disabilities and the Hawaii Mental Health Consumer Council.

Your Committee has amended this bill by: (1) authorizing the Department of Health to expend funds to acquire equipment and furnishings for the Centers; and (2) correcting a technical error on page 1, line 17 by changing "agency" to "department."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2985, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2985, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2791      Health on H.B. No. 3435**

The purpose of this bill is to allow advanced nurse practitioners and certified nurse midwives to prescribe medication under certain circumstances.

Your Committee received strong testimony both in support of and opposition to this bill. Those supporting the bill noted that twenty-eight states, with an additional five states in progress, allow nurses prescriptive authority in specific circumstances. They also testified that there is a great need for nurses to be able to respond to the primary health care needs of rural populations, the medically indigent, and the chronically ill. In addition, testimony indicated that this bill would simply legitimize and codify a common practice of physicians delegating prescription responsibilities to qualified nurses.

Testimony in opposition to this bill indicated a strong concern about issues which expand the scope of practice of any licensed professional through the legislative process. Concerns were raised regarding the liability of the State and others, training and experience criteria for advanced registered nurses, the capability of the State to provide the required training, patient safety, evaluation criteria and procedures, impact of the bill on statutes defining the dispensing and administration of drugs, and the lack of long-range, careful planning for a program of such monumental impact.

Your Committee recognizes the need to address the health concerns of certain populations and the role that advanced nurse practitioners play in this effort. At the same time, your Committee also recognizes the concerns raised, and believes that a balance must be found to properly address these important issues. Therefore, your Committee has amended this bill by deleting its substance and inserting new language to establish two committees as follows:

- (1) A Prescriptive Privilege Committee which will work with the Director of Health on policy and make recommendations to the Legislature concerning prescriptive privileges for Advanced Registered Nurse Practitioners (ARNPs) and Certified Nurse Midwives (CNMs.) The Committee will be a temporary committee and will consist of members representing all perspectives on this issue; and

- (2) A Formulary Committee which will develop the formulary by specialty for ARNPs and CNMs and revise it on a periodic basis if prescriptive privileges are granted.

Both Committees will be under the jurisdiction of the Department of Health and will report to the legislature on their progress and recommendations.

Your Committee intends for these committees to address the legitimate concerns raised during the hearing on this measure.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3435, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3435, H.D. 2, S.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 2792 (Joint) Human Services and Health on H.B. No. 2282**

The purpose of this bill is to fund a comprehensive approach to caregiving in Hawaii, including comprehensive respite care complete with support services, training, and recruitment; resource and referral; and assessment of the needs of caregivers.

Specifically, the bill does the following:

- (1) Establishes a health task force to advise the Department of Health (DOH) on respite care, including policies and allocation and expenditure of appropriated funds;
- (2) Appropriates \$1 million for fiscal year 1990-1991 to be expended by the DOH for support services and training of families and caregivers who provide home care to persons with developmental disabilities and mental illness, and to establish respite care services for families caring at home for infants or toddlers with developmental delay; seriously mentally ill adults; seriously emotionally disturbed children; seriously or terminally ill children; or developmentally disabled adults or children;
- (3) Appropriates \$650,000 for fiscal year 1990-1991 to be expended by the Executive Office on Aging for expansion of respite care services, establishment of a statewide caregiver training program, and design and implementation of a pre-retirement and caregiver demonstration program;
- (4) Appropriates \$75,000 for fiscal year 1990-1991 to be expended by the Department of Human Services for the establishment and development of respite care services for child foster care providers throughout the State, and the hiring of staff to recruit respite care providers;
- (5) Appropriates \$100,000 for fiscal year 1990-1991 to be expended by the DOH for an assessment of at-home family caregiving focusing on the kinds and numbers of disabled or ill persons being cared for at home, the approximate annual costs of at-home family care, the usual methods of financing at-home care, and the recommended role for the State in assisting at-home caregivers. The Commission on Persons with Disabilities will conduct the assessment and submit a report to the 1991 legislature;
- (6) Appropriates \$250,000 for fiscal year 1990-1991 to be expended by the Executive Office on Aging for expansion of the Crisis Intervention Services For The Elderly program to include in-home emergency care services for disabled or ill persons of all ages requiring long-term care;
- (7) Appropriates \$176,112 for fiscal year 1990-1991 to be expended by the Department of Human Services for expansion of the Senior Companion and Respite Companion programs; and
- (8) Appropriates \$75,000 for fiscal year 1990-1991 to be expended by the Department of Human Services for services and training, and establishment of respite care services to families providing care to a family member who is a disabled adult or child.

Your Committees find that our population is living longer and that conventional models of health care must be modified to address the needs of increasing numbers of older residents. Home care has long been a tradition in Hawaii, but today more and more families are faced with the responsibility of caring for the physical health needs of one or even more older persons. These home care givers need and deserve respite from their arduous and selfless duties, and your Committees believe it is the duty of the State to provide that relief. The appropriations contained in this measure will begin showing beneficial results almost immediately as more and more persons find that there are people willing and able to give home care as an alternative to expensive hospitalization.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 2282, H.D. 2 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 Aki, Blair, Koki and Reed.

**SCRep. 2793 Culture, Arts and Historic Preservation on H.B. No. 2273**

The purpose of this bill is to appropriate funds to support the creation of a weekly international news program called "Pacific Report" by Hawaii Public Television focusing on issues and events in the Pacific region.



Specifically, the bill provides a direct appropriation of \$500,000 to the Hawaii Public Television's revolving fund for the implementation of this project, and \$1 for purposes of continued discussion, to be matched dollar-for-dollar with monies raised through a special fund-raising effort by the Hawaii Public Broadcasting Authority.

Testimony in support of this measure was received from the Hawaii Public Broadcasting Authority, University of Hawaii Department of American Studies, American Federation of Television and Radio Artists, and the Screen Actors Guild.

Your Committee believes that Hawaii has the potential to establish itself as a communications leader in the Pacific region and that there is a growing need for coverage of Asia-Pacific events. The development of this program will be a positive step in bringing Hawaii into the global arena of news and business, providing jobs for Hawaii's people, promoting international business in Hawaii, and increasing local awareness and involvement in Pacific affairs.

Your Committee has amended the bill to appropriate \$500,000 as the appropriation which must be matched on a dollar-for-dollar basis through a special fund-raising effort by the Hawaii Public Broadcasting Authority.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 2273, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2273, 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 Reed.

**SCRep. 2794      Culture, Arts and Historic Preservation on H.B. No. 3174**

The purpose of this bill is to appropriate funds to establish a steering committee to prepare and submit a report for the implementation of a formal capitol tour and information service program by 1994.

The report will provide the proposed scope for a permanent, year-round Capitol tour and information service program, to include the surrounding areas of the Capitol district. This bill also provides the committee with staff support from the Governor's Office of Information to assist in preparing the report.

Your Committee finds that the State Capitol and the surrounding district are unique historical and cultural resources that should be made available for enjoyment by residents and visitors alike. The development of a Capitol tour and information service will provide citizens with an excellent opportunity to learn about an important part of Hawaii's rich heritage. In addition, your Committee further finds that the temporary closing of the Capitol presents a timely opportunity to formulate plans and devise an operational scheme to implement a first-class tour and information service.

Testimony in support of this bill was received from the Governor's Office of Information and the Bishop Museum.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 3174, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2795      Culture, Arts and Historic Preservation on H.B. No. 3296**

The purpose of this bill is to enhance current procedures relating to the proper care and protection of burial sites and the enforcement thereof.

In 1989, the Department of Land and Natural Resources (Department), in consultation with Governor John Waihee, established island burial councils for Kauai/Niihau, Oahu, Molokai, Maui/Lanai, and Hawaii. These councils, operating on an ad hoc basis, have proven to be successful vehicles for effective communication between the department and the community regarding the protection, treatment, and management of native Hawaiian burial sites. The language of this bill is the product of extensive meetings between the Department, the various island councils, and other interested persons.

Specifically, this bill accomplishes the following:

- (1) Creates five island burial councils within the Department to determine, inter alia, whether preservation in place or relocation of previously identified Hawaiian burial sites is warranted;
- (2) Revises the process for handling the inadvertent discovery of burial sites to include island burial council input;
- (3) Increases the penalty for violation of Chapter 6E, Hawaii Revised Statutes;
- (4) Prohibits the sale of human skeletal remains or burial goods;
- (5) Requires a permit from the Department for the out-of-state transport of human skeletal remains or burial goods;
- (6) Provides a process by which island burial council determinations may be appealed to a panel consisting of three members of the Board of Land and Natural Resources and three island burial council chairpersons; and
- (7) Provides protection to all unmarked burial sites by requiring, in the event that a burial site is found to be other than Hawaiian, that the Department decide the proper treatment thereof in consultation with appropriate ethnic organizations and the affected property owner.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Hawaii Island Burial Council, Native Hawaiian Legal Corporation, Land Use Research Foundation of Hawaii, Bishop Museum, Hui Malama I Na Kupuna O Hawai'i Nei, and Hawaii Resort Developers Conference.

Your Committee has amended this bill by adopting the recommendations of the Department of Land and Natural Resources and the Bishop Museum to: (1) exempt the island burial councils from section 92-3, Hawaii Revised Statutes, regarding open meetings; and (2) clarify that it is unlawful to remove any remains except those fabricated into artifacts prehistorically; and (3) make several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 3296, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3296, 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 Reed.

**SCRep. 2796      Culture, Arts and Historic Preservation on H.B. No. 3349**

The purpose of this bill is to amend Section 172 of Act 316, Session Laws of Hawaii 1989, relating to appropriations for the Honolulu Symphony Trust.

Specifically, the bill designates the effective dates of release of the 1989-1990 and 1990-1991 fiscal year appropriations to the State of Hawaii endowment fund for the Honolulu Symphony Trust, and requires the Honolulu Symphony to generate matching funds by June 30, 1991 through a special fund-raising effort, separate from its annual fund-raising drive.

Testimony in support of this bill was received from the State Foundation on Culture and the Arts and the Honolulu Symphony.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 3349, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2797      Business Development and Pacific Relations on H.B. No. 1807**

The purpose of this bill is to appropriate funds and amend the laws relating to the Hawaii Information Network Corporation (HAWAII INC).

Specifically, the bill does the following:

- (1) Enables HAWAII INC to secure benefits for its employees by giving these employees the status of state employees exempt from chapters 77 and 78, Hawaii Revised Statutes (HRS);
- (2) Allows employees of HAWAII INC to also receive benefits conferred by collective bargaining agreements; and
- (3) Makes technical statutory changes to chapter 206P, HRS, the Hawaii Telecommunications and Information Industries Act.

Your Committee finds that HAWAII INC currently has five authorized positions. Rather than establishing a separate benefit package for these employees, it is more cost-efficient to have these employees receive benefits as part of the state employees benefit plan.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of H.B. No. 1807, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2798      Business Development and Pacific Relations on H.B. No. 2287**

The purpose of this bill is to promote economic development and diversification by appropriating funds to define the requirements and provide start-up funds for the development of a financial mall in Honolulu.

Specifically, the bill would assist in the establishment of a financial services industry in Hawaii to provide a diversification of our economic base, bring additional capital into the State, and create new areas of employment and business for Hawaii telecommunication providers.

Your Committee finds the Legislature has previously indicated its desire to attract financial service providers by its passage of Act 295, Session Laws of Hawaii (SLH) 1988, and Act 118, SLH 1989, which provided a general excise tax exemption for certain activities of a securities exchange. This bill reinforces the efforts of the State to attract the financial services industry to Hawaii.

Your Committee has amended the bill by deleting the specific appropriated amounts and by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of H.B. No. 2287, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2287, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2799 Business Development and Pacific Relations on H.B. No. 2288**

The purpose of this bill is to create and sustain a viable software industry in Hawaii through the establishment of the Hawaii Software Service Center.

Specifically, the bill does the following:

- (1) Adds a new section to chapter 103, Hawaii Revised Statutes (HRS), to require that any expenditures of public funds made for software development, shall give preference to Hawaii software development businesses;
- (2) Amends chapter 206M, HRS, by designating sections 206M-1 through 206M-20 as part I and entitling it "PART I. HIGH TECHNOLOGY DEVELOPMENT CORPORATION", and adding a new part to chapter 206M, HRS, that establishes the Hawaii Software Service Center to assist in the development of software development industries in the State;
- (3) Appropriates \$233,000 for the establishment of the Hawaii Software Center; and
- (4) Appropriates \$1,000,000 for the Discoveries and Inventions Revolving Fund to support software development programs of the University of Hawaii.

Your Committee received supporting testimony from the University of Hawaii, the Department of Budget and Finance, and the High Technology Development Corporation.

Your Committee finds the establishment of a Hawaii Software Service Center is critical in establishing a viable software development industry within the State. Such a center would provide equipment and information necessary to develop state of the art software.

Upon careful deliberation, your Committee has amended the bill by:

- (1) Adding a new section 2, providing that the Department of Budget and Finance may copyright all software developed for public use from the expenditure of public funds;
- (2) Adding a new section 3, which allows the High Technology Development Corporation to enter into agreements with the Department of Budget and Finance to license the use of software developed for the State; and
- (3) Deleting the sections relating to copyrights and licenses and the annual report on center activities from Section 3.

Your Committee finds these amendments retain the same intent as the original version but accomplishes it in a simpler fashion.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of H.B. No. 2288, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2288, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2800 Business Development and Pacific Relations on H.B. No. 2289**

The purpose of this bill is to continue the development of the Hawaii Area-Wide Information Access Network (HAWIAN).

Specifically, the bill would expand on the information system established pursuant to Act 331, Session Laws of Hawaii 1989, by:

- (1) Requiring the Department of Budget and Finance to prepare a promotional and marketing plan, a master plan and implementation timetable, an operational plan, and a plan and timetable to incorporate HAWIAN, the Judiciary, the Department of Education, the University of Hawaii, the Legislature, and other executive agencies of state government; and
- (2) Appropriating \$1,000,000 for the further development of the State's information network.

Your Committee received supporting testimony from the Judiciary, the Department of Budget and Finance, and the University of Hawaii.

Your Committee finds that the implementation of HAWIAN will be one of the most exciting informational developments to occur in Hawaii in the past decade. Furthermore, the implementation of HAWIAN will put Hawaii at the forefront of telecommunication applications.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of H.B. No. 2289, H.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2801 Business Development and Pacific Relations on H.B. No. 2290**

The purpose of this bill is to establish the Hawaii Strategic Development Corporation. The purpose has been amended to establish the Hawaii Linked Deposit Development Program.

House Bill 2290, H.D. 2, and Senate Bill 3492, S.D. 1 are companion measures. After thorough consideration of both bills, your Committee deems it appropriate to enact a different approach to fostering economic development of small business enterprises in the State. After further research into the laws of other jurisdictions, your Committee found that the laws of Ohio provide for a feasible, workable, practicable, and prudent means to provide capital by way of a linked deposits program.

The program is free of much of the risks and contingent liabilities to the State which was present in the bill as introduced. The bill, as amended, would provide low interest loans to eligible small businesses from investment monies of the State used to purchase certificates of deposits. The lending would be administered by eligible participating financial institutions, thereby relieving the State of a severe administrative burden.

Your Committee has amended this bill by deleting most of the substantive provisions and inserting provisions creating the Hawaii Linked Deposit Development Program.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of H.B. 2290, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2290, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2802 (Majority) Business Development and Pacific Relations on H.B. No. 2986**

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to Linguatron (USA) Limited for the establishment of an electronic computer equipment assembly plant and related facilities.

Your Committee finds that Linguatron (USA) Limited, a Hawaii corporation, is involved in the commercialization of high technology machines, designed to form a sophisticated communications equipment system that will break communications barriers between persons who speak or write in different languages. This corporation could assist in the diversification of Hawaii's economy and produce new engineering, software, and assembly jobs for our citizens.

Your Committee has amended the bill by amending the findings and purpose section, deleting the specific amount appropriated, and by adding a proviso to section 3 that requires Linguatron to obtain a patent from the U.S. Patent Office and approval from the Legislative Advisory Committee before any bonds are issued. It is your Committee's intent that this proposal be intensively examined before legislative approval is obtained.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of H.B. No. 2986, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2986, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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

**SCRep. 2803 Business Development and Pacific Relations on H.B. No. 1144**

The purpose of this bill is to establish the Small Business Incubator Program, which would assist new small businesses create quality jobs that will expand and diversify Hawaii's economy.

This bill provides a mechanism whereby the Department of Business and Economic Development may demonstrate preferences in the Small Business Incubator Program to include those new businesses engaged in high technology efforts. The bill also allows for the compensation of staff for the administration of this Program from the Small Business Incubator Revolving Fund.

Testimony from the Department of Business and Economic Development, the Mayor's Office of the City and County of Honolulu, and the Hawaii Island Economic Development Board expressed support for the intent of this bill.

Your Committee has amended the appropriation section to appropriate the sum of \$1 to establish and operate a small business biotechnology incubator.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of H.B. No. 1144, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1144, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2804 Business Development and Pacific Relations on H.B. No. 1490**

The purpose of this bill is to provide income and excise tax credits for certain categories of financial transactions.

Your Committee has amended the bill by deleting the substantive provisions of the bill; inserting the substantive provisions of S.B. No. 1845, S.D. 1, relating to exemptions under section 237-24.5; and extending the repeal date of section 237-24.5, HRS, to the year 2000. Section 237-24.5, HRS, exempts certain transactions from the general excise tax imposed by the provisions of chapter 237, HRS, until 1992.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of H.B. No. 1490, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1490, H.D. 1, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

**SCRep. 2805      (Joint) Business Development and Pacific Relations and Tourism, Recreation and Planning  
on H.B. No. 2919**

The purpose of this bill is to amend the laws relating to planning and community development.

Specifically, the bill:

- (1) Establishes a procedure that would allow for the transfer of designated community development districts from the State to the county;
- (2) Provides for residential housing in conjunction with redevelopment projects;
- (3) Provides for a loan program to assist in the relocation of small businesses that may be displaced in the redevelopment areas in Kakaako; and
- (4) Changes the boundaries of the Aloha Tower complex.

Your Committees have amended the bill by deleting sections 1, 3, 4, 5, 9, and 10 of the bill and:

- (1) Adding a new section 1 which amends section 3 of Act 355, Session Laws of Hawaii (SLH) 1987, by allowing the Hawaii Community Development Authority (HCDA) to amend the Kakaako Waterfront Park Boundary;
- (2) Adding a new section 3 which amends section 206E-32, Hawaii Revised Statutes (HRS), by excluding the Nimitz Highway-Irwin Park area from the Kakaako Community Development District;
- (3) Adding a new section 4 which amends chapter 206E, HRS, by adding a new section which requires all requests for developments within special management areas or for shoreline setback variances for developments within a community development district be submitted to and reviewed by the lead agency as defined in chapter 205A, HRS;
- (4) Adding a new section 5 which amends section 206E-4, HRS, to provide the HCDA with more flexibility in managing how the satisfaction of affordable housing requirements is to be met;
- (5) Increasing the appropriated amount to \$5,000,000;
- (6) Adding a new section 9 which amends section 171-2, HRS, to include lands that are set aside by the Governor or leased to the Aloha Tower Development Corporation (ATDC) by any department or agency of the State in the definition of "public lands";
- (7) Adding a new section 10 which amends section 206J-3, HRS, to include the Nimitz Highway-Irwin Park area and the Iwilei area as part of the Aloha Tower Complex;
- (8) Adding a new section 11 which amends section 206J-5(a), HRS, to exempt the ATDC from the provisions of chapters 76 and 77, HRS;
- (9) Adding a new section 12 which amends section 206J-8, HRS, to exempt the ATDC from the provisions of chapter 171, HRS, which relate to allowing the Governor or any department or agency of the State to lease applicable portions of the area of the Aloha Tower Complex; and
- (10) Adding a new section 13 which amends section 206J-11, HRS, by disallowing the leasing of property under the jurisdiction of the ATDC from the alternative of public auction.

Your Committees find these amendments to be in the best interest of the community and economic development of the State.

Your Committees on Business Development and Pacific Relations and Tourism, Recreation and Planning are in accord with the intent and purpose of H.B. No. 2919, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2919, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

**SCRep. 2806      Education on S.C.R. No. 26**

The purpose of this concurrent resolution is to express the Legislature's support for the Friends of the Library of Hawaii Book Sale and urge the State, the City and County of Honolulu, and the private sector to help locate a permanent storage facility to ensure the Book Sale's ability to continue.

The Book Sale has been a tradition for forty-three years, focusing national attention on Hawaii while promoting literacy and the value of reading. Customers each year are able to get great bargains and the proceeds help the State Library System to purchase items not provided for in the regular operating budget. The problem is that the Friends need at least 2,500 square feet of storage space to accommodate the yearly intake of 140,000 pounds of books, and they have been unable to secure a firm commitment for such space despite concerted efforts of concerned persons throughout the community.

Your Committee received unqualified support from the State Librarian and Roger Downward, Executive Director of the Friends of the Library of Hawaii, and finds that the Book Sale is a valuable cultural and educational event which benefits thousands of people from Hawaii and overseas and is made possible by the contributions of numerous volunteers and donors. Ensuring a permanent storehouse for the thousands of volumes obtained each year is a matter of public concern and civic pride. Your Committee hopes that somewhere in Honolulu there is an individual or a group, either public or private, who can come up with the facilities needed to ensure the continued existence of the Book Sale.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 26 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2807 (Majority) Education on S.C.R. No. 58**

The purpose of this concurrent resolution is to request that the Department of Education develop and implement a strategy to increase the role of the public schools in providing prenatal care education.

Your Committee finds that although the Department currently provides much valuable information and several programs which relate either directly or indirectly to the subject, the number of new teenage pregnancies continues to rise. Developing strategies to convey specific, pertinent information to pregnant teenagers in the school setting is obviously a constructive approach to addressing this problem.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 58 and recommends its adoption.

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

**SCRep. 2808 (Majority) Education on S.R. No. 50**

The purpose of this resolution is to request that the Department of Education develop and implement a strategy to increase the role of the public schools in providing prenatal care education.

Your Committee finds that although the Department currently provides much valuable information and several programs which relate either directly or indirectly to the subject, the number of new teenage pregnancies continues to rise. Developing strategies to convey specific, pertinent information to pregnant teenagers in the school setting is obviously a constructive approach to addressing this problem.

Your Committee on Education concurs with the intent and purpose of S.R. No. 50 and recommends its adoption.

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

**SCRep. 2809 Judiciary on H.B. No. 2020**

The purpose of the bill is to amend the probate code to allow a nonresident to serve as a personal representative in this state, if the nonresident submits to state court's jurisdiction.

Your Committee received testimony in support of the measure by a resident with no immediate family in Hawaii. Under existing laws, the requirement that personal representatives be Hawaii residents precludes the selection of family or trusted friends who are non-residents. This bill would obviate such a requirement by allowing a nonresident to serve if the person submits to the jurisdiction of the Hawaii state court.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2020 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2810 Judiciary on H.B. No. 2188**

The purpose of this bill is to amend section 708-802, Hawaii Revised Statutes (HRS), to allow for the identification by photograph of items of property for all offenses against property, instead of restricting the statute's use to only property recovered in burglary, theft, and related offenses.

Supporting testimony was received from the Attorney General who indicated that the provision's current application is so restrictive that property recovered in robbery, fraud and all other offenses enumerated in chapter 708, HRS, must be identified by the property itself in lieu of a photograph. The Attorney General also testified that the inclusion of these

offenses into section 708-802, HRS, would enable victims of these particular crimes to quickly repossess their property from the police and concurrently ensure the availability of competent evidence at trial.

Your Committee has amended the bill by making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2188, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2811      Judiciary on H.B. No. 2614**

The purpose of this bill is to amend section 633-29, Hawaii Revised Statutes, to increase the filing fee for small claims suits.

Testimony in support of the bill was received from the Judiciary, and your Committee finds that the increase in the filing fee from \$5 to \$10 is necessary to compensate for inflation and higher processing costs. Your Committee notes that this increase will not prevent access to the courts as fees may be waived if the plaintiff cannot afford to pay them.

Your Committee has amended this bill by making a technical, nonsubstantive amendment in accordance with recommended drafting technique.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2614, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 2614, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2812      Judiciary on H.B. No. 2843**

The purpose of this bill is to allow the county clerk to remove a voter from the registration list upon the voter's request.

Your Committee received testimony in support of S.B. No. 2953, the Senate companion to this bill, from the Lieutenant Governor and the Association of Clerks and Election Officers. Your Committee finds that, under present law, the county clerks are not provided with explicit statutory authority to remove a voter's name from the registration rolls upon the voter's request, and the clarification of the law that this bill provides is necessary.

Your Committee has amended the bill by adding language at page 2, line 18, making it clear that a person whose name is removed from the register cannot vote, and by making minor stylistic changes in Section 1.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2843, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2843, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2813      Government Operations on H.B. No. 2338**

The purpose of this bill is to allow the counties greater flexibility in determining the form of the annual supplement to the comprehensive county ordinance codes.

Presently, section 46-2.2, Hawaii Revised Statutes, requires that these annual supplements be published as cumulative pocket part supplements. Your Committee finds that the problem of republishing the cumulative materials contained in the supplement is cumbersome and time consuming, causing an unacceptable hiatus between the enactment of ordinances and the publication of the supplement. The looseleaf form permitted under this measure would greatly aid in the timely processing and publishing of the supplement.

Your Committee received testimony in support of this bill from the City and County of Honolulu Department of the Corporation Counsel.

Your Committee has amended this bill by making several technical, nonsubstantive amendments for the purposes of style and clarity, and to correct drafting errors.

Your Committee on Government Operations is in accord with the intent and purpose of H.B. No. 2338, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2338, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2814      Government Operations on H.B. No. 2638**

The purpose of this bill is to raise the level at which formal and informal advertising bids are required for the expenditure of public monies.

The bill proposes to raise the minimum threshold required for advertised sealed bids from \$8,000 to \$15,000, and increases the expenditure level for informal bidding from between \$4,000 and \$8,000 to between \$8,000 and \$15,000. The exception to these limits would be for: (1) public works or repairs and maintenance of buildings, roads, and other site improvements, for which the expenditure levels would be raised from between \$4,000 and \$15,000 to between \$8,000 and \$25,000; and (2) repair of publicly owned or leased heavy equipment, automotive equipment, sewage treatment plants, utility lines, and emergency roadway work, for which the expenditure levels would be raised from between \$4,000 and \$10,000 to between \$8,000 and \$15,000.

Testimony in support of this bill was received from the Directors of Finance from the County of Maui and the County of Hawaii.

Your Committee finds that the existing expenditure levels were established many years ago, and that this measure will bring these levels in line with increases in costs due to inflation. In addition, raising the expenditure levels will encourage smaller business that may have found the bonding requirements of formal bidding to be prohibitive to participate in the bidding process.

Your Committee on Government Operations is in accord with the intent and purpose of H.B. No. 2638, 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. 2815      Agriculture on Gov. Msg. No. 159**

Recommending that the Senate advise and consent to the nominations of KENNETH Y. KANESHIRO, Ph.D., and RICHARD C. WASS, Ph.D., to the Animal Species Advisory Commission, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2816      Agriculture on Gov. Msg. No. 160**

Recommending that the Senate advise and consent to the nominations of ROBERT K. HANO HANO, GEORGE S. LOCKWOOD and WILLIAM CHARLES ROWLAND to the Hawaii Aquaculture Advisory Council, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2817      Agriculture on Gov. Msg. No. 161**

Recommending that the Senate advise and consent to the nomination of RUSSELL N. FUKUMOTO to the Advisory Committee on Pesticides, term to expire June 30, 1993,

Signed by all members of the Committee.

**SCRep. 2818      Culture, Arts and Historic Preservation on Gov. Msg. No. 171**

Recommending that the Senate advise and consent to the nominations of MILLICENT M.Y.H. KIM, ARTHUR A. KOHARA and GLADYS Y. SONOMURA to the State Foundation on Culture and the Arts, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2819      Culture, Arts and Historic Preservation on Gov. Msg. No. 172**

Recommending that the Senate advise and consent to the nominations of KIYOSHI IKEDA, Ph.D., EDITH K. MCKINZIE, LYNETTE K. PAGLINAWAN, YOSHIKO SINOTO, D.Sc., and GERALD T. TAKANO to the Hawaii Historic Places Review Board, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2820      Judiciary on H.B. No. 1159**

The purpose of this bill is to require the examiner of drivers to designate on a person's drivers license whether that person wishes to be an organ donor.

Your Committee finds that due to Hawaii's unique island geography and distance from the mainland, it must rely entirely on its own resident population to serve as a pool for organ donations. Procuring organs from the mainland is not presently technologically feasible. Therefore, Hawaii must do whatever it can to facilitate a strong local anatomical gift designation system.

The Director of Finance of the City and County of Honolulu testified that his office is presently working with a vendor who will be producing Hawaii's new design which will enable imprinting of the organ donor designation on new driver's licenses.

Testimony in support of this bill was received from, the Department of Health, Director of Finance of the City and County of Honolulu, Department of the Army, Pali Momi Medical Center, The Queen's Medical Center, Renal Institute of Hawaii, Hawaii Organ Procurement Organization, Hawaii Lions Eye Bank and Makana Foundation and Dr. Livingston Wong.



Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1159, 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. 2821      Judiciary on H.B. No. 2753**

The purpose of this bill is to amend section 607-25(c), Hawaii Revised Statutes (HRS), which authorizes state courts to award attorney's fees and costs for successful lawsuits against illegal stream diversions or illegal discharge of solid, liquid or gaseous pollutants.

This is a housekeeping measure which reflects recent statutory amendments by deleting reference to repealed chapters and inserting applicable chapters.

Your Committee received testimony in support of the bill from a representative of Life of the Land, who testified that under section 607-25, HRS, the threat of a lawsuit is usually sufficient to stop illegal development and encourage application for required agency permits.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2753 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2822      Judiciary on H.B. No. 2204**

The purpose of this bill is to provide for a new offense of voter fraud and to make it a class C felony.

The integrity of the voting process is always of utmost importance in a democratic society. Whether the democracy is newly developed, or as seasoned as ours, elements that can corrupt the voting process are ever present. This bill represents not only the Legislature's commitment to an honest and fair electoral process but also the Legislature's intolerance of any form of voter fraud.

Your Committee finds that the subject matter of the bill would more appropriately fall under "registration fraud" rather than "voter fraud" and has amended the bill accordingly. Your Committee has further amended this bill by retaining section 19-6(11) which was repealed by the House version. This provision, relating to false statements under oath, must have been inadvertently misconstrued by the House drafters. Your Committee also made a technical, nonsubstantive amendment for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2204, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2204, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2823      Labor and Employment on S.C.R. No. 84**

The purpose of this concurrent resolution is to obtain legislative approval of the final compensation plans for the State, the Judiciary, and the counties which are scheduled to take effect on July 1, 1990.

Sections 77-4 and 77-5, Hawaii Revised Statutes, require the Conference of Personnel Directors to biennially review the compensation plans of each jurisdiction and submit recommendations to the Public Employees Compensation Appeals Board (PECAB). PECAB is then required to hear pricing appeals and decide on salary range and wage adjustments for the various classes of public service. PECAB's report, the final compensation plans and the costs thereof, are then submitted to the legislature through the Governor for review and approval.

This concurrent resolution approves the PECAB report and compensation plans which will go into effect on July 1, 1990 pending adoption of this concurrent resolution.

Your Committee on Labor and Employment concurs with the intent and purpose of S.C.R. No. 84 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2824      Energy and Natural Resources on S.R. No. 20**

The purpose of this resolution is to present to the Senate for its review, the action of the Housing Finance and Development Corporation regarding the exchange of state lands for lands owned by Mrs. Frances Keanu at Waiahole Valley, Oahu.

Pursuant to sections 171-50, 201E-20 and 201E-31, Hawaii Revised Statutes, any exchange of public lands for private lands shall be subject to review and disapproval (if warranted) by the legislature by two thirds vote of either the Senate or the House of Representatives or by majority vote of both. The Corporation is required to submit a resolution to the Legislature for review of the exchange action.

The purpose of this land exchange is to satisfy an out-of-court settlement to clear title and consolidate holdings of public lands in Waiahole Valley, Oahu. This transaction is a straight land exchange, with each party receiving 15,523 square feet of property. The exchange will enable the Housing Finance and Development Corporation to proceed with the completion of the Waiahole Valley Agricultural Park and Residential Lots Subdivision project.

Your Committee finds that the land exchange is in the public interest and as such should not be disapproved.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 20 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2825      Energy and Natural Resources on S.R. No. 21**

The purpose of this resolution is to present to the Senate for its review, the action of the Housing Finance and Development Corporation regarding the exchange of lands owned by Mr. Louis G. Collins, Jr., to the State in exchange for a perpetual access easement, permission for limited use and other considerations on the parcel conveyed to the State at Waiahole Valley, Oahu.

Pursuant to sections 171-50, 201E-20 and 201E-31, Hawaii Revised Statutes, any exchange of public lands for private lands shall be subject to review and disapproval (if warranted) by the legislature by two thirds vote of either the Senate or the House of Representatives or by majority vote of both. The Corporation is required to submit a resolution to the Legislature for review of the exchange action.

This land exchange will satisfy an out-of-court settlement to clear title and consolidate holdings of public lands in Waiahole Valley, Oahu. The exchange would invest fee title of parcels of Louis G. Collins, Jr., to the Housing Finance and Development Corporation and perpetual access easements for existing dwellings, upgrading of an existing fence, survey and description of the property, use of an existing cesspool and permission to hook-up to any new amenities which may be provided in the easement to Louis G. Collins, Jr. The exchange was approved by the Housing Finance and Development Corporation Board on October 9, 1987. The exchange will enable the Housing Finance and Development Corporation to proceed with the completion of the Waiahole Valley Agricultural Park and Residential Lots Subdivision project.

Your Committee finds that the land exchange is in the public interest and as such should not be disapproved.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 21 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2826      Energy and Natural Resources on S.R. No. 22**

The purpose of this resolution is to present to the Senate for its review, the action of the Board of Land and Natural Resources regarding the exchange of state lands for lands owned by the Sankyo Tsusho Company at Mokuleia, Oahu.

Pursuant to section 171-50, Hawaii Revised Statutes, any exchange of public lands for private lands shall be subject to review and disapproval (if warranted) by the legislature by two thirds vote of either the Senate or the House of Representatives or by majority vote of both. The Board is required to submit a resolution to the Legislature for review of the exchange action.

This land exchange involves lands in the Mokuleia, Waialua district of Oahu. The parcels conveyed to the State include a roadway that will be used to improve access to Peacock Flats and State forest lands. The State will receive 24.882 acres, appraised at \$1,319,200. Sankyo Tsusho Company will receive 40.59 acres appraised at \$690,000. The State and Sankyo Tsusho have agreed that the State shall not make payment for the difference in appraised value of the lands exchanged.

Your Committee finds that the land exchange is in the public interest and as such should not be disapproved.

The resolution has been amended to correct tax map key numbers.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 22 and recommends its adoption in the form attached hereto as S.R. No. 22, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2827      Energy and Natural Resources on S.R. No. 23**

The purpose of this resolution is to present to the Senate for its review, the action of the Board of Land and Natural Resources regarding the exchange of state lands for lands owned by the Queen's Medical Center.

Pursuant to section 171-50, Hawaii Revised Statutes, any exchange of public lands for private lands shall be subject to review and disapproval (if warranted) by the legislature by two thirds vote of either the Senate or the House of Representatives or by majority vote of both. The Board is required to submit a resolution to the Legislature for review of the exchange action.

This land exchange involves lands within the State Capitol District, Honolulu, Oahu. The parcels conveyed to the State will provide the State with additional land and office space within the State Capitol District and also facilitate the development and implementation of the State's master plan for the mauka entry to the State Capitol District. The State will receive 33,366 square feet of lands and the Mabel Smyth Building, appraised at \$4,266,000. Queen's Medical Center will receive 55,572 square feet of land (the Vineyard Triangle) adjacent to the Medical Center appraised at \$3,175,000. Queen's Medical Center has agreed to waive the difference in the appraised values of the properties exchanged.

Your Committee has amended the resolution, based on comments from the Board of Land and Natural Resources, by correcting the appraised values of the properties.

Your Committee finds that the land exchange is in the public interest and as such should not be disapproved.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 23, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 23, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2828      Energy and Natural Resources on S.R. No. 54**

The purpose of this resolution is to request that the Department of Land and Natural Resources negotiate with Kamehameha Schools/Bishop Estate for the exchange or acquisition of its Makalawena lands in Kona.

Your Committee finds that there is a need to establish more beach parks in West Hawaii and to protect the area's cultural, historic and natural resources. The Makalawena area in Kona is a valuable coastal recreation resource and wildlife area that contains a prime swimming beach, the Opaepa Pond (a major nesting area and habitat for endangered Hawaiian waterbirds), and anchialine ponds considered among the best of such ponds remaining in West Hawaii.

The Department of Land and Natural Resources, the Oahu Rainforest Action Group and Hawaii's Thousand Friends testified in support of the resolution. Kamehameha Schools/Bishop Estate stated that it is willing to discuss the possibility of this land exchange.

Your Committee has amended the resolution to reflect the tabling of the development that was planned for the Makalawena area by deleting the two whereas clauses that refer to it.

Your Committee has also deleted references to land acquisition in the title and body of the resolution.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 54, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 54, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2829      Energy and Natural Resources on S.C.R. No. 63**

The purpose of this concurrent resolution is to request that the Department of Land and Natural Resources negotiate with Kamehameha Schools/Bishop Estate for the exchange or acquisition of its Makalawena lands in Kona.

Your Committee finds that there is a need to establish more beach parks in West Hawaii and to protect the area's cultural, historic and natural resources. The Makalawena area in Kona is a valuable coastal recreation resource and wildlife area that contains a prime swimming beach, the Opaepa Pond (a major nesting area and habitat for endangered Hawaiian waterbirds), and anchialine ponds considered among the best of such ponds remaining in West Hawaii.

The Department of Land and Natural Resources, the Oahu Rainforest Action Group and Hawaii's Thousand Friends testified in support of the concurrent resolution. Kamehameha Schools/Bishop Estate stated that it is willing to discuss the possibility of this land exchange.

Your Committee has amended the concurrent resolution to reflect the tabling of the development that was planned for the Makalawena area by deleting the two whereas clauses that refer to it.

Your Committee has also deleted references to land acquisition in the title and body of the concurrent resolution.

Your Committee on Energy and Natural Resources 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. 2830      Energy and Natural Resources on Gov. Msg. No. 129**

Recommending that the Senate advise and consent to the nomination of PATSY K. YOUNG to the Public Utilities Commission, term to expire June 30, 1996.

Signed by all members of the Committee.

**SCRep. 2831      Energy and Natural Resources on H.B. No. 1261**

The purpose of this bill is to allow the Board of Land and Natural Resources, after notification and public hearing, to amend restrictions contained in a hotel lease that has been in effect for at least forty years if the amendments are in the public interest.

After careful consideration, your Committee finds it inappropriate to continue hotel lease restrictions executed many years earlier if the restrictions are no longer in the public interest. Your Committee believes that an appropriate mechanism for reviewing and modifying lease restrictions should be provided. Further, your Committee finds that the statewide impact of this bill would be minimal and the inclusion of resort lands would provide consistency with current law.

Your Committee believes that twenty years is an adequate and realistic period of time within which to assess changes that may impact on the viability of a business and has therefore amended the bill accordingly.

Your Committee has made other technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 1261, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1261, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2832      Energy and Natural Resources on H.B. No. 2233**

The purpose of this bill is to redefine the boundaries of the State territorial and marine waters to include all waters twelve miles seaward from the upper reaches of the wash of the waves and including the archipelagic waters.

Your Committee is cognizant of Presidential Proclamation 5928 of December 27, 1988, which extended the territorial sea of the United States from three to twelve nautical miles but left unanswered the question whether the federal government or the state governments would exercise jurisdiction over the expanded territorial sea. Your Committee believes it would be appropriate to revise the definition of the State's territorial sea and marine waters at this time to reflect the expanded federal definition.

Your Committee has amended the definition of "state marine waters" as follows:

- (1) To add language limiting the definition to those chapters in which it is contained for the purpose of clarifying that the State does not intend to unilaterally extend its seaward boundaries, but only to bring those boundaries in line with the Presidential Proclamation in areas where its police powers are well established;
- (2) To use the term "nautical miles" for consistency with the Presidential Proclamation; and
- (3) To delete the word "including" before "the archipelagic waters" because archipelagic waters constitute a juridical concept different from that of a territorial sea.

Your Committee has also added the definition of "state marine waters" to section 228-3 and amended the definition of "territorial sea" to reference the Presidential Proclamation and international law.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 2233, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2233, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2833      Judiciary on H.B. No. 2269**

The purpose of this bill is to explicitly provide that the penalty of forfeiture under Hawaii's organized crime law applies equally to residents and non-residents alike who engage in criminal activities.

Your Committee considered supportive testimony from the Attorney General and the Honolulu Police Department. The Attorney General's written testimony stated that forfeiture is a particularly valuable weapon in thwarting those visitors who would exploit their welcome by engaging in criminal enterprises. Unlike United States citizens, foreign nationals are much more difficult to extradite from overseas. However, even where such individuals flee criminal prosecutions, it should be made clear that the assets used in and acquired by criminal activity in Hawaii can be subject to forfeiture. Thus, the goals of deterrence and prevention can be accomplished even where the responsible person is unavailable.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2269, 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. 2834      Labor and Employment on S.R. No. 47**

The purpose of this resolution is to request the Legislative Reference Bureau to study Public Employees' Retirement Systems of other states, compare them to Hawaii's laws and employer contributions, and recommend ways in which the investment earnings generated by Hawaii's Retirement System can be more effectively utilized.

The Bureau will submit a report of findings and recommendations prior to the convening of the 1991 Regular Session.

For some years, the Employees' Retirement System's investment earnings have exceeded the statutory yield rate, and hence the System has had to pay nearly \$800 million into the General Fund during the past decade. Part of this money consisted of contributions made by members, giving rise to speculation that budgetary constraints which are touted from time to time may not be as urgent as they seem. In theory, Retirement System investment earnings should be used primarily, if not exclusively, for maintaining the Retirement System and paying benefits; yet each year pensioners have to request the Legislature to grant modest retirement pay increases, leading your Committee to question whether management of the System's resources could be improved.

This resolution will uncover some vital information regarding how other states relate investment yields to payments, which should help the Legislature decide whether it is appropriate and necessary to amend Hawaii's laws to ensure that the Employees' Retirement System is fully responsive to its constituents.

Your Committee on Labor and Employment concurs with the intent and purpose of S.R. No. 47 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 2835      Labor and Employment on S.C.R. No. 55**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study Public Employees' Retirement Systems of other states, compare them to Hawaii's laws and employer contributions, and recommend ways in which the investment earnings generated by Hawaii's Retirement System can be more effectively utilized.

The Bureau will submit a report of findings and recommendations prior to the convening of the 1991 Regular Session.

For some years, the Employees' Retirement System's investment earnings have exceeded the statutory yield rate, and hence the System has had to pay nearly \$800 million into the General Fund during the past decade. Part of this money consisted of contributions made by members, giving rise to speculation that budgetary constraints which are touted from time to time may not be as urgent as they seem. In theory, Retirement System investment earnings should be used primarily, if not exclusively, for maintaining the Retirement System and paying benefits, yet each year pensioners have to request the Legislature to grant modest retirement pay increases, leading your Committee to question whether management of the System's resources could be improved.

This concurrent resolution will uncover some vital information regarding how other states relate investment yields to payments, which should help the Legislature decide whether it is appropriate and necessary to amend Hawaii's laws to ensure that the Employees' Retirement System is fully responsive to its constituents.

Your Committee on Labor and Employment concurs with the intent and purpose of S.C.R. No. 55 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2836      Labor and Employment on S.R. No. 48**

The purpose of this resolution is to request the Legislative Auditor to study the methods used in Hawaii to determine workers' compensation payments.

The Legislative Auditor will consult with the Insurance Commissioner, the Department of Labor and Industrial Relations, and the Hawaii Insurance Rating Bureau and submit a report of findings and recommendations prior to the 1991 regular session of the legislature.

There are two basic approaches to payment of workers' compensation benefits. The first calculates payments on the basis of 2/3 of the claimant's weekly wages up to the state average weekly wage. The second method of payment is based on the actual number of hours a claimant works regardless of wages, eliminating a discrepancy which arises when two workers, facing the same job-related risk and receiving the same injuries, are paid substantially different amounts because their hourly pay rates were set differently by their employers. Under the hours worked method, the injured party would be paid in accordance with the amount of time he or she was exposed to the risk on the job.

Your Committee finds that wages versus hours theories of workers' compensation remuneration have not been adequately studied and that the evidence and information uncovered pursuant to this resolution will enable the legislature to make informed decisions relating to worker's compensation policies and procedures applicable to current labor market conditions.

Your Committee on Labor and Employment concurs with the intent and purpose of S.R. No. 48 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 2837      Labor and Employment on S.C.R. No. 56**

The purpose of this concurrent resolution is to request the Legislative Auditor to study the methods used in Hawaii to determine workers' compensation payments.

The Legislative Auditor will consult with the Insurance Commissioner, the Department of Labor and Industrial Relations, and the Hawaii Insurance Rating Bureau and submit a report of findings and recommendations prior to the 1991 regular session of the legislature.

There are two basic approaches to payment of workers' compensation benefits. The first calculates payments on the basis of 2/3 of the claimant's weekly wages up to the state average weekly wage. The second method of payment is based on the actual number of hours a claimant works regardless of wages, eliminating a discrepancy which arises when two workers, facing the same job-related risk and receiving the same injuries, are paid substantially different amounts because their hourly pay rates were set differently by their employers. Under the hours worked method, the injured party would be paid in accordance with the amount of time he or she was exposed to the risk on the job.

Your Committee finds that wages versus hours theories of workers' compensation remuneration have not been adequately studied and that the evidence and information uncovered pursuant to this concurrent resolution will enable the legislature to make informed decisions relating to worker's compensation policies and procedures applicable to current labor market conditions.

Your Committee on Labor and Employment concurs with the intent and purpose of S.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2838      Labor and Employment on H.B. No. 2490**

The purpose of this bill is to conform Hawaii's law relating to payment of unemployment compensation to aliens with requirements of the Federal Unemployment Tax Act (FUTA).

Section 3304(a)(14) of FUTA provides that unemployment benefits may not be paid to an alien unless the alien is legally authorized to work in the United States. Chapter 383, Hawaii Revised Statutes, was amended in 1976 to conform with that provision, but a recent U.S. Department of Labor interpretation requires that the language be still further revised to clarify that the alien must be legally authorized to work in the United States at the time services are performed.

This bill conforms Hawaii's statute with the federal interpretation and thus safeguards the FUTA credit and federal administrative grants which are necessary for the State to operate its unemployment insurance program.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2490 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2839      Labor and Employment on H.B. No. 2793**

The purpose of this bill is to authorize partial transfers of unemployment insurance reserves in situations where a successor employer acquires a clearly identifiable and segregable portion of a preceding employing unit's business and continues to employ all or nearly all of the predecessor's employees.

This bill will allow an employer who acquires a portion of an existing business and keeps the payroll virtually intact to inherit the former employer's favorable experience record and the corresponding portion of the former employer's reserve fund, thereby allowing the new employer to enjoy a lower unemployment insurance tax rate. In other words, this measure will allow qualified employers to enjoy tax relief for retaining all or most of the workers of a previous employer who also had a good record as an employer.

Your Committee finds that it was the intent of the federal government and the State of Hawaii, in enacting employment security laws, to reward employers with good experience ratings. Since this bill will reward succeeding employers for continuing the good employment practices of their predecessors, it is consistent with the philosophy and spirit of the law.

Your Committee has amended this bill by extending the date of its applicability to December 31, 1992. Your Committee has also amended this bill by making some nonsubstantive technical changes which have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2793, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2793, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2840      Labor and Employment on H.B. No. 2892**

The purpose of this bill is to provide that if a candidate for the Board of Trustees of the Employees' Retirement System runs unopposed, the member shall be declared legally elected without the necessity of a formal election.

This bill arises out of a case where the Attorney General advised the Department of Budget and Finance that although there was only one candidate for a vacant Board seat, the staff was required to hold an election anyway which cost the System about \$50,000. Your Committee finds such expenditures of public money to be unnecessary and inappropriate.

Your Committee has amended this bill by giving the Board of Trustees of the Employees' Retirement System the option of selecting its own legal counsel. Current law provides that the Attorney General shall be the legal adviser to the Board,

but since the Employees' Retirement System has the status of a cabinet level department, potential conflicts of interests could arise if the Attorney General were required to act as both the counsel to the Board and the employer.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2892, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2841 (Joint) Labor and Employment and Housing and Hawaiian Programs on H.B. No. 3212**

The purpose of this bill is to clarify that eligible bidders and developers of Housing Finance and Development Corporation (HFDC) projects are subject to the provisions of section 104-2.

This bill further clarifies that section 104-2 applies only to laborers and mechanics who actually work on HFDC housing projects and not to all employees of the eligible bidder or developer. HFDC projects developed by a private nonprofit corporation are exempted if the entire cost of the project is less than \$200,000.

The purpose of section 104-2, based on the federal Davis-Bacon Act, is to require that contractors who bid on public work projects pay the wages and benefits prevailing in that area, thus protecting local contractors from outsiders who would take advantage of cheap, imported labor. The same principle applies to housing projects developed directly by HFDC or indirectly through financial assistance, tax breaks, land acquisition, and other incentives provided by HFDC.

Your Committees find that this bill will ensure fair competition and payment of prevailing wage and benefit rates to persons employed on any HFDC projects.

Your Committees have amended this bill by exempting projects costing less than \$500,000 developed by private nonprofit corporations, and by changing the effective date to July 1, 1990. Technical amendments with no substantive effect have also been made for clarity purposes.

Your Committees on Labor and Employment and Housing and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 3212, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3212, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 2842 Housing and Hawaiian Programs on H.B. No. 2487**

The purpose of this bill is to amend the Hawaiian Homes Commission Act, 1920, to add water for agricultural operations as an allowable use for which the Department of Hawaiian Home Lands can obtain water for homesteaders. Currently, the Department can provide water to Hawaiian home lands to "supply livestock, aquaculture operations, and domestic needs of individuals."

Your Committee received supporting testimony from the Chairperson of the Hawaiian Homes Commission and The Aged Hawaiians, Humuula Pastoral Homestead Applicants. Your Committee also received testimony from the Council of Hawaiian Homestead Associations which supported the bill in concept, but had some concerns with respect to the bill.

Your Committee finds that the provision of water to lessees of Hawaiian home lands for agricultural operations is consistent with the purposes of the Hawaiian Homes Commission Act, 1920, and the needs of the lessees. Your Committee intends that the term "agriculture operations" include, but not be limited to, agricultural cultivation and pastoral uses and the irrigation water necessary for these uses.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2487 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2843 Housing and Hawaiian Programs on Gov. Msg. No. 131**

Recommending that the Senate advise and consent to the nominations of JANET YAGI BUEN and RICHARD M. IGA to the Hawaii Housing Authority, terms to expire June 30, 1994,

Signed by all members of the Committee.

**SCRep. 2844 Corrections on S.C.R. No. 19**

The purpose of this concurrent resolution is to urge the Governor, the members of the State's Congressional delegation, and the executive branch of the Federal Government to apply a concerted effort to providing both federal land and federal funds to aid this State in the construction and program establishment of a drug treatment center on federal land primarily for minimum security drug offenders.

Federal land and funds are necessary to accomplish both objectives in unison: provision of a minimum security facility and a fully adequate drug treatment program. The argument is made that either, in the absence of the other, is neither remedial nor is it even a temporary cosmetic.

Your Committee received testimony concurring in the purpose of this resolution from the Director of the Department of Corrections, the Special Master for Corrections, and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee has amended this resolution, in its last paragraph, to include as an addressee, the President of the United States Senate.

Your Committee on Corrections concurs with the intent and purpose of S.C.R. No. 19, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 19, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2845      Higher Education on S.C.R. No. 114**

The purpose of this resolution is to request the planning and timely implementation of such plans for the establishment of a Center for Undergraduate Marine Education at the University of Hawaii at Hilo.

Your Committee finds that the University of Hawaii's goal of becoming an educational center for the Pacific basin would be greatly enhanced with the development of a center for undergraduate marine education. What is presently available to undergraduates, primarily in the form of a Marine Option Program, is at its best at the University of Hawaii at Hilo (UH-Hilo). In addition, UH-Hilo has an excellent record in educating Pacific Islanders, many of whom return to their island governments to assume positions of major responsibility. Their island governments would greatly benefit if some of these students were trained in badly needed marine resource management, while the University of Hawaii would benefit by advancing toward its goal of becoming an educational center of the Pacific. Further, a center in Hilo working in cooperation with the School of Ocean and Earth Science and Technology would meet the long-term goals of the University of Hawaii by fostering systemwide cooperation in marine science education and much needed decentralization of the university system.

Your Committee has amended the concurrent resolution to add a new WHEREAS clause citing a report predicting \$1.4 billion in revenues from the ocean industry sector by the end of the decade.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 114, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 114, S.D. 1.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2846      Higher Education on S.R. No. 100**

The purpose of this resolution is to request the planning and timely implementation of such plans for the establishment of a Center for Undergraduate Marine Education at the University of Hawaii at Hilo.

Your Committee finds that the University of Hawaii's goal of becoming an educational center for the Pacific basin would be greatly enhanced with the development of a center for undergraduate marine education. What is presently available to undergraduates, primarily in the form of a Marine Option Program, is at its best at the University of Hawaii at Hilo (UH-Hilo). In addition, UH-Hilo has an excellent record in educating Pacific Islanders, many of whom return to their island governments to assume positions of major responsibility. Their island governments would greatly benefit if some of these students were trained in badly needed marine resource management, while the University of Hawaii would benefit by advancing toward its goal of becoming an educational center of the Pacific. Further, a center in Hilo working in cooperation with the School of Ocean and Earth Science and Technology would meet the long-term goals of the University of Hawaii by fostering systemwide cooperation in marine science education and much needed decentralization of the university system.

Your Committee has amended the resolution to add a new WHEREAS clause citing a report predicting \$1.4 billion in revenues from the ocean industry sector by the end of the decade.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 100, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 100, S.D. 1.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2847      Higher Education on S.C.R. No. 117**

The purpose of this concurrent resolution is to request a quantitative basis for increasing the current service base of the Cooperative Extension Service of the College of Tropical Agriculture and Human Resources of the University of Hawaii.

Your Committee finds that given its mandates and functions, the current service base of the Cooperative Extension Service is unable to keep pace with the increased demand for research-based information and expertise. Additional resource requirements necessary for Cooperative Extension Service agents and specialists to perform their jobs optimally in assisting the agricultural industry must be assessed and established.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 117 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2848      Higher Education on S.R. No. 103**



The purpose of this resolution is to request a quantitative basis for increasing the current service base of the Cooperative Extension Service of the College of Tropical Agriculture and Human Resources of the University of Hawaii.

Your Committee finds that given its mandates and functions, the current service base of the Cooperative Extension Service is unable to keep pace with the increased demand for research-based information and expertise. Additional resource requirements necessary for Cooperative Extension Service agents and specialists to perform their jobs optimally in assisting the agricultural industry must be assessed and established.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 103 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2849      Higher Education on S.C.R. No. 143**

The purpose of this concurrent resolution is to request that the University of Hawaii develop and implement a long-term plan to increase recruitment of qualified women and minorities for faculty positions.

Your Committee finds that the under-representation of women and minorities among tenured faculty of the University of Hawaii not only denies women and minority students of role models, but also denies all students from experiencing rich diversity in thought and culture. The University of Hawaii would benefit greatly by renewing its commitment to equal employment and affirmative action.

Your Committee has amended the concurrent resolution to include a request for a short-term plan to be submitted by June 1, 1990.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 143, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 143, S.D. 1.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2850      Higher Education on S.R. No. 129**

The purpose of this resolution is to request that the University of Hawaii develop and implement a long-term plan to increase recruitment of qualified women and minorities for faculty positions.

Your Committee finds that the under representation of women and minorities among tenured faculty of the University of Hawaii not only denies women and minority students of role models, but also denies all students from experiencing rich diversity in thought and culture. The University of Hawaii would benefit greatly by renewing its commitment to equal employment and affirmative action.

Your Committee has amended the resolution to include a request for a short-term plan to be submitted by June 1, 1990.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 129, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 129, S.D. 1.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2851      Higher Education on S.C.R. No. 148**

The purpose of this concurrent resolution is to urge the faculties of the College of Tropical Agriculture and Human Services, University of Hawaii at Manoa, and the College of Agriculture, University of Hawaii at Hilo, to explore the use of their combined instructional capabilities and resources to offer agriculture-related courses on the island of Hawaii.

Your Committee finds that the faculties of the two colleges have already successfully established a method of joint planning and implementation for research/extension projects. The same mode of interaction could be used to meet priority needs for instruction on the island of Hawaii, and such action would be consistent with the aims of the Agriculture Action Alliance instituted by the Board of Regents in 1988.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 148 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2852      Higher Education on S.R. No. 134**

The purpose of this resolution is to urge the faculties of the College of Tropical Agriculture and Human Services, University of Hawaii at Manoa, and the College of Agriculture, University of Hawaii at Hilo, to explore the use of their combined instructional capabilities and resources to offer agriculture-related courses on the island of Hawaii.

Your Committee finds that the faculties of the two colleges have already successfully established a method of joint planning and implementation for research/extension projects. The same mode of interaction could be used to meet priority needs for instruction on the island of Hawaii, and such action would be consistent with the aims of the Agriculture Action Alliance instituted by the Board of Regents in 1988.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 134 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2853 Higher Education on S.C.R. No. 149**

The purpose of this resolution is to request a study of the Equal Employment Opportunity/Affirmative Action Office of the University of Hawaii by the Legislative Auditor.

Your Committee finds that due to the many roles it plays (as counselor, investigator and respondent) in carrying out its responsibilities, the University of Hawaii's Equal Employment Opportunity/Affirmative Action (EEO/AA) Office may be hampered in reaching fair, unbiased decisions. A study of the EEO/AA Office by the Legislative Auditor would help to settle the issue.

Your Committee has amended the resolution by adding a WHEREAS paragraph to note the serious problem of sexual harassment that has been reported at the University of Hawaii.

Further, your Committee has amended the resolution to clarify that the EEO/AA Office acts as a respondent when it defends the university administration against outside investigators.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 149, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 149, S.D. 1.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2854 Higher Education on S.R. No. 135**

The purpose of this resolution is to request a study of the Equal Employment Opportunity/Affirmative Action Office of the University of Hawaii by the Legislative Auditor.

Your Committee finds that due to the many roles it plays (as counselor, investigator and respondent) in carrying out its responsibilities, the University of Hawaii's Equal Employment Opportunity/Affirmative Action (EEO/AA) Office may be hampered in reaching fair, unbiased decisions. A study of the EEO/AA Office by the Legislative Auditor would help to settle the issue.

Your Committee has amended the resolution by adding a WHEREAS paragraph to note the serious problem of sexual harassment that has been reported at the University of Hawaii.

Further, your Committee has amended the resolution to clarify that the EEO/AA Office acts as a respondent when it defends the university administration against outside investigators.

Your Committee on Higher Education is in accord with the intent and purpose of S.R. No. 135, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 135, S.D. 1.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2855 Higher Education on S.C.R. No. 152**

The purpose of this resolution is to urge the University of Hawaii to establish and implement a timely, appropriate, and effective policy on sexual harassment and equal employment.

Your Committee finds that sexual harassment and sexual discrimination at the University of Hawaii are abhorrent. It is essential that the University take immediate action to implement policies to address these problems.

Your Committee has amended the resolution by adding three new WHEREAS paragraphs. First, a paragraph was added to acknowledge the University of Hawaii Women Faculty Caucus' public statement calling attention to the problem and its deep demoralizing effect. Second, a paragraph was added noting that prompt and fair settlement of existing gender-based grievances and cases would serve to provide hope to women at the University of Hawaii. Third, a paragraph was added citing 1987 statistics on the gender of tenured faculty.

Further, sexual discrimination was added to the first WHEREAS paragraph.

Your Committee has also amended the first BE IT RESOLVED paragraph to clarify that the sexual harassment policy is to be agreed upon by all interested parties.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 152, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 152, S.D. 1.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2856 Higher Education on S.R. No. 138**

The purpose of this resolution is to urge the University of Hawaii to establish and implement a timely, appropriate, and effective policy on sexual harassment and equal employment.

Your Committee finds that sexual harassment and sexual discrimination at the University of Hawaii are abhorrent. It is essential that the University take immediate action to implement policies to address these problems.

Your Committee has amended the resolution by adding three new WHEREAS paragraphs. First, a paragraph was added to acknowledge the University of Hawaii Women Faculty Caucus' public statement calling attention to the problem and its deep demoralizing effect. Second, a paragraph was added noting that prompt and fair settlement of existing gender-based grievances and cases would serve to provide hope to women at the University of Hawaii. Third, a paragraph was added citing 1987 statistics on the gender of tenured faculty.

Further, sexual discrimination was added to the first WHEREAS paragraph.

Your Committee has also amended the first BE IT RESOLVED paragraph to clarify that the sexual harassment policy is to be agreed upon by all interested parties.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 138, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 138, S.D. 1.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2857      Higher Education on S.C.R. No. 156**

The purpose of this resolution is to request an assessment of the technological and economic feasibility of processing and marketing Hawaii grown tropical fruits.

Your Committee finds that a great variety of tropical fruits cultivated in Hawaii cannot be exported fresh due to fruit fly quarantine regulations. Processed fruit products, on the other hand, can be exported without this constraint. Given this, the State's agricultural industry could benefit greatly from an assessment of the technological and economic feasibility of processing and marketing its tropical fruit.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 156 and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2858      Higher Education on S.R. No. 142**

The purpose of this resolution is to request an assessment of the technological and economic feasibility of processing and marketing Hawaii grown tropical fruits.

Your Committee finds that a great variety of tropical fruits cultivated in Hawaii cannot be exported fresh due to fruit fly quarantine regulations. Processed fruit products, on the other hand, can be exported without this constraint. Given this, the State's agricultural industry could benefit greatly from an assessment of the technological and economic feasibility of processing and marketing its tropical fruit.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 142 and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 2859      Higher Education on S.C.R. No. 98**

The purpose of this concurrent resolution is to urge the University of Hawaii's Board of Regents to investigate the possibility of establishing a separate president and budget for the University of Hawaii at Hilo.

Your Committee finds that the University of Hawaii at Hilo has become well established and plays an important role in economic development on the Island of Hawaii. In the formulation of policy, separate leadership and budgetary control for the University of Hawaii at Hilo would foster an environment more aware and responsive to needs of its surrounding community.

Your Committee has amended the concurrent resolution to add a whereas paragraph to reflect the Board of Regents' current work in formulating a master plan to the year 2000 with the intent of examining each unit of the university system.

Further, the first be-it-resolved paragraph has been amended to urge that the possibility of a separate president and budget for the University of Hawaii at Hilo be investigated in the formulation of the master plan.

Your Committee on Higher Education concurs with the intent and purpose of S.C.R. No. 98, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 98, S.D. 1.

Signed by all members of the Committee except Senator B. Kobayashi.

**SCRep. 2860      Higher Education on S.R. No. 85**

The purpose of this resolution is to urge the University of Hawaii's Board of Regents to investigate the possibility of establishing a separate president and budget for the University of Hawaii at Hilo.

Your Committee finds that the University of Hawaii at Hilo has become well established and plays an important role in economic development on the Island of Hawaii. In the formulation of policy, separate leadership and budgetary control for the University of Hawaii at Hilo would foster an environment more aware and responsive to needs of its surrounding community.

Your Committee has amended the resolution to add a whereas paragraph to reflect the Board of Regents' current work in formulating a master plan to the year 2000 with the intent of examining each unit of the university system.

Further, the first be-it-resolved paragraph has been amended to urge that the possibility of a separate president and budget for the University of Hawaii at Hilo be investigated in the formulation of the master plan.

Your Committee on Higher Education 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 except Senator B. Kobayashi.

**SCRep. 2861      Judiciary on H.B. No. 2799**

The purpose of this bill is to recodify the offense of theft of livestock as a new section in the penal code.

The bill also imposes a minimum mandatory fine of \$1000 or restitution, whichever is greater, for a first time offender, and penalizes repeat offenders under section 706-606.5, Hawaii Revised Statutes.

Your Committee received testimony from the Honolulu Police Department, the Public Defender and the Hawaii Cattlemen's Council, Inc.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2799, 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. 2862      Judiciary on H.B. No. 2874**

The purpose of this bill is to allow the Attorney General to continue appointing security guards for the governor and other public officials.

The bill also repeals the provision establishing the Criminal Justice Commission.

Currently, there are fourteen state law enforcement officers who are assigned to perform security functions for the governor and lieutenant governor. Due to an error in Act 211, Session Laws of Hawaii 1990 (SLH), the statutory authority for these security officers to perform their duties will be repealed on July 1, 1990. This bill will correct that error.

Section 2 of the bill repeals the provision establishing the Hawaii Criminal Justice Commission. Testimony in support of the bill by the Attorney General indicated that in 1977, the Hawaii Criminal Justice Commission, originally the Hawaii Commission on Crime, was established to provide a mechanism for public involvement in addressing criminal justice issues in the State. While the Commission provided a forum for community input into governmental activities, its independent status as a "citizens' commission," undermined its effectiveness and the delivery of programs.

Despite the clear objectives and goals formulated by the Legislature for it, the Commission set its own course, causing a good deal of apprehension and controversy. In response, the 1980 Legislature, after much debate, restricted the Commission's function to research and re-named the agency the Hawaii Crime Commission. By that time, however, the Commission's credibility had been irreparably damaged.

In 1985, the Commission was re-established as the Hawaii Criminal Justice Commission. Its functions were streamlined, with emphasis placed on the development of public education and crime prevention programs. The Commission, however, again took an independent course and was eventually transferred to the Department of the Attorney General in 1989. The Commission's staff, with its experience in preparing comprehensive reports concerning criminal issues, was assigned the crime research function for the department as well as a role in crime prevention and public education.

By repealing the provision establishing the Commission, this bill allows the Attorney General to re-organize his staff and resources to better manage and coordinate crime prevention, education and criminal justice related programs.

Your Committee has amended the bill by amending section 12, Act 211, SLH 1989, rather than adding a new section relating to executive security officers. Although the effect is the same, the amendment eliminates any confusion as to the retention of section 28-11.5, Hawaii Revised Statutes, after July 1, 1990.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2874, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2874, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2863      Judiciary on H.B. No. 3274**

The purpose of this bill is to allow the use of express mail as a means of serving process in civil actions for out-of-state defendants.

Under present law, service of process in a civil action against an out of state defendant is allowable by registered or certified mail. It would be logical and practical to allow service by express mail because it:

1. Provides for an expeditious manner of serving defendants outside the state;
2. Reduces the time it generally takes to effect service on mainland defendants and reduces the expense of hiring a private process server; and
3. Provides return receipt service which is offered by the United States Postal Service.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3274 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2864      Judiciary on Gov. Msg. Nos. 133 and 174**

Recommending that the Senate advise and consent to the nominations of the following:

JOHN A. CHANIN to the Commission to Promote Uniform Legislation, term to expire June 30, 1994;

CHARLES M.L.S. NAKAO to the Juvenile Justice Interagency Board, term to expire June 30, 1994;

GAIL P. GNAZZO to the Juvenile Justice Interagency Board, term to expire June 30, 1994; and

HAROLD KAWASAKI to the Juvenile Justice Interagency Board, term to expire June 30, 1992.

Signed by all members of the Committee.

**SCRep. 2865      Agriculture on S.C.R. No. 1**

The purpose of this concurrent resolution is to support the adoption of a uniform system of labeling plastic materials.

Your Committee received supporting testimony from the Department of Health and members of the Environmental Center of the University of Hawaii.

Your Committee finds that 10.3 million tons of plastics are being landfilled annually with only one percent of all plastics being recycled. With proper and uniform labeling, a much greater percentage of plastic material could be recycled thereby reducing the amount of plastic materials in landfills.

Your Committee has amended the concurrent resolution by deleting the first "be it further resolved" clause and inserting language which requests the Administrator of the Environmental Protection Agency to develop rules for the uniform recycling symbols in conjunction with plastic material identification codes. Furthermore, your Committee has included the Environmental Protection Agency and Hawaii's congressional delegation in the transmittal clause.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2866      Agriculture on S.R. No. 2**

The purpose of this resolution is to support the adoption of a uniform system of labeling plastic materials.

Your Committee received supporting testimony from the Department of Health and members of the Environmental Center of the University of Hawaii.

Your Committee finds that 10.3 million tons of plastics are being landfilled annually with only one percent of all plastics being recycled. With proper and uniform labeling, a much greater percentage of plastic material could be recycled thereby reducing the amount of plastic materials in landfills.

Your Committee has amended the resolution by deleting the first "be it further resolved" clause and inserting language which requests the Administrator of the Environmental Protection Agency to develop rules for the uniform recycling symbols in conjunction with plastic material identification codes. Furthermore, your Committee has included the Environmental Protection Agency and Hawaii's congressional delegation in the transmittal clause.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 2, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 2, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2867      Agriculture on S.C.R. No. 89**

The purpose of this Concurrent Resolution is to reaffirm the Legislature's commitment to the promotion and utilization of alternate sources of energy.

The Legislature has supported alternate energy production for many years. Act 102, Session Laws of Hawaii (SLH) 1977, directed the Public Utilities Commission (PUC) to investigate and determine the extent to which electric energy generated by producers from nonfossil fuel sources could be made available to electric utility companies for resale to the public. In 1978, a goal of the Hawaii State Planning Act was to attain "dependable, efficient, and economical statewide energy...systems capable of supporting the needs of the people." Then in 1983, Act 243, SLH, provided economic incentives to encourage continued production of alternate forms of energy.

Cognizant of this legislative intent, and in response to the federal Public Utility Regulatory Policies Act of 1978, the PUC adopted rules governing the purchase of energy generated from nonfossil fuel sources (alternate energy) by utility companies. The purchase price of the alternate energy was not to be less than the "avoided cost" to the utility company. The definition of avoided cost is unclear and has been the source of debate between alternate energy producers and utility companies.

This Concurrent Resolution seeks to resolve the conflict between alternate energy producers and utility companies by investigating, and if necessary, changing the methodology used by utility companies in determining avoided cost to ensure that the maximum economic incentives provided by law, are available to alternate energy producers.

Your Committee has amended the Concurrent Resolution by deleting the term "geothermal" from the seventh WHEREAS clause because it is your Committee's intent to remain neutral on the geothermal development issue. Your Committee has also amended the Concurrent Resolution by amending the title to more accurately reflect the intent of the Concurrent Resolution, and by making technical changes for purposes of style and clarity.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 89, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 89, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2868      Agriculture on S.R. No. 78**

The purpose of this Resolution is to reaffirm the Legislature's commitment to the promotion and utilization of alternate sources of energy.

The Legislature has supported alternate energy production for many years. Act 102, Session Laws of Hawaii (SLH) 1977, directed the Public Utilities Commission (PUC) to investigate and determine the extent to which electric energy generated by producers from nonfossil fuel sources could be made available to electric utility companies for resale to the public. In 1978, a goal of the Hawaii State Planning Act was to attain "dependable, efficient, and economical statewide energy...systems capable of supporting the needs of the people." Then in 1983, Act 243, SLH, provided economic incentives to encourage continued production of alternate forms of energy.

Cognizant of this legislative intent, and in response to the federal Public Utility Regulatory Policies Act of 1978, the PUC adopted rules governing the purchase of energy generated from nonfossil fuel sources (alternate energy) by utility companies. The purchase price of the alternate energy was not to be less than the "avoided cost" to the utility company. The definition of avoided cost is unclear and has been the source of debate between alternate energy producers and utility companies.

This Resolution seeks to resolve the conflict between alternate energy producers and utility companies by investigating, and if necessary, changing the methodology used by utility companies in determining avoided cost to ensure that the maximum economic incentives provided by law, are available to alternate energy producers.

Your Committee has amended the Resolution by deleting the term "geothermal" from the seventh WHEREAS clause because it is your Committee's intent to remain neutral on the geothermal development issue. Your Committee has also amended the Resolution by amending the title to more accurately reflect the intent of the Resolution, and by making technical changes for purposes of style and clarity.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 78, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 78, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2869      Agriculture on S.C.R. No. 93**

The purpose of this concurrent resolution is to request that the Department of Agriculture revise their requirements for obtaining a permit to operate a satellite quarantine facility on the neighbor islands.

Your Committee received supporting testimony from the Hawaiian Humane Society and Dr. Charla Jones.

Your Committee finds that of the 3500-4000 dogs and cats interned at the Halawa quarantine facility annually, a significant percentage are owned by neighbor island residents. Since no other State operated quarantine facility exists on any of the neighbor islands, all dogs and cats must be quarantined at the Halawa facility. This requirement places an undue financial burden on pet owners who are neighbor island residents.

Your Committee has amended the concurrent resolution by adding a new "be it further resolved" paragraph to require the Department of Agriculture consult with a committee composed of representatives from the Humane Societies of each county, dog and cat fanciers, local veterinarians, and other interested parties and by making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 93, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 93, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2870      Agriculture on S.R. No. 82**

The purpose of this resolution is to request that the Department of Agriculture revise their requirements for obtaining a permit to operate a satellite quarantine facility on the neighbor islands.

Your Committee received supporting testimony from the Hawaiian Humane Society and Dr. Charla Jones.

Your Committee finds that of the 3500-4000 dogs and cats interned at the Halawa quarantine facility annually, a significant percentage are owned by neighbor island residents. Since no other State operated quarantine facility exists on any of the neighbor islands, all dogs and cats must be quarantined at the Halawa facility. This requirement places an undue financial burden on pet owners who are neighbor island residents.

Your Committee has amended the resolution by adding a new "be it further resolved" paragraph to require the Department of Agriculture consult with a committee composed of representatives from the Humane Societies of each county, dog and cat fanciers, local veterinarians, and other interested parties and by making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 82, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 82, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2871      Agriculture on S.C.R. No. 221**

The purpose of this concurrent resolution is to urge the Governor to execute and submit an application for a \$1.3 million Community Development Block Grant (CDBG) from the United States Department of Housing and Urban Development (HUD).

If applied for and approved, the funds would be utilized to assist the two Hamakua sugarcane mills on the Big Island which are suffering economic hardships. If these sugarcane mills are shut down, the economy of of Hawaii County would suffer devastating effects as well.

Your Committee received supporting testimony from the Governor's Agricultural Coordinating Committee, the Department of Business and Economic Development, the Department of Agriculture, and the Office of Housing and Community Development of the County of Hawaii.

Your Committee finds that financial assistance is necessary for the continued existence of these two sugarcane mills. If the application for financial assistance is not executed, the State would suffer an economic loss with the County of Hawaii being affected most severely.

Your Committee has amended the concurrent resolution by correcting a typographical error.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 221, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 221, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2872      Agriculture on S.R. No. 204**

The purpose of this resolution is to urge the Governor to execute and submit an application for a \$1.3 million Community Development Block Grant (CDBG) from the United States Department of Housing and Urban Development (HUD).

If applied for and approved, the funds would be utilized to assist the two Hamakua sugarcane mills on the Big Island which are suffering economic hardships. If these sugarcane mills are shut down, the economy of of Hawaii County would suffer devastating effects as well.

Your Committee received supporting testimony from the Governor's Agricultural Coordinating Committee, the Department of Business and Economic Development, the Department of Agriculture, and the Office of Housing and Community Development of the County of Hawaii.

Your Committee finds that financial assistance is necessary for the continued existence of these two sugarcane mills. If the application for financial assistance is not executed, the State would suffer an economic loss with the County of Hawaii being affected most severely.

Your Committee has amended the resolution by correcting a typographical error.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 204, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 204, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2873      Agriculture on H.C.R. No. 37**

The purpose of this concurrent resolution is to support the further development of the State agricultural park program.

Your Committee received favorable testimony from the Department of Agriculture.

Your Committee finds that the further development of the State's agricultural park program would provide suitable lands for farming as well as sustain the State's goal of diversified agriculture.

By supporting such efforts, your Committee believes that the State's economy would move one step closer to a more diversified and stable economy not so heavily reliant upon tourism.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 37 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2874      Agriculture on H.C.R. No. 38**

The purpose of this concurrent resolution is to encourage and support the efforts of Hawaii's congressional delegation in its efforts to maintain the United States sugar industry.

Your Committee received supporting testimony from the Department of Agriculture, the University of Hawaii's School of Tropical Agriculture and Human Resources, and the Hawaiian Sugar Planters' Association.

Your Committee finds that the sugar industry is a necessary and integral part of Hawaii's economy and way of life. If Federal support is diminished, the effect would be devastating to the people and economy of this State.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 38 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2875      Agriculture on H.B. No. 1023**

The purpose of this bill is to amend the laws relating to plastic containers. Specifically, the bill adds a new part to chapter 342, Hawaii Revised Statutes, to require all plastic containers have labels indicating the plastic resin used to produce the plastic container product.

Your Committee finds that mandatory plastic coding could help reduce the amount of plastic being produced and used, which in turn could reduce the severe plastic pollution problem in the State.

Your Committee has amended the bill to reflect current industrial terminologies and practices and by making other nonsubstantive amendments for the purposes of clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1023, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1023, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2876      Agriculture on H.B. No. 2494**

The purpose of this bill is to remove agricultural, aquacultural, and agricultural park leases from payment of a premium on an assignment of lease.

Your Committee finds that currently, section 171-36, Hawaii Revised Statutes, conditions the consent of the assignment of a lease upon payment by the lessee of a premium based on the amount by which the consideration for the assignment exceeds the depreciated costs of improvements and trade fixtures being transferred. Consequently, due to this required premium payment, financial institutions have denied loans to farmers leasing State lands, contending that this provision jeopardizes the equity position of good-faith mortgages and puts in question the protection of the lenders' security position in loans secured by leasehold interest on State lands.

Your Committee received supporting testimony from the Department of Agriculture, the Department of Land and Natural Resources, and the Hawaii Farm Bureau Federation.

Your Committee finds that passage of the measure would bring about a more equitable and amenable lending environment for farmers engaged in various agricultural and aquacultural ventures.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2494, 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. 2877      Corrections on S.C.R. No. 211**

The purpose of this resolution is to request the Department of Corrections to perform a study of the feasibility of establishing a pre-release center for adult prisoners.

Your Committee, with a view to ameliorating the problems with which our correctional and law enforcement sectors are faced, particularly the aspect of crowding in our maximum and medium security institutions, is especially interested in a thorough elaboration of the possibilities, prices, and potential of a pre-release center or centers.

This resolution requests a study of such a center(s), designed for the last two to three years of incarceration prior to tentative release dates, specifically:

- (1) An outline of a wide variety of the programs which could be offered;
- (2) Estimates of the costs of a variety of designs and plans, construction, equipment, land, staff and outside services;
- (3) A description of the numbers and natures of the projected inmate population;
- (4) Recommendations for possible sites for such a facility or facilities, considering sites both public and private; and
- (5) A critical review of the experience of other states, including the Canadian provinces, of any kindred efforts with pre-release centers, their efforts, costs, operating costs, programs provided, inclusive of their results and mistakes, and their assessments: positive and otherwise.

Your Committee received testimony, all favoring the object of this resolution, from the Special Master for Corrections in the Office of the Governor, and from the Director of the Department of Corrections, who reasoned that such a pre-release center and program would also assist the Department in providing most men and women in the last years of incarceration "... a sequential "decompression" from the effects of long-term confinement gradually through a re-integrative process" of return to the community.

Your Committee on Corrections concurs with the intent and purpose of S.C.R. No. 211 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2878      Corrections on S.R. No. 193**

The purpose of this resolution is to request the Department of Corrections to perform a study of the feasibility of establishing a pre-release center for adult prisoners.

Your Committee, with a view to ameliorating the problems with which our correctional and law enforcement sectors are faced, particularly the aspect of crowding in our maximum and medium security institutions, is especially interested in a thorough elaboration of the possibilities, prices, and potential of a pre-release center or centers.

This resolution requests a study of such a center(s), designed for the last two to three years of incarceration prior to tentative release dates, specifically:

- (1) An outline of a wide variety of the programs which could be offered;
- (2) Estimates of the costs of a variety of designs and plans, construction, equipment, land, staff and outside services;
- (3) A description of the numbers and natures of the projected inmate population;
- (4) Recommendations for possible sites for such a facility or facilities, considering sites both public and private; and
- (5) A critical review of the experience of other states, including the Canadian provinces, of any kindred efforts with pre-release centers, their efforts, costs, operating costs, programs provided, inclusive of their results and mistakes, and their assessments: positive and otherwise.

Your Committee received testimony, all favoring the object of this resolution, from the Special Master for Corrections in the Office of the Governor, and from the Director of the Department of Corrections, who reasoned that such a pre-release center and program would also assist the Department in providing most men and women in the last years of incarceration "... a sequential "decompression" from the effects of long-term confinement gradually through a re-integrative process" of return to the community.

Your Committee on Corrections concurs with the intent and purpose of S.R. No. 193 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2879      Corrections on S.C.R. No. 15**

The purpose of this Concurrent Resolution is to request the Departments of Public Safety and of Human Services to develop a written profile for each person incarcerated in these Departments' custody: including both adults and youth.

The inmate profiles are to include each person's educational background, marital status, ethnicity, history of drug usage, criminal record, literacy rate, and other data relevant to rehabilitation and treatment. Such data would provide the Department of Corrections with the ability to accurately assess the needs of the inmate population and provide a basis for the development of cost-efficient and effective programs and services for inmates. The charting of this type of information for each person would also help to fashion an individualized prescriptive program to help the person toward release.

W. L. Kautzky, Special Master, stated in testimony that the Corrections Committee is to be commended for this effort to focus the resources of the Department in a thoughtful manner towards the needs of incarcerated persons. George Iranon, Director of the Department, strongly supports this Concurrent Resolution.

Your Committee on Corrections concurs with the intent and purpose of S.C.R. No. 15 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2880      Corrections on S.R. No. 15**

The purpose of this Resolution is to request the Departments of Public Safety and of Human Services to develop a written profile for each person incarcerated in these Departments' custody: including both adults and youth.

The inmate profiles are to include each person's educational background, marital status, ethnicity, history of drug usage, criminal record, literacy rate, and other data relevant to rehabilitation and treatment. Such data would provide the Department of Corrections with the ability to accurately assess the needs of the inmate population and provide a basis for the development of cost-efficient and effective programs and services for inmates. The charting of this type of information for each person would also help to fashion an individualized prescriptive program to help the person toward release.

W. L. Kautzky, Special Master, stated in testimony that the Corrections Committee is to be commended for this effort to focus the resources of the Department in a thoughtful manner towards the needs of incarcerated persons. George Iranon, Director of the Department, strongly supports this Resolution.

Your Committee on Corrections concurs with the intent and purpose of S.R. No. 15 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2881      Corrections on S.C.R. No. 215**

The purpose of this resolution is to request the Department of Public Safety promptly to formulate a plan of action with its staff to address the problems of all disabled and handicapped inmates and to proceed to implement it in all correctional institutions.

Your Committee has been aware that an overall plan for this limited prison population was studied, developed and agreed upon by the Developmentally Disabled and Handicapped Prisoners Steering Committee and its report completed in December, 1987. The Department of Corrections participated in this Steering Committee along with the State Planning Council on Developmental Disabilities, the Protection and Advocacy Agency, and the Commission on Persons with Disabilities. It is this plan your Committee requests the Department to implement.

Your Committee has received testimony in favor of this resolution and the immediate implementation of the overall plan of the Steering Committee from the Department of Corrections, the Special Master for Corrections, the Department of Human Services, State Planning Council on Developmental Disabilities, the Program for Developmental Disabilities of the University of Hawaii, the Commission on Persons with Disabilities, the Protection and Advocacy Agency of Hawaii, Hawaii Services on Deafness, the Developmentally Disabled and Handicapped Prisoners Task Force, and Mr. Art Frank speaking for the Ahana Ohana.

Your Committee on Corrections concurs with the intent and purpose of S.C.R. No. 215 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2882      Corrections on S.R. No. 197**

The purpose of this resolution is to request the Department of Public Safety promptly to formulate a plan of action with its staff to address the problems of all disabled and handicapped inmates and to proceed to implement it in all correctional institutions.

Your Committee has been aware that an overall plan for this limited prison population was studied, developed and agreed upon by the Developmentally Disabled and Handicapped Prisoners Steering Committee and its report completed in December, 1987. The Department of Corrections participated in this Steering Committee along with the State Planning Council on Developmental Disabilities, the Protection and Advocacy Agency, and the Commission on Persons with Disabilities. It is this plan your Committee requests the Department to implement.

Your Committee has received testimony in favor of this resolution and the immediate implementation of the overall plan of the Steering Committee from the Department of Corrections, the Special Master for Corrections, the Department of Human Services, State Planning Council on Developmental Disabilities, the Program for Developmental Disabilities of the University of Hawaii, the Commission on Persons with Disabilities, the Protection and Advocacy Agency of Hawaii, Hawaii Services on Deafness, the Developmentally Disabled and Handicapped Prisoners Task Force, and Mr. Art Frank speaking for the Ahana Ohana.

Your Committee on Corrections concurs with the intent and purpose of S.R. No. 197 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2883      Transportation on H.B. No. 2429**

The purpose of this bill is to allow for the staggered issuance of new number (license) plates.

Specifically, the bill amends sections 249-7 and 249-9, Hawaii Revised Statutes (HRS), to allow for the staggered issuance of the newly designed license plates.

At present, sections 249-7 and 249-9, HRS, require the uniform issuance and renewal of license plates. These statutes were based on a system which has since been changed to a staggered system of issuing license plates. Your Committee finds the updating of these statutes to be necessary to conform to present practices.

Your Committee has amended the bill by adding subsection headings to each paragraph of section 1 of the bill, by limiting the area where a license plate is to be placed on a motor vehicle to the area provided by the manufacturer or on the bumpers of the vehicle, and by making technical, nonsubstantive amendments for the purposes of recommended drafting style and clarity.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2429, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2884      Transportation on H.B. No. 2953**

The purpose of this bill is to amend the formula for assessing gross vehicle weight.

Specifically, this administration bill amends section 291-35, Hawaii Revised Statutes, by making typographical corrections to the formula for loads on interstate highways. Furthermore, the bill corrects the definition of "L" in the formula  $W = 900(L + 40)$  for loads imposed on highways and other than interstate highways.

Your Committee finds the definition of "L" in the formula  $W = 900(L + 40)$  was incorrectly defined when the statute was amended in 1977. The correct formula should be based on the distance between two consecutive sets of axles rather than the distance between the first and last axles.

Consequently, the defect in the current law allows excessive weights to be concentrated on certain axles of vehicles resulting in the overstressing of many existing bridges in the State.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2953 and recommends that it pass Second Reading and be placed on calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2885      Corrections on S.R. No. 198**

The purpose of this Senate Resolution is to request the Standing Committee on Corrections to exercise and maintain a special legislative oversight of the Kulani Correctional Facility on the Island of Hawaii.

Over the past four years, with the increase in prison commitments, mandatory terms, more extended terms, and an increase in prosecutions, your Committee has been contesting the resulting over-crowding of our correctional populations. The Department of Corrections has also been attempting to manage this developing problematic situation.

Program and operation activities at Kulani need to be reviewed and monitored by the legislature to enhance public safety, custodial care, and rehabilitation.

Your Committee has received testimony endorsing this Resolution from the Director of the Department of Corrections and the Special Master for Corrections in the office of the Governor.

Your Committee on Corrections concurs with the intent and purpose of S.R. No. 198 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 2886      Agriculture on S.C.R. No. 34**

The purpose of this concurrent resolution is to request the Department of Health to adopt administrative rules to implement standards for gray water usage.

Your Committee received supporting testimony from the Department of Health.

Your Committee finds that the Department of Health has administrative rules relating to domestic wastewater systems which include the disposal of both black water (containing organic matter such as water from toilets or dishwashers) and

gray water (water from laundry and shower uses). Since the risk of contamination from gray water is significantly less than from black water, your Committee finds that the need for engineers to develop individual wastewater systems for gray water is an extraneous requirement and that gray water systems administered by inspection would be more appropriate.

Your Committee has amended the concurrent resolution by deleting the first "be it further resolved" clause relating to having the Department of Health impose different standards for different soil or other conditions.

Your Committee on Agriculture concurs 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.

**SCRep. 2887      Agriculture on S.R. No. 32**

The purpose of this resolution is to request the Department of Health to adopt administrative rules to implement standards for gray water usage.

Your Committee received supporting testimony from the Department of Health.

Your Committee finds that the Department of Health has administrative rules relating to domestic wastewater systems which include the disposal of both black water (containing organic matter such as water from toilets or dishwashers) and gray water (water from laundry and shower uses). Since the risk of contamination from gray water is significantly less than from black water, your Committee finds that the need for engineers to develop individual wastewater systems for gray water is an extraneous requirement and that gray water systems administered by inspection would be more appropriate.

Your Committee has amended the resolution by deleting the first "be it further resolved" clause relating to having the Department of Health impose different standards for different soil or other conditions.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 32, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2888      Agriculture on S.C.R. No. 91**

The purpose of this concurrent resolution is to urge all domestic airlines to show a video detailing the State's plant and animal quarantine laws.

Your Committee received supporting testimony from the Department of Agriculture, the Hawaii Farm Bureau, and the League of Women Voters.

Your Committee finds that Hawaii's fragile natural environment is constantly at risk of being destroyed by noxious plants and insects which are either smuggled or inadvertently brought into the State. By showing an inflight video detailing Hawaii's plant and animal quarantine laws, people would be more aware of the problems and dangers associated with such illegal importation.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 91 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2889      Agriculture on S.R. No. 80**

The purpose of this resolution is to urge all domestic airlines to show a video detailing the State's plant and animal quarantine laws.

Your Committee received supporting testimony from the Department of Agriculture, the Hawaii Farm Bureau, and the League of Women Voters.

Your Committee finds that Hawaii's fragile natural environment is constantly at risk of being destroyed by noxious plants and insects which are either smuggled or inadvertently brought into the State. By showing an inflight video detailing Hawaii's plant and animal quarantine laws, people would be more aware of the problems and dangers associated with such illegal importation.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 80 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2890      Agriculture on S.C.R. No. 95**

The purpose of this concurrent resolution is to assess the feasibility of establishing a full service veterinary clinic at the Animal Quarantine Station in Halawa.

Your Committee received supporting testimony from the Department of Agriculture, Dr. Charla Jones, and the Hawaiian Humane Society.

Your Committee finds that the Halawa quarantine facility currently maintains a veterinary clinic which is capable of performing only routine diagnostic treatment. Recent statistics show there are approximately 3500-4000 dogs and cats quarantined in the Halawa quarantine facility annually, with this figure rising yearly.

Furthermore, your Committee finds that since the State requires every dog or cat entering the State from an area other than a "specified rabies free environment" to be subjected to the 120 day quarantine period at the Halawa facility, the State should provide adequate medical facilities to accommodate these animals.

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

Signed by all members of the Committee.

**SCRep. 2891      Agriculture on S.R. No. 83**

The purpose of this resolution is to assess the feasibility of establishing a full service veterinary clinic at the Animal Quarantine Station in Halawa.

Your Committee received supporting testimony from the Department of Agriculture, Dr. Charla Jones, and the Hawaiian Humane Society.

Your Committee finds that the Halawa quarantine facility currently maintains a veterinary clinic which is capable of performing only routine diagnostic treatment. Recent statistics show there are approximately 3500-4000 dogs and cats quarantined in the Halawa quarantine facility annually, with this figure rising yearly.

Furthermore, your Committee finds that since the State requires every dog or cat entering the State from an area other than a "specified rabies free environment" to be subjected to the 120 day quarantine period at the Halawa facility, the State should provide adequate medical facilities to accommodate these animals.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 83 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2892      Agriculture on S.C.R. No. 220**

The purpose of this concurrent resolution is to authorize the establishment of a legislative interim task force to identify the factors restricting agricultural development in Hawaii.

Your Committee received supporting testimony from the Board of Agriculture and the University of Hawaii's School of Tropical Agriculture and Human Resources.

Your Committee finds that because Hawaii is an island state, its agricultural growth is limited by land limitations, transportation costs, and high labor costs. For optimum development and diversification to occur, evaluation of all relevant factors must be done on a periodic basis to address the shifting concerns and problems facing the agricultural industry.

Your Committee has amended the concurrent resolution to have the task force chaired by only the Chairperson of the Senate Committee on Agriculture rather than cochaired with the Chairperson of the House Committee on Agriculture.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 220, as amended herein, and recommends adoption in the form attached hereto as S.C.R. No. 220, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2893      Agriculture on S.R. No. 203**

The purpose of this resolution is to authorize the establishment of a legislative interim task force to identify the factors restricting agricultural development in Hawaii.

Your Committee received supporting testimony from the Board of Agriculture and the University of Hawaii's School of Tropical Agriculture and Human Resources.

Your Committee finds that because Hawaii is an island state, its agricultural growth is limited by land limitations, transportation costs, and high labor costs. For optimum development and diversification to occur, evaluation of all relevant factors must be done on a periodic basis to address the shifting concerns and problems facing the agricultural industry.

Your Committee has amended the resolution to have the task force chaired by only the Chairperson of the Senate Committee on Agriculture rather than cochaired with the Chairperson of the House Committee on Agriculture.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 203, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 203, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2894      Agriculture on S.C.R. No. 223**

The purpose of this concurrent resolution is to request the Governor's Agricultural Coordinating Committee to establish a committee to study the feasibility of an agricultural research institution.

Your Committee received supporting testimony from the Governor's Agricultural Coordinating Committee.

Your Committee finds that there is a need to encourage the growth of agriculture in order to maintain a strong diversified economic base for the State. By assessing the feasibility of an agricultural research institution, your Committee will be able to ascertain the exact needs of the State's agricultural community while gaining valuable information regarding agriculture's role in the future of Hawaii.

Your Committee has amended the concurrent resolution by adding the Chairperson of the Department of Agriculture to the transmittal clause and by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 223, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 223, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2895      Agriculture on S.R. No. 206**

The purpose of this resolution is to request the Governor's Agricultural Coordinating Committee to establish a committee to study the feasibility of an agricultural research institution.

Your Committee received supporting testimony from the Governor's Agricultural Coordinating Committee.

Your Committee finds that there is a need to encourage the growth of agriculture in order to maintain a strong diversified economic base for the State. By assessing the feasibility of an agricultural research institution, your Committee will be able to ascertain the exact needs of the State's agricultural community while gaining valuable information regarding agriculture's role in the future of Hawaii.

Your Committee has amended the resolution by adding the Chairperson of the Department of Agriculture to the transmittal clause and by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 206, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 206, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2896      Agriculture on H.B. No. 2585**

The purpose of this bill is to clarify the definition of "food product" under chapter 145D, Hawaii Revised Statutes, relating to civil liability for food donations, by including prepared, canned, farm products, and milk and dairy products within the definition.

Your Committee received supporting testimony from the Hawaii Food Industry Association, the Hawaii Foodbank, Inc., the Episcopal Church in Hawaii, Hale Kipa, and Kokua Kalihi Valley.

Based upon the testimony of the Episcopal Church in Hawaii, your Committee has amended this bill to clarify the definition of "charitable, religious, or nonprofit organization," by defining the tax exempt status of such organizations.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2585, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2585, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2897      Agriculture on H.B. No. 2879**

The purpose of this bill is to prevent profiteering from the sale of agricultural park leases and to restrict the use of agricultural parks to qualified farmers.

The bill also provides the Board of Agriculture direct authority over the agricultural park program, and allows the Board to dispose of agricultural park lands by means other than lease.

Currently, the law allows the assignment of an agricultural park lease to a corporate assignee who is not a bona fide farmer. This was never the intention of the legislature. This bill provides the Board with broader and more direct authority over agricultural parks to benefit farmers, not profiteering corporations.

Your Committee has amended the bill by making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2879, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2898 Higher Education on S.C.R. No. 62**

The purpose of this Concurrent Resolution is to request that the Board of Regents include in its 1991-1993 biennium budget a provision for funds to build a Hawaiian language and culture facility at the University of Hawaii at Hilo to house the Hale Kuamo'o Hawaiian Language Center and affiliated Hawaiian language programs.

Your Committee finds that the Hawaiian program at the University of Hawaii at Hilo has grown to a point where it has more majors than Manoa's Hawaiian Studies and Hawaiian Language degrees combined. Further, Hale Kuamo'o is serving schools throughout the State and is developing relationships with outer island community colleges working in this field. Your Committee believes that the explosive growth in Hale Kuamo'o and its related academic program provides compelling evidence that there is an immediate need for the construction of a facility to house it and its affiliated programs.

Your Committee has amended the Concurrent Resolution by:

- (1) Deleting the title and inserting a new one to more accurately describe what action is desired;
- (2) Adding two new WHEREAS clauses to include statistics on the Hawaiian population on the Big Island and at the University of Hawaii at Hilo; and
- (3) Deleting the BE IT RESOLVED clause and adding two new ones to more accurately describe what action is desired.

Your Committee on Higher 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.

**SCRep. 2899 Higher Education on S.R. No. 53**

The purpose of this Resolution is to request that the Board of Regents include in its 1991-1993 biennium budget a provision for funds to build a Hawaiian language and culture facility at the University of Hawaii at Hilo to house the Hale Kuamo'o Hawaiian Language Center and affiliated Hawaiian language programs.

Your Committee finds that the Hawaiian program at the University of Hawaii at Hilo has grown to a point where it has more majors than Manoa's Hawaiian Studies and Hawaiian Language degrees combined. Further, Hale Kuamo'o is serving schools throughout the State and is developing relationships with outer island community colleges working in this field. Your Committee believes that the explosive growth in Hale Kuamo'o and its related academic program provides compelling evidence that there is an immediate need for the construction of a facility to house it and its affiliated programs.

Your Committee has amended the Resolution by:

- (1) Deleting the title and inserting a new one to more accurately describe what action is desired;
- (2) Adding two new WHEREAS clauses to include statistics on the Hawaiian population on the Big Island and at the University of Hawaii at Hilo; and
- (3) Deleting the BE IT RESOLVED clause and adding two new ones to more accurately describe what action is desired.

Your Committee on Higher Education concurs with the intent and purpose of S.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 53, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2900 Judiciary on H.B. No. 2183**

The purpose of this bill is to extend the repeal date from 1990 to 1993 of Act 260, Session Laws of Hawaii 1988, relating to forfeiture.

The purpose of this bill has been amended to permanently enact the Hawaii omnibus criminal forfeiture act. This will be accomplished by amending Act 260, Session Laws of Hawaii 1988, to delete the sunset provision that would have repealed the act effective July 1, 1990; and to make appropriate amendments to the Forfeiture Act, Section 712A-16, governing the disposition of forfeited property resulting from testimony received regarding the past two-year trial period under that Act.

Your Committee received testimony in support of the bill from the Attorney General, who stated that the two year trial of the Act shows that this comprehensive forfeiture law has been fairly but productively used by law enforcement. Total seizures and forfeitures have increased since the time that the provisions on forfeitures were scattered throughout the Hawaii Revised Statutes. More than ninety percent of the forfeiture actions filed have been handled administratively and, of those, nearly ninety percent have been uncontested. This has resulted in a tremendous savings in time and effort compared to the exclusively judicial proceedings under prior law.

Based on its own independent research, as well as on discussions at the hearing, your Committee is concerned by the tendency of the police departments of the respective counties to "go federal" with the forfeiture cases rather than bringing them under State law. The apparent reason for this practice is that federal equitable sharing, the process by which the proceeds of a forfeiture are distributed to the participating state and law enforcement agencies, is based on an assessment of the relative contributions of the participants as opposed to the rigid formula provided under a State law. As a result, agencies routinely obtain up to eighty percent of the proceeds whereas under State law they would receive, at least initially, only twenty-five percent. Further, the Prosecuting Attorney who brings the action under State law automatically receives twenty-five percent without regard to whether that action was a simple administrative one or a complex judicial proceeding. Finally, fifty percent of the proceeds are deposited into the criminal forfeiture fund administered by the Attorney General for the benefit of law enforcement. While your Committee finds that it is reasonable to maintain sufficient money in this revolving fund to support law enforcement, particularly where an emergency arises, this figure is arbitrary and too high.

Accordingly, your Committee has amended the bill to delete from Section 712A-16, Hawaii Revised Statutes, the rigid distribution formula and has inserted criteria, drawn from the federal guidelines for seized and forfeited property, that will be applied by the Attorney General in determining how to distribute the proceeds of forfeiture to the agencies that made the most significant contribution to the forfeiture. We believe that this will make State law more attractive to our county police departments and encourage them to use the law more frequently. Your Committee finds that this change will enhance law enforcement efforts in Hawaii, provide an important source of revenue, and help develop this important weapon against financially motivated crimes and criminals.

Your Committee believes that the Legislature needs to be kept well informed regarding the use of this powerful tool so that it can make amendments to the law when and if necessary. Accordingly, your Committee has amended the bill to clearly specify that the Attorney General will submit the contents of the annual Report to the Legislature immediately prior to each session. This way, the Legislature will receive specific information in a timely fashion that will allow it to make any necessary amendments once the session starts.

Your Committee has further amended this bill by repealing the repeal provisions of Act 260.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2183, H.D. 1, as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2183, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2901      Judiciary on H.B. No. 2820**

The purpose of this bill is to amend Chapter 523A, Uniform Unclaimed Property Act, Hawaii Revised Statutes, so as to provide the means by which the state may recover unclaimed properties presently the subject of litigation.

This bill contains two amendments, one of which will permit the state to recover from an out-of-state holder of unclaimed property (for instance, a brokerage house) when the holder did not originate the unclaimed property but is an intermediate holder. The second amendment will clarify that the current requirements are merely procedural in nature, so that recovery of unclaimed property will not be jeopardized if those provisions are not strictly followed.

Your Committee received testimony from the Attorney General that the State of Hawaii is presently involved in two lawsuits relating to the recovery of unclaimed property. In *Delaware v. New York*, which is pending in the United States Supreme Court, the central issue is which state or states are entitled to hold unpaid interest and dividends in brokerage houses when the owners have not claimed the moneys. The other, *Alabama v. Bowsher*, which is pending in the United States District Court for the District of Columbia, seeks to recover from the federal government certain unclaimed funds being held in the United States Treasury.

The Attorney General's testimony further stated that by enacting into law the proposed amendments described herein, the State's chances of recovery in the aforementioned lawsuits will be enhanced.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2820, 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 Holt.

**SCRep. 2902      Judiciary on H.B. No. 2842**

The purpose of this bill is to make the process of voter registration more convenient for the voters. This bill also updates statutory provisions relating to voter registration challenges and questionable address procedures.

Your Committee received overwhelming support for this bill from the Office of Lieutenant Governor, The League of Women Voters of Hawaii, Association of Clerks and Elections Officers of Hawaii and a concerned citizen.

Your Committee received testimony indicating that only one half of the state's voting age population are registered to vote. This bill will facilitate voter registration by providing for registration by mail with the use of a self-subscribing oath form. These forms will be made available through various groups as well as at the time of driver's license application or renewal.

Furthermore, this bill will afford voters a greater opportunity to verify their registrations, encourage voters to register in the proper precincts and help election officials update their registers. It will also clarify the appeals procedures from a decision by the county clerk or an election official.



Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2842, 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 Holt.

**SCRep. 2903      Judiciary on H.B. No. 3083**

The purpose of this bill is to add a provision to the Uniform Commercial Code, Hawaii Revised Statutes, Section 490:3-\_\_\_, that protects payees from claims of accord and satisfaction, where a payor has attempted to avoid paying additional amounts due and owing, by writing exculpatory language on the negotiable instrument.

Testimony in support of this bill was presented by the Retail Merchants of Hawaii, the Hawaii Bankers Association, and Liberty House. Each indicated that with modern technology, negotiable instruments are processed electronically. A payor's attempt to create accord and satisfaction by writing exculpatory language on the instrument go undetected, due to the fact that the instruments are rarely reviewed by human beings prior to negotiation.

Your Committee has amended this bill, without change in content or the intent, by the substitution of fuller and more explicit language which provides that an accord and satisfaction must be in writing rather than a mere notation on the instrument such as on a check.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3083, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3083, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2904      Judiciary on H.B. No. 3110**

The purpose of this bill is to ensure the prompt start and continued flow of ordered child support payments from the responsible parent for the benefit of the child.

Your Committee received testimony in support of this bill from the Attorney General - Child Support Enforcement Agency, the Judiciary and the Hawaii State Commission on the Status of Women.

Your Committee finds that streamlining the administrative process to ensure parents meet their child support obligations is very much needed. It will provide statewide uniformity, continuity and a timely process to expedite payment obligations that too many irresponsible parents have been able to avoid for months and even years.

Based on the testimony of the Judiciary and the Child Support Enforcement Agency of the Department of the Attorney General, your Committee has amended this bill as follows:

1. On page 1, line 5 and page 4, line 23, the word "working" has been added and on page 1, line 12 and page 5, line 8, the words "five calendar days" have been amended to read "five working days". Your Committee finds that a five calendar day processing requirement will be extremely difficult for the small business sector, and Child Support Enforcement Agency (CSEA) to meet, especially on 3 day holiday weekends.
2. On page 2, lines 14 through 18 and page 3, lines 12 through 15, the language regarding the designation of a party for the purpose of service of copies of the support orders and income withholding orders, has been deleted. As a matter of practice, the Family Court's and CSEA's current procedures are working reasonably well and no changes are needed.

Your Committee has also made some technical changes which have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3110, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3110, H.D. 2, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2905      Agriculture on S.C.R. No. 219**

The purpose of this concurrent resolution is to request the United States Fish and Wildlife service use recovery teams to develop and implement recovery plans to protect endangered and threatened species.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Hawaii Audubon Society, the Natural Resources Defense Council, and the Conservation Council for Hawaii.

Your Committee finds that by utilizing the recovery team approach in preserving endangered and threatened species would greatly enhance and augment the already existing efforts of wildlife preservation.

Your Committee has amended the concurrent resolution by adding an additional "be it further resolved" clause to allow landowners to be included as part of the recovery team if the endangered or threatened species exists on their land.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 219, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 219, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2906      Agriculture on S.R. No. 202**

The purpose of this resolution is to request the United States Fish and Wildlife service use recovery teams to develop and implement recovery plans to protect endangered and threatened species.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Hawaii Audubon Society, the Natural Resources Defense Council, and the Conservation Council for Hawaii.

Your Committee finds that by utilizing the recovery team approach in preserving endangered and threatened species would greatly enhance and augment the already existing efforts of wildlife preservation.

Your Committee has amended the resolution by adding an additional "be it further resolved" clause to allow landowners to be included as part of the recovery team if the endangered or threatened species exists on their land.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 202, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 202, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2907      (Joint) Agriculture and Energy and Natural Resources on S.C.R. No. 35**

The purpose of this concurrent resolution is to request that the Department of Land and Natural Resources (DLNR) negotiate with Kamehameha Schools/Bishop Estate to exchange leasehold agricultural lands in Kona for State lands to create an agricultural park.

Your Committees received supporting testimony from the DLNR, the Hawaii Farm Bureau Federation, and a number of private farmers who lease their farm lands from Bishop Estate.

Your Committees find that the concurrent resolution requests that the DLNR negotiate with Bishop Estate to exchange approximately 3000-4000 acres of leasehold lands in Kona for State lands. If enacted, the tenant farmers of Bishop Estate would become tenant farmers of the State in an agricultural park, thereby securing tenure and providing a reasonable economic climate for financial prosperity.

Your Committees have amended the concurrent resolution by adding two "be it further resolved" clauses to clarify the intent that the negotiations should only pertain to leasehold lands occupied by the small farms growing Kona coffee and that the DLNR is to submit a status report of the negotiations twenty days prior to the convening of the 1991 Legislative Session.

Your Committees on Agriculture and Energy and Natural Resources concur with the intent and purpose of S.C.R. No. 35, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 35, S.D. 1.

Signed by all members of the Committees.

**SCRep. 2908      Consumer Protection and Commerce on H.B. No. 2169**

The purpose of this bill is to require landlords to give month-to-month tenants at least ninety days' written notice if the use of the building is to be converted to transient vacation rentals.

The standard notice of termination requirement is twenty-eight days, but your Committee notes that the legislature has required one hundred twenty days notice where the landlord terminates the tenancy in contemplation of demolishing the units or converting the units to a condominium. Terminating a month-to-month rental agreement in order to change the use of a building to transient vacation rentals results in the same major predicaments and inconveniences for the tenant, and your Committee believes that under those circumstances the tenant should be entitled to the same one hundred twenty days notice. Your Committee has amended this bill accordingly.

Your committee has also amended this bill by making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2169, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2169, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2909      Consumer Protection and Commerce on H.B. No. 2527**

The purpose of this bill is to clarify that the protection provided by the anti-trust statutes in chapter 480, Hawaii Revised Statutes, is intended for individual consumers rather than businesses.

The current definition of "consumer" is ambiguous as it relates to investment fraud. This bill clarifies that a consumer may bring an action based upon unfair or deceptive practices only in terms of the consumer's personal investment, substantiating the original and abiding intent of the law.

Your Committee has amended this 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. 2527, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2527, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2910      Consumer Protection and Commerce on H.B. No. 2532**

The purpose of this bill is to make any trust located in Hawaii subject to the Uniform Trustees' Powers Act, chapter 554A, Hawaii Revised Statutes.

The Act confers various powers on trustees, including the power to sell, lease, or otherwise deal with real property. However, as currently stated, the Act applies only to trusts established after May 1, 1985, the date the Act took effect. This bill will place all trustees of any trust ever established in Hawaii under the provisions of chapter 554A, thereby allowing trustees under old, vaguely worded trust instruments to perform the full spectrum of activities authorized under the chapter without having to seek judicial instructions.

Your Committee finds that this bill is necessary to provide all trustees the latitude and discretion they need to make decisions on behalf of beneficiaries.

Your Committee has amended this 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. 2532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2532, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2911      Consumer Protection and Commerce on H.B. No. 3121**

The purpose of this bill is to reduce the bond requirement for mortgage brokers who do not engage in mortgage servicing or collecting from \$50,000 to \$15,000.

In 1989, the legislature removed mortgage servicing agents from regulation under chapter 454D, Hawaii Revised Statutes, unifying their regulation under chapter 454 ("Mortgage Brokers and Solicitors"). Simultaneously, the bonding requirement under chapter 454 was raised from \$15,000 to \$50,000.

Your Committee finds that mortgage brokers who do not engage in mortgage servicing or collecting handle much smaller sums than the other occupations regulated under chapter 454. Therefore, consumers will not be jeopardized by a reduction in their bond from \$50,000 to \$15,000, as proposed by this measure.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3121, 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. 2912      Consumer Protection and Commerce on H.B. No. 3380**

The purpose of this bill is to require developers who intend to sell a condominium project to inform the public as to the availability and number of residential units in the project that will be accessible and adaptable for persons with disabilities.

The federal Fair Housing Amendments Act of 1988, and regulations adopted by the U.S. Department of Housing and Urban Development, provide that all units in multi-family dwellings with four or more units that are designed and constructed for first occupancy after March 13, 1991 must be "accessible" and "adaptable" as those terms are defined in the Act and 24 C.F.R. §100 et seq. Your Committee finds that this bill will serve to educate developers regarding their obligations to the handicapped population and inform the general public of the availability of such units.

Your Committee has amended this bill by incorporating reference to the definitions of "accessible" and "adaptable" provided in the federal regulations.

Your Committee has further amended this bill as follows:

- (1) Corrected a technical error in section 514A-13.5, Hawaii Revised Statutes, which found its way into the statute when it was amended in 1989;
- (2) Provided in section 514A-82.3 that authorization for a board of directors of an association of apartment owners to borrow money shall be subject to the written consent of owners representing fifty percent of the common interest and "units." Current statutory language requires the written consent of owners representing fifty percent of the common interest and fifty percent of the "owners." Using the term "units" allows an authorized co-owner, including either spouse in a tenancy-by-the-entirety, to vote for that unit. It avoids the need for a vote by each "owner." Your Committee recognizes and intended that the "unit" requirement, like its predecessor the "owner" requirement, gives the owner of a small studio, who does not want the association to borrow, equal weight with the owner of a larger three bedroom unit who supports the association's borrowing. The "common interest"

requirement gives the owners of larger units an enhanced ability to prevent, but not endorse, borrowing. This safeguard was desired; and

- (3) Added a provision to section 514A-133 requiring the Real Estate Commission to submit annual reports to the legislature on the Condominium Management Education Fund.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3380, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3380, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2913      Ways and Means on H.B. No. 1251**

The purpose of this bill is to address the needs of the elderly housing residents of the State by extending a housing demonstration project.

Specifically, the project involves:

- (1) Direct services of professionally-trained resident assistants;
- (2) Empowering tenants and housing complex managers to resolve differences without the aid of a full-time resident assistant; and
- (3) Presentation of an interim report on the demonstration project to the 1990 legislature.

Your Committee finds that a significant need exists for professional and knowledgeable assistants to provide social services and management skills to the elderly living independently in housing facilities.

Your Committee has amended this bill to provide for the appropriation to be made for fiscal year 1990-1991 rather than 1989-1990, for the report to be made prior to the convening of the 1991 regular session instead of the 1990 session, and to change the effective date from July 1, 1989 to July 1, 1990.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. 1251, 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. 1251, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator George.

**SCRep. 2914      Housing and Hawaiian Programs on H.B. No. 3103**

The purpose of this bill is to amend section 516-33, Hawaii Revised Statutes, to require that an applicant for condemnation of a houselot under the Hawaii Land Reform Program certify to the Housing Finance and Development Corporation that the applicant: (1) is a bona fide resident of the State and has a bona fide intent to reside on the houselot; and (2) does not have a 100 percent ownership interest in fee simple lands suitable for residential purposes. Under current law, an applicant may either be a bona fide resident of the State or intend to reside on the houselot. Also, current law can be interpreted as prohibiting an applicant from owning any interest, no matter how small, in fee simple lands.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, which suggested that the bill be amended to include a definition of "bona fide resident" and to substitute a prohibition on owning a "majority" interest in land rather than a "100 per cent" interest. Your Committee also received supporting testimony from Kamehameha Schools/Bernice Pauahi Bishop Estate and one citizen, with emphasis on closing the loophole in the current law which permits applicants to be the beneficial owners of land under trusts. Your Committee received testimony from one law firm which expressed opposition to the requirement that an applicant be a bona fide resident and intend to reside on the houselot.

Your Committee believes that persons who wish to purchase the leased fee interest in the land under their homes should not be allowed to circumvent the intent and purpose of the Land Reform Program by transferring other properties they own in fee simple into a trust and then claim that they do not own fee simple lands suitable for residential use. At the same time, a clarification of the quantum of ownership is appropriate, and your Committee finds that "sole legal or beneficial" ownership is an appropriate standard. Finally, your Committee believes that applicants should be bona fide residents of the State and intend to reside on the houselot; otherwise, there is too much potential for abuse, speculation, and other inconsistencies with the intent and purpose of the Land Reform Program.

Your Committee has amended the bill to substitute the language of S.B. No. 2107, S.D. 1, with two grammatical revisions. As amended, the bill would clarify that the prohibition on an applicant owning fee simple lands includes an applicant who is the beneficial owner of lands under a trust or other arrangement. Your Committee remains sensitive to the fact that persons may have obtained an interest in other land without an intention to circumvent the requirements of the Land Reform Program, and, therefore, the bill, as amended, would provide that only those persons who became the legal or beneficial owners of other land suitable for residential use within three years prior to the sale of any residential houselot within the development tract would be precluded from filing an application under the Land Reform Program. The bill, as amended, would also include strict penalties for filing false certifications of land ownership. Your Committee has not amended the bill to include a definition of "bona fide resident," since the Housing Finance and Development Corporation can formulate an adequate definition through its rule-making authority consistent with the intent and purpose of the Land Reform Program.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3103, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3103, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2915      Tourism, Recreation and Planning on H.B. No. 2994**

The purpose of this bill is to prohibit thrill craft and parasailing operations in designated waters of the State from the high water mark to one thousand feet offshore and to prohibit these operations in all waters of the State between December 15 and May 15 and on all weekends and state and federal holidays.

Your Committee received testimony from the Department of Transportation which expressed certain legal, technical, and environmental reservations concerning the bill. As an alternative, the Department indicated its support for S.B. No. 3225, S.D. 1, which would permit the Department to continue working to revise its Ocean Recreation Management rules in line with recent National Marine Fisheries Service (NMFS) recommendations. Your Committee received supporting testimony from the Sierra Club Legal Defense Fund, the West Maui Taxpayers Association, the Maui Hotel Association, and Hawaii's Thousand Friends. Your Committee received opposing testimony from the Ocean Recreation Council of Hawaii (TORCH), West Maui Para-Sail, Inc., UFO Parasail of Hawaii, Lahaina Para-Sail, Inc., Hana Water Sports, and several other representatives of parasailing operators.

Your Committee finds that contradictory information exists concerning the benefits of a ban on thrill craft and parasailing activities within one thousand feet from shore. Your Committee also finds that thrill craft operations should be banned on weekends and state holidays because of the serious adverse impacts on ocean congestion and public safety, but that these same considerations do not necessarily apply to parasailing activities which are generally operated well offshore and do not affect crowded shoreline areas. Finally, your Committee finds that additional water sports activities, namely water sledding and commercial high speed boating, are in need of regulation.

Your Committee has amended the bill to substitute the language of S.B. No. 3225, S.D. 1, as suggested by the Department of Transportation, with minor technical revisions. As amended, the bill would require the Department of Transportation to comply with NMFS recommendations regarding the protection of protected marine life and habitats, authorize the Department to regulate commercial high speed boating and water sledding, and provide for a ban on thrill craft, water sledding, and commercial high speed boating activities on weekends and holidays.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of H.B. No. 2994, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2994, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2916      Culture, Arts and Historic Preservation on H.B. No. 3440**

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to convey fee title to State lands to persons, organizations and church congregations for grave sites when such persons or entities have maintained plots of State land as grave sites for fifty years or more.

Your Committee received testimony in support of this bill from DLNR and from the congregation of Kahikolu Congregational Church at Kealakekua Bay which has maintained a graveyard in Captain Cook on the island of Hawaii since 1841.

Your Committee has amended this bill to include DLNR's recommendations that: use of the land be restricted to that of a cemetery; failure to maintain the land as a cemetery shall result in reversion of title to the State; and a conveyance fee of \$1 be paid. In addition, this bill will be effective for two years from July 1, 1990 to June 30, 1992.

Technical, nonsubstantive amendments were made for the purposes of clarity and style.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 3440, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3440, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2917      (Joint) Tourism, Recreation and Planning and Government Operations on H.B. No. 2531**

The purpose of this bill is to amend section 281-31(l), Hawaii Revised Statutes, to provide that a hotel liquor license also authorizes the licensee to provide: (1) professional entertainment on the hotel premises; (2) off-premises catering directly related to the licensee's hotel operations, with the approval of the county liquor commission; and (3) such customary hotel services as room service, self-service by guests in guest rooms, minibars in guest rooms, and service at private parties held on the hotel premises or property.

Your Committees received supporting testimony from the Hawaii Hotel Association and the Maui Hotel Association. The Hawaii Hotel Association suggested that the bill be revised to include a definition of "minibar" similar to the definition in S.B. No. 2549, S.D. 1, and delete the word "professional" so that it is clear that other forms of entertainment, such as "amateur" entertainment by youth choirs or dance groups, are not prohibited.

Your Committees find that it is appropriate to revise the current law relating to hotel liquor licenses to clarify the services that may be offered by hotels, permit hotels to conduct customary hotel operations without having to obtain specific approvals from the county liquor commissions, and promote uniform standards on a statewide basis.

Your Committee has amended the bill to incorporate the revisions suggested by the Hawaii Hotel Association.

Your Committees on Tourism, Recreation and Planning and Government Operations are in accord with the intent and purpose of H.B. No. 2531, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2531, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 2918 Consumer Protection and Commerce on H.B. No. 839**

The purpose of this bill is to extend the anti-discrimination protections of chapter 489, Hawaii Revised Statutes, to include the offices of any persons licensed by the State to provide services.

Your Committee has made the following amendments:

- (1) Deleted the proposed expansion of the definition of "place of public accommodation" and substituted "a professional office of a health care provider, as defined in section 323D-2, or other similar service establishment." There has been disagreement as to whether or not the professional office of a health care provider is already included. The ambiguity is resolved in favor of inclusion;
- (2) Changed the term "handicap" to "handicapped status" in sections 489-2 and 489-3, following the example of federal anti-discrimination legislation;
- (3) Further amended the definition of "place of public accommodation" by adding additional examples including auditoriums, convention centers, lecture halls, and parks or other recreation facilities;
- (4) Clarified that "general public" includes customers, clients, and visitors; and
- (5) Clarified that no place of public accommodation shall be required to reconstruct any facility or part thereof to comply with chapter 489. It is the intent of your Committee that places of public accommodation not be required to make any modifications to be in compliance with this law. Construction or reconstruction may be required by federal or other state law to provide adequate access for handicapped persons.

Your Committee finds that this bill, as amended, is consistent with social policies of this State and will help persons with physical and mental disabilities become more fully integrated into society.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 839, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 839, S.D. 2.

Signed by all members of the Committee except Senators McCartney, Tungpalan and Koki.

**SCRep. 2919 Consumer Protection and Commerce on H.B. No. 2131**

The purpose of this bill is to help alleviate the shortage of nurses in Hawaii by streamlining the examination requirements for foreign-trained nursing applicants.

Under Hawaii law, nurses who are educated in a foreign country must take the Commission on Graduates of Foreign Nursing Schools (CGFNS) examination and present a certificate from CGFNS before their applications to take the National Council Licensure Examination for Nursing (NCLEX-RN) may be accepted. The CGFNS examination basically tests the applicant on knowledge of English and determines the probability of the applicant passing the NCLEX-RN by asking essentially the same questions as are contained in the NCLEX-RN.

Most states require an applicant to take and pass the NCLEX-RN. With the added CGFNS examination requirement, an applicant has to pass two examinations to practice in Hawaii. The same applicant can go to California, take the NCLEX-RN right away, and be eligible to practice in Hawaii by endorsement. However, many who choose that route do not return to Hawaii to practice.

This bill entitles an applicant who wishes to practice in Hawaii to sit for the NCLEX-RN examination if the applicant (1) is qualified as determined by the Board through rules; or (2) has graduated from a registered nursing program approved by the Hawaii Board of Nursing and successfully completed training in Operation Nightingale or any other program certified by the Board to be equivalent; or (3) has graduated from a registered nursing program approved by the Board and is also a licensed practical nurse. Applicants under (2) and (3) would not have to take the CGFNS.

Your Committee is keenly aware of the shortage of nurses in Hawaii and finds that the CGFNS examination requirement may be accountable for many otherwise qualified nurses choosing not to practice in Hawaii. This bill is a positive approach to alleviating that problem.

To further streamline the licensing procedure, your Committee has made the following amendments:

- (1) Provided for a temporary permit under which a registered nurse or a licensed practical nurse may work for a Hawaii employer pending verification of the person's license from another state; and

- (2) Authorized a nonrenewable permit for the practice of nursing by a graduate of a school whose accreditation is recognized by the Board, as long as the candidate enters the first licensing examination scheduled by any board of nursing recognized by the Hawaii Board and submits an application for a license to practice in this State. This permit would be valid for three months or until the results of the licensing examination are received by the Board, whichever comes first.

Your Committee believes that this bill will increase the availability of quality nursing care by making the prospect of obtaining licensure in Hawaii more attractive to qualified applicants.

Your Committee has also amended this bill by making several nonsubstantive changes for the purposes of clarity and conformance with recommended drafting style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2131, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2131, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McCartney and Koki.

**SCRep. 2920      Consumer Protection and Commerce on H.B. No. 2294**

The purpose of this bill is to prohibit no-fault insurers from including surcharges or credits in a rating plan until they are approved by the Insurance Commissioner.

Further, the bill requires insurers to provide to the prospective insured, in language that is clearly understandable in form and content, the purpose and rates for the surcharge or credit.

Motor vehicle insurance rate filings are subject to Open Competitive and File and Use provisions which require filing of the insurer's rules, rates, and rating plans at least thirty days prior to implementation. However, these rules, rates, and rating plans, under current law, need not specify surcharges or credits, and are not subject to the Commissioner's approval, making it difficult for consumers to shop for the best premiums.

Your Committee finds that surcharges and credits may be effective means of maintaining a healthy, competitive motor vehicle insurance market and keeping insurance rates low, but wide disparities among insurers regarding surcharges and credits indicate a need for regulation to protect the interests of consumers.

Your Committee also finds that effective regulation of surcharges and credits need not require the prior approval of the Insurance Commissioner. Therefore, your Committee has amended this bill by deleting the new section proposed for chapter 431:10C, Hawaii Revised Statutes, and inserting a new subsection to section 431:10C-202 providing that plans and rates for surcharges or credits included by an insurer as part of the rate filing shall be separately identified. Those to which the Commissioner finds no objection within sixty days shall be considered reasonable and shall be used. Your Committee has included the explanatory language provision in this amendment.

Your Committee has also amended the bill by providing that it shall not apply to rate filings duly filed with the Insurance Commissioner as of its effective date.

Further, your Committee has also made some amendments to the findings and purpose language in Section 1 to make it consistent with the substantive amendment to section 431:10C-202.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2294, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McCartney and Koki.

**SCRep. 2921      Consumer Protection and Commerce on H.B. No. 2394**

The purpose of this bill is to amend Section 451D-2, Hawaii Revised Statutes, to enable the Board of Psychology to communicate disciplinary actions to other federal, state, and county boards as well as to data banks and clearinghouses.

The Board of Psychology testified that this bill will clarify its authority to communicate and cooperate with other agencies, hospitals, and disciplinary data banks. In addition, participation of licensed psychologists as consultants to the Board and as experts to the Department of Commerce and Consumer Affairs for investigations will enable the Board and DCCA to protect the public health, safety, and general welfare of the people of this State.

The Department of Health testified that communication between the Board and other federal, state, and county boards is a reasonable way to protect the public against unscrupulous psychologists who violate legal or ethical standards in Hawaii and attempt to practice elsewhere.

The Hawaii Psychological Association explained that under the current statute, there is no mechanism for consulting psychologists to be involved in investigating complaints regarding other psychologists without exposure to civil liability. Inclusion under chapter 451D will enable the Director of Commerce and Consumer Affairs to establish advisory committees to act as consultants to the Board in the review of psychologists referred for possible disciplinary action, and as experts to the department for investigation.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2394 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 McCartney and Koki.

**SCRep. 2922      Consumer Protection and Commerce on H.B. No. 2411**

The purpose of this bill is to revise the licensing requirements for new and used motor vehicle dealers, motorcycle and motor scooter dealers, and auctions.

The bill would, among other things, delete the bond requirements for those businesses and instead require lines of credit ranging from \$10,000 (auction licenses) to \$500,000 (new motor vehicle dealer licenses).

Act 233, Session Laws of Hawaii 1988, reduced the bond requirements from \$200,000 to \$50,000 for new motor vehicle dealers who sell less than ten units per month average. Act 233 also lowered the bond required for used motor vehicle dealers who sell less than sixty units per month average from \$100,000 to \$25,000. These substantive provisions to section 437-17(a), Hawaii Revised Statutes, were scheduled by the Act to be repealed on July 1, 1989.

Act 233 also acknowledged the difficulty licensees experience in obtaining licensing bonds by requiring the Motor Vehicle Licensing Board to study the new bonding requirements, as well as the bonding requirement itself, and report to the 1989 Legislature. In addition, the Act provided that dealers who take advantage of the lower bonding requirements may not collect payments on motor vehicle purchases without delivery of the motor vehicles.

The Board submitted its findings recommending deletion of all bonding requirements for motor vehicle industry licenses and enhancement of other licensing requirements for the aforementioned categories. The 1989 Legislature passed Act 299, Session Laws of Hawaii 1989, which extended the repeal date of Act 233 to July 1, 1990, and eliminated the bond requirements for manufacturers, factory branches, factory representatives, distributors, distributor branches, distributor representatives, salespersons, and auctioneers.

This bill would eliminate the bond requirement and strengthen the licensing requirements for the four remaining categories of licenses: new and used motor vehicle dealers, motorcycle and motor scooter dealers, and auctions.

Your Committee sympathizes with the difficulties experienced by the industry, and is equally concerned with protection of the consuming public. Your Committee also notes that the Department of Commerce and Consumer Affairs is at this time reviewing bonding requirements generally. Therefore, your Committee, after due consideration, finds that any new legislative action should await the outcome of the study, and has accordingly deleted the substance of this bill.

So as not to place dealers or consumers in a more detrimental position than they were after approval of Act 233, your Committee has amended Act 299 to extend the repeal date of Act 233 until July 1, 1991, which should leave ample time for the Department to complete its study and the 1991 Legislature to take appropriate action.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2411, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2411, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McCartney and Koki.

**SCRep. 2923      Consumer Protection and Commerce on H.B. No. 2516**

The purpose of this bill is to enable more employers to obtain group life insurance for their employees by expanding the definition of groups eligible to obtain group life insurance.

Current law allows a group life insurance policy to be issued to the trustees of a fund established by two or more employers "in the same industry." This bill deletes the commonality of industry requirement, thus allowing group life insurance policies to be issued to the trustees of a fund established by employers who are not in the same industry.

Your Committee finds that this bill will enable small employers in different industries to jointly offer their employees group life insurance.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. 2516 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 McCartney and Koki.

**SCRep. 2924      Consumer Protection and Commerce on H.B. No. 3176**

The purpose of this bill is to require purveyors of radar detectors to inform the customer that they may not be effective against new technologies.

The bill further establishes provisions regulating activity desks and provides legal remedies for activity providers to whom activity desks fail to provide due payment.

Your Committee finds that there is insufficient cause to impose disclosure provisions on sales of radar detectors and has therefore deleted section 1 of this bill.



However, your Committee is concerned about the potential for abuse that exists in the relationship between an activity desk and an activity provider, especially as it concerns informing customers as to which activity provider they are dealing with. This bill prohibits "sticker-ing," or concealing the identity of the activity provider without permission, and seeks to ensure that activity desks make prompt payments to activity providers by requiring them to keep all funds owed to providers in a separate account.

This bill also provides injunctive relief for activity providers and holds the desk liable to the provider for damages in the minimum amount of \$1,000 per violation. It also exempts from regulation bona fide employees of activity providers and persons subject to regulation under the chapter on travel agencies.

Your Committee finds that the injunction and liability provisions are adequately covered by general laws relating to civil actions, and has therefore deleted them from the bill. Your Committee has also amended this bill by deleting the language which would allow "sticker-ing" with the permission of the activity provider, and by clarifying that the bill shall not apply to any person whose principal business is the sale of travel services as a travel agency, as defined in chapter 468K, or any travel agency appointed to do business as a travel agency by the Airlines Reporting Corporation.

Your Committee has also provided that this bill shall not apply when an activity provider performs activity desk operations for its own excursions or activities.

In addition, your Committee has amended this bill by deleting the provisions relating to separate accounts. Your Committee finds that failure on the part of activity desks to make prompt payments to activity providers is not a problem of such magnitude as to warrant regulation or separate statutory requirements at this time. Your Committee intends to monitor the situation and if future action of that kind is warranted, your Committee will not hesitate to act.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3176, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3176, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McCartney and Koki.

**SCRep. 2925      Judiciary on H.B. No. 256**

The purpose of this bill is to amend Section 633-27, Hawaii Revised Statutes, by providing that no case shall be removed from the Small Claims Division of the District Court to the Regular Division unless the removal is agreed to by the plaintiff.

Your Committee received testimony from the Administrative Judge of the District Court, Neil Abercrombie, City Councilmember, and the Hawaii Independent Condominium and Cooperative Owners.

Your Committee is of the opinion that this bill will remove the perceived unfairness in the use of the present law allowing removal to the Regular Division of the District Court.

Your Committee has made a nonsubstantive amendment to the bill for the purpose of consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 256, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 256, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2926      Judiciary on H.B. No. 1660**

The purpose of this bill is to amend Section 656-1, relating to the Statute of Frauds, to provide that an agreement to lend money or extend credit in an amount greater than \$50,000 must be in writing to be enforceable.

Your Committee received testimony in support of the bill from the Hawaii Bankers Association, Hawaii Financial Services Association, Hawaii League of Savings Institutions, Lissa H. Andrews, Esq. and Joe Kiefer, Esq.

Under current practices involving financial institutions and borrowers, protracted and often complex oral negotiations and discussions concerning a loan can readily result in differing understandings and expectations. A written agreement can memorialize the conditions under which the loan is being undertaken and provide certainty that a loan commitment has been made.

Furthermore, your Committee concurs with your Committee on Consumer Protection and Commerce that this bill does not abrogate the common law remedies available to the borrower against lenders who have acted improperly.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1660, H.D.1, S.D. 2 and recommends that it Third Reading.

Signed by all members of the Committee.

**SCRep. 2927      Judiciary on H.B. No. 2022**

The purpose of this bill is to require the Governor to fill vacancies for unexpired terms in the State Senate and House of Representatives within sixty days of the vacancy.

Your Committee heard testimony in support of the bill from the League of Women Voters, Common Cause Hawaii and Downtown Neighborhood Board. The mutual concern expressed throughout the testimonies was that a constituent's right to representation mandates a prompt filling of unexpired legislative vacancies.

Your Committee has amended this bill by conforming the proposed language of Section 17-4, Hawaii Revised Statutes, to Section 17-3(c) for purposes of consistency.

Your Committee has also made some technical changes which have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2022, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2022, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2928      Judiciary on H.B. No. 2088**

The purpose of this bill is to amend, reenact, or repeal various provisions of the Hawaii Revised Statutes (HRS) and the Session Laws of Hawaii (SLH) for the purposes of correcting errors, clarifying language, correcting references, and deleting obsolete or unnecessary provisions. All amendments are of a purely technical nature and contain no substantive amendments to the law.

The reasons for amending the sections are as follows:

Section 1. L 1989, Act 120, section 2, amended section 11-218, and in so doing, inadvertently changed "county" to "city" when referring to "council member". The fact that the change was made without the usual bracketing and underscoring indicates that the change was probably an inadvertent typographical error rather than an intentional amendment. Section 11-218(b) should be amended to change "city" to "county".

Sections 2 and 3. ACT 191, SLH 1987, repealed chapter 443A, HRS, and enacted a new chapter 443B, containing sections formerly in chapter 443A. Sections 40-82.5 and 231-13 contain references to chapter 443A, which set forth the bonding requirements for collection agencies. Sections 40-82.5 and 231-13 should be amended to delete the reference to the repealed chapter and to include the reference to the new chapter.

Section 4. Section 5 of ACT 62, SLH 1987, 62, section 5, repealed section 356-292, and Act 337, SLH 1987, section 12(8), repealed HRS, of chapter 356, part II. Act 337 also enacted a new chapter 201E containing sections which were formerly in chapter 356, part II. Act 80, SLH 1989, repealed the then existing chapter 47, and enacted a new chapter 47 containing sections formerly in the original chapter 47, but with different section numbers. Section 46-15.2 contains references to these repealed provisions and should be amended to refer to the current provisions.

Sections 5 and 6. ACT 80, SLH 1989, repealed the then existing chapter 47, and enacted a new chapter 47 containing sections in the original chapter 47, but with different section numbers. Sections 46-105(c) and 237-27.6(c) contain cross references to chapter 47 which were not updated to reflect the new numbering, and should be amended to do so.

Section 7. Act 334, SLH 1989, section 1(1), amended section 87-1, HRS, and in so doing, inadvertently amended the wrong version of the section. The change was made without the usual bracketing and underscoring indicating an inadvertent error rather than an intentional amendment. Section 87-1(8), HRS should be amended to reflect the correct version.

Section 8. Act 347, SLH 1987 repealed chapter 431, and HRS, enacted a new chapter 431 containing sections formerly in the original chapter 431. Section 88-119, HRS, contains references to sections 431-286, 431-287, and 431-293 which have been repealed and should be amended to refer to the current provisions.

Section 9. Act 263, SLH 1988, repealed chapter 70, HRS, and renumbered section 70-111 as section 46-74.2. Section 101-23 refers to section 70-111 and should be amended to refer to section 46-74.2.

Sections 10 to 12. Act 65, SLH 1988, amended various sections of the Hawaii Revised Statutes to substitute "condominium property regime" for "horizontal property regime". Sections 206X-6, 206X-7(b), and 514C-1, HRS, refer to "horizontal property regime" and should be amended to substitute "condominium" for "horizontal" in the phrase "horizontal property regime".

Section 13. Section 239-5, HRS, refers to a formula to determine the rate of the tax on gross income for public utilities. It appears that a printing error was made inadvertently dropping the word "on" when section 239-5(a) was amended in 1963. The formula should read "rate of the tax on gross income for the utility in question:". Section 239-5(a) should be amended to reflect the correct formula.

Section 14. Act 208, SLH 1989, repealed sections 431:10C-501 to 504, HRS, and added a new article 10G to chapter 431. Section 286-26(i) contains a reference to section 431:10C-502 and should be amended to refer to section 431:10G-106.

Sections 15 to 17. Act 341, SLH 1987, repealed chapter 333, HRS, and enacted a new chapter 333F, containing sections formerly in chapter 333. Sections 286-104, 571-50, and 607-5 refer to chapter 333 and should be amended to refer to chapter 333F.

Section 18. Act 270, SLH 1989, repealed sections 560:5-501 to 5-502, HRS, and enacted the Uniform Durable Power of Attorney Act, chapter 551D. Section 327D-26 refers to the durable powers of attorney pursuant to chapter 560 and should be amended to refer to chapter 551D.

Section 19. Act 234, SLH 1987, repealed chapter 321, part XVII, HRS, and enacted a new chapter, which was formally codified as part I (Smoking in public places) of chapter 328K, containing sections formerly in chapter 321, part XVII. During that same year, Act 245, SLH 1987, enacted another new chapter, which was formally codified as part II (Smoking in the workplace) of chapter 328K. Section 328K-16, one of the sections enacted by Act 245, refers to provisions under chapter 321, part XVII and should be repealed to delete the obsolete reference.

Section 20. The word "anabolical" in section 329-45 is a misuse of the term and should be "anabolic" in conformance with the provisions of the section which uses the term "anabolic". In addition, the section refers to the term "his" and should be amended to the gender neutral phrase "the practitioner's". Section 329-45(a)(2) should be amended to make these corrections.

Section 21. Act 212, SLH 1989, section 4, added section 342H-1, HRS, and in so doing, inadvertently neglected to add a comma between "trust" and "estate" in the definition of "Person". This section should be amended to make this correction.

Section 22. Act 375, SLH 1989, section 1, added section 352D-6, HRS, and in so doing, inadvertently dropped an "s" in the word "grant" and neglected to add a comma between "grant" and "subsidies" in paragraph (12). This section should be amended to make these corrections.

Section 23. Act 241, SLH 1978, abolished the office of the state fire marshal, and transferred the functions and responsibilities of the state fire marshal to the respective counties and the county fire chiefs. Section 352D-8(a), HRS, refers to the state fire marshal which is obsolete and should be amended to refer to the county fire chief.

Section 24. Act 347, SLH 1987, repealed chapter 431, and enacted a new chapter 431 containing sections formerly in the original chapter 431. Section 386-207(e) refers to repealed sections of chapter 431 and should be amended to refer to current provisions.

Section 25. Section 387-2, HRS, includes references to obsolete minimum wage provisions. This section should be amended to delete all references to obsolete provisions.

Section 26. Act 105, SLH 1987, section 1, added a new chapter which the revisor of statutes numbered as chapter 421H, HRS, and in so doing, inadvertently neglected to include a chapter reference in section 421H-6(a). This omission was made before the chapter was numbered. The reference, however, appears to be to the chapter of which the section is a part, rather than to another chapter. Section 421H-6(a) should be amended to refer to "this chapter".

Section 27. Act 288, SLH 1989, section 1, added section 425D-1106, HRS. The section title incorrectly refers to "part" instead of "chapter". The section should be amended to make the correction.

Section 28. Act 335, SLH 1989, section 2, added section 431:10A-522, HRS, and in so doing, inadvertently refers to "chapter" instead of "part" in the last two sentences. The section should be amended to make the correction.

Section 29. Act 142, SLH 1986, section 2, amended section 454D-2, HRS, and in so doing, inadvertently referred to "commissions" instead of "omissions" in the phrase "errors and commissions insurance". This section should be amended to make the correction.

Section 30. Act 181, SLH 1989, section 6, amended section 463E-5, HRS, and in so doing, inadvertently neglected to add the phrase "of each even numbered year" with regards to reregistration. Conference Committee Report No. 70 (April 21, 1989) specifically refers to the amendment to be made as "no later than January 31, of each even numbered year" instead of "biennially in each even-numbered year, not later than January 31". The intent of Act 181, SLH 1989, section 6, was to eliminate redundancies in section 463E-5, not to require reregistration and 40 hours of continuing education each year. Section 463E-5 should be amended to make the correction.

Section 31. Act 110, SLH 1989, section 2, added section 466-11.5, HRS, and in so doing, inadvertently refers to "action brought under this section" instead of "action brought under this chapter". This section should be amended to make the correction.

Section 32. Act 341, SLH 1988, section 1, amended section 467-14, HRS, and in so doing, changed "license" to "licensee" in the last paragraph of the section. The change was made without the usual bracketing and underscoring indicating the change was probably an inadvertent typographical error rather than an intentional amendment. This section should be amended to change "licensee" to "license".

Section 33. Act 125, SLH 1987, section 1, added section 521-74.5, HRS, which refers to "penalties available under section 480-2". This reference appears to be a typographical error, as section 480-2 refers to unfair competition practices that are declared unlawful. Section 480-3.1, on the other hand, refers to the civil penalty for violations of section 480-2. Section 521-74.2 should be amended to change the second reference to section 480-2 to 480-3.1.

Sections 34 and 35. Act 247, SLH 1989, section 1, repealed section 364-4, HRS, and in so doing abolished county administrators of the department of human services. Sections 571-62 and 578-8 refer to "county administrator" and should be amended to delete these obsolete references.

Section 36. Section 608-1.5, HRS, as enacted by ACT 271, SLH 1989, section 1, refers to a judicial salary commission. The title incorrectly refers to "Judiciary salary commission". House Standing Committee Reports No. 393

(February 17, 1989) and No. 875 (March 3, 1989), and Senate Standing Committee Reports No. 1102 (March 20, 1989) and No. 1312 (March 31, 1989) all refer to the establishment of a "judicial salary commission". Section 608-1.5 should be amended to eliminate the incorrect title.

Section 37. Act 164, SLH 1989, section 8, amended section 803-46, HRS, and in so doing, inadvertently omitted the words "the offense" from the phrase "committing the offense and whose communications" in subsection (a). The omission was made without the usual bracketing indicating the change was an inadvertent typographical error rather than an intentional amendment. This section should be amended to add the words "the offense" to the phrase "committing and whose communications".

Section 38. Act 164, SLH 1989, section 8, amended section 803-46, HRS, by deleting the words "or wireless" from the phrase "wire or wireless" and substituting the phrase ", oral, or electronic". In section 803-46(i), the phrase "wire or wireless" appears. To be consistent with the other uses of this phrase in the section as amended by Act 164, the phrase should be amended by deleting the words "or wireless" and substituting the phrase ", oral, or electronic". Section 803-46(i) should be amended to correct the inconsistency in phrasing.

Section 39. Act 261, SLH 1989, section 23, amended section 804-4, HRS, and in so doing, inadvertently dropped the words "petty misdemeanor" from the phrase "a misdemeanor, petty misdemeanor or violation" in the second sentence of the section. The omission was made without the usual bracketing indicating the change was probably an inadvertent typographical error rather than an intentional amendment. This section should be amended to add the words "petty misdemeanor" to the phrase "a misdemeanor or violation". In addition, the section refers to the word "he" and should be amended to refer to the phrase "the court".

Section 40. Act 266, SLH 1989, section 2, amended chapter 408, HRS. However, the lead language of section 2 purported to amend chapter 408 "to read as follows", inadvertently repealing any section in chapter 408 which was not specifically set out in section 2. A review of Act 266 indicates that the intent was to amend the title and sections 408-1, 408-2, and 408-2.1, not the whole chapter. This intention is indicated in section 3 of Act 266, which amends sections of chapter 408 that are not mentioned in section 2. To avoid the inadvertent repeal of many sections in chapter 408, the prefatory language in section 2 of Act 266 should be amended to add the language "by amending the title and sections 408-1, 408-2, and 408-2.1" after the words "is amended".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2088 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2929      Judiciary on H.B. No. 2112**

The purpose of this bill is to expand the nuisance law which is used to close premises at which repeated "morals" type violations occur, such as houses of prostitution and obscene bookstores, to permit the closure of premises at which drug offenses repeatedly occur.

Your Committee finds that protection of the public health and safety necessitates that law enforcement officials be given the express authority to shut down premises where illegal activities are known to occur.

Your Committee further finds that in the absence of the nuisance law, while individuals could be arrested for prostitution offenses, the owners or lessors of the premises could continue to allow other individuals to commit these offenses and, as a result, the arrests would have little impact overall. This law allows law enforcement to get at the root of the problem by preventing the owner from permitting the activity to continue. At the same time, it gives the owner relief by allowing him to post a bond to guarantee that he or she will take steps to prevent recurrence of the offenses. If they fail, the bond is revoked and the property can be forfeited under Chapter 712A, Hawaii Revised Statutes.

Your Committee is of the opinion that this law can be an important weapon against drug and gambling establishments and has amended the bill to include all offenses under Chapter 712, Hawaii Revised Statutes, excluding drug offenses which do not involve distribution. This bill would prevent the operation of crack houses, video gambling parlors, and other such establishments.

Your Committee has also amended this bill by changing the title of Section 712-1270, Hawaii Revised Statutes, to "Places used to commit offenses against public health and morals," and deleting references to specific offenses.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2112, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2930      Judiciary on H.B. No. 2206**

The purpose of this bill is to extend the filing deadline for special elections held to fill vacancies occurring during the term of a state senator, board of education member or office of Hawaiian Affairs trustee.

This bill does not change any of the procedures taken to fill vacancies that occur when an elected official is unable to complete the official's full term, but only changes the time frame during which these procedures apply. The bill also provides statutory consistency for state election laws, and provides election officials adequate time to comply with federal guidelines for mailing absentee ballots.

Furthermore, your Committee concurs with the corresponding amendments made to sections 12-2.5, 12-5 and 12-6, Hawaii Revised Statutes (HRS), which provide consistency with the proposed amendments to sections 17-3, 17-6 and 17-7, HRS. Additionally, your Committee agrees with the proposed repeal of section 17-5, HRS, relating to the calling of a special primary and general election within specified time frames to fill any vacancy caused by "a failure to elect a person at an uncontested election." The vagueness of the provision lends itself to interpretation and application problems.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2206, 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. 2931      Judiciary on H.B. No. 2301**

The purpose of this bill is to authorize the election of Board of Education members through a system of primary and general elections while retaining the nonpartisan character of Board elections.

Your Committee finds that this bill will enable the public to make a more meaningful choice when electing candidates for the Board of Education. The primary election would narrow the list of candidates running for office and provide the electorate with more time to become familiar with the qualifications and viewpoints of the candidates to ultimately cast a more informed vote in the general election.

Your Committee received testimony in support of the bill from the League of Women Voters of Hawaii, the Hawaii State Teachers Association and a concerned citizen. The Board of Education testified in opposition to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2301, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2932      Judiciary on H.B. No. 2611**

The purpose of this bill is to amend Sections 352-9 and 352-25, Hawaii Revised Statutes, by deleting the provision which allows the Family Court, upon being notified of a proposed discharge of a minor by the Director of the Hawaii Youth Correctional Facility (HYCF), to "order otherwise". The bill would also clarify the specific statutory provision under which the Court may prohibit the discharge of a minor from the facility.

Your Committee received testimony in support of this bill from the Judiciary, Department of Corrections, Honolulu Prosecuting Attorney's Office, and the American Civil Liberties Union.

Your Committee heard testimonies indicating that, under current law, the Family Court does not have the authority to order otherwise, once a person is committed to the custody of the Director for a minority commitment. Therefore, the proposed amendment to Section 352-9 would clarify the limitations of the Family Court's authority in this regard since the Section applies to minority commitments. Moreover, the Family Court already has ample authority under other statutory provisions (e.g. under Section 352-29(a)(3)) to prohibit the release of minors with respect to shorter commitments.

Your Committee has amended the bill to include a provision requiring that the prosecutor's office of the appropriate county be notified 30-days prior to a furlough, parole, or discharge of a minor. The provision will allow the office of the prosecuting attorney to register objections, where appropriate, and through its victim witness program, to notify victims about the release of offenders who may pose a possible danger to them.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2611, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2611, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2933      Judiciary on H.B. No. 2817**

The purpose of this bill is to provide unambiguous authority for the court to order reimbursement of support, maintenance, education, and funeral expenses expended for the child prior to the entry of a paternity judgment.

Under present law, in the establishment of a paternity judgment, the court may order the adjudicated father to pay the reasonable expenses of the mother's pregnancy and confinement. However, there appears to be no direct, corresponding authority for ordering the reimbursement of education, support, or funeral expenses in such judgments. Accordingly, the courts in various jurisdictions have made conflicting decisions.

Your Committee received testimony from the supervising Deputy Corporation Counsel of the County of Hawaii, that the passage of this bill will facilitate the recoupment of thousands of dollars in previously paid AFDC monies as well as allow for appropriate reimbursement in non-AFDC cases.

Your Committee has amended the bill by providing that the effective date shall be July 1, 1990 and shall only apply to actions commenced subsequent thereto.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2817, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2817, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2934      Judiciary on H.B. No. 3183**

The purpose of this bill is to clarify the official description of the Hawaiian Flag and establish standardized colors and rules governing the correct usage and display of the flag.

Your Committee received testimony in support of the bill from the Office of Hawaiian Affairs and The Huna Hanauna Society.

The Hawaiian Flag and song Hawai'i Pono'i are forever symbols of our proud and enduring heritage. Enacting this bill into the Hawaii Revised Statutes will accord the Flag and the Song an official and lasting place in our history. Present and future generations will be more respectful of displaying the Flag properly and respecting what it stands for.

Your Committee has amended the bill by adding a provision that the colors of the flag are to be set to specific standards in accordance with Standard Color Card of America.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3183, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3183, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2935      Judiciary on H.B. No. 3265**

The purpose of this bill is to require expeditious notification of a victim, or a surviving immediate family member, of the escape of the prisoner who committed an offense against the victim.

Your Committee received overwhelming support for the bill from the Department of Corrections, the Honolulu Prosecuting Attorney and the Honolulu Police Department.

Your Committee fully supports the right of crime victims to be notified when the perpetrator of a crime against such victim has escaped from the custody of the Corrections Department. This would help victims of crimes in this state feel more secure in knowing that they would be notified immediately of the escape of a prisoner.

Your Committee has amended this bill as follows:

- (1) by deleting the requirement that the request for notification be made by certified mail; and
- (2) by deleting the requirements that the Department notify the victim or surviving immediate family member directly. Instead a provision has been added under which the requested notification shall be done through the victim witness assistance program of the county in which the crime occurred.

Your Committee also made some minor technical changes that do not affect the substance of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3265, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3265, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2936      Judiciary on H.B. No. 3410**

The purpose of this bill is to prohibit access to voter registration information on law enforcement persons whose life or the life of a member of the person's household is threatened. The purpose has been amended by adding a provision to also prohibit access, in general, to voter registration information except for election, educational, scientific, or governmental purposes only.

Voter registration affidavits are maintained by the county clerks and contain information on the voter including resident address, date of birth, and social security number. Voter lists compiled from information disclosed in these affidavits are maintained by the county clerks and the Lieutenant Governor's office. Frequently, requests are made for access to those files from insurance people, credit bureau companies and other nonelection businesses in order to acquire personal information about the voter. Law enforcement officials have expressed concern that the general availability of their resident addresses to the public jeopardizes their safety and the safety of their families.

Testimony was received from the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii in favor of restricting access to voter information for only election, educational, scientific, and government purposes in order to safeguard the voter's right to privacy and in favor of providing confidentiality for certain law enforcement persons. Testimony was also received from the City and County of Honolulu Police Department in favor of protecting the safety of members of the law enforcement community.

Your Committee believes that although an individual may be required to disclose certain information in order to safeguard the integrity of the vote, the individual's privacy interest in such information should be protected against use of the information for other than election, educational, scientific, or government purposes. Your Committee believes that the best way to balance the interests of the individual, the public, and the government, is to limit the public's access to information disclosed for voter registration, to government, educational, scientific, and election purposes only. Although

concerns were expressed during the hearing on this bill about the need for civic organizations, such as the League of Women Voters, to have access to voter registration information, your Committee feels that such organizations can be accommodated within the general provisions of this bill. Your Committee also believes that there is a present and growing need to provide some measure of protection to law enforcement persons whose safety may be threatened by persons obtaining home addresses from voter registration records.

Your Committee has amended this bill by adding provisions limiting access to voter registration information except for election, educational, scientific, or governmental purposes.

Your Committee also made some minor technical changes that do not affect the substance of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3410, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3410, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2937      Judiciary on H.B. No. 3428**

The purpose of this bill is to mandate that all judgments recorded with the Land Court or the Bureau of Conveyances either reflect the judgment debtor's social security number, general excise taxpayer number, or federal employer identification number, or be accompanied by an affidavit reflecting that such information does not exist or cannot be reasonably ascertained.

Testimony in support of the Senate version of the bill (S.B. No. 3521, S.D. 1) was offered by the Hawaii Bankers Association, the Hawaii League of Savings Institutions, the Escrow Association of Hawaii, the Mortgage Bankers Association, and Chaney Brooks and Company. The Hawaii Bankers Association proposed two amendments to the bill. It suggested that the exception to the requirement that an identification number be reflected on a judgment, for the stated reason that it could not be "reasonably ascertained," was unclear. It proposed that this language be changed to read that the identification number "is not in the possession of the party seeking registration of the judgment." The Hawaii Bankers Association further proposed that the bill include a provision that ensures the enforceability of the judgment lien, notwithstanding the fact that an identification number was not disclosed or was erroneous.

Your Committee has amended the bill to substitute the language of the Senate version (S.B. No. 3521, S.D. 1), with minor technical revisions. The bill, as amended, would include the changes proposed by the Hawaii Bankers Association.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3428, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2938      Human Services on Gov. Msg. No. 132**

Recommending that the Senate advise and consent to the nomination of JACOB "JAKE" MANEGDEG, to the Criminal Injuries Compensation Commission, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2939      Human Services on Gov. Msg. No. 189**

Recommending that the Senate advise and consent to the nominations of LORRAINE THERESE FRENZA, ROBERT W. LOW, LIANE Y. MIKAMI and LOIS A. SUGAI, to the Child Abuse and Neglect Secondary Prevention Advisory Committee, terms to expire June 30, 1993.

Signed by all members of the Committee.

**SCRep. 2940      Human Services on Gov. Msg. No. 190**

Recommending that the Senate advise and consent to the nominations to the Policy Advisory Board for Elderly Affairs of the following:

MARY I. VENTURA, term to expire June 30, 1991; and

HENRY KAIMIAINA KAALEKAHI SR., term to expire June 30, 1993.

Signed by all members of the Committee.

**SCRep. 2941      Health on Gov. Msg. No. 130**

Recommending that the Senate advise and consent to the nomination of MELVIN K. KUMASAKA to the Drug Product Selection Board, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2942      Health on Gov. Msg. No. 185**

Recommending that the Senate advise and consent to the nominations to the Commission on Persons with Disabilities of the following:

MYRON M. YAMAUCHI, term to expire June 30, 1992; and

GLADYS COELHO BAISA, JUDITH L. ISHIMOTO, LUNDSFORD DOLE PHILLIPS and STEPHEN A. SCHER, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2943      Health on Gov. Msg. No. 186**

Recommending that the Senate advise and consent to the nominations of DONNA R. CHING, Ph.D., CATHERINE L. COTTON, ALAN JAY SPAIN, M.D., and GWEN SUMIE NAGUWA, M.D., to the Emergency Medical Services Advisory Committee, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2944      Health on Gov. Msg. No. 187**

Recommending that the Senate advise and consent to the nominations to the State Council on Mental Health and Substance Abuse of the following:

JAMES COOK, term to expire June 30, 1992; and

FREDDA SULLAM, term to expire June 30, 1993.

Signed by all members of the Committee.

**SCRep. 2945      Health on Gov. Msg. No. 188**

Recommending that the Senate advise and consent to the nominations of KATHY FOGARTY and FRED K. FUNAMOTO, to the Board of Radiologic Technologists, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2946      Health on S.R. No. 28**

The purpose of this resolution is to assist hospital patients in qualifying for medicaid, to the benefit of the patient, the patient's family, the hospital, and the State's taxpayers.

Many persons eligible to receive medicaid benefits need assistance in applying for these benefits for a number of reasons, including their inability to understand the medicaid requirements and difficulty with the English language. Your Committee finds that helping eligible persons apply for medicaid benefits will make it possible for hospital facilities to receive federal reimbursements that would otherwise go uncollected.

The Department of Health recently contracted the services of a private sector provider whose primary function was to help eligible persons qualify for medicaid benefits. The Legislative Auditor was highly critical of the method used by the Department of Health in executing this contract, which has since expired. Your Committee believes it is imperative that contracts of this nature be solicited, negotiated, and executed in a manner that prevents the appearance of favoritism in order to maintain the integrity and reputation of government operations.

Since the expiration of this contract, the Department of Health has been utilizing social workers to provide these counseling services. Your Committee finds that social workers are highly skilled professionals whose services are in critical demand. Your Committee believes that social workers would be better utilized providing needed services they are trained to perform, rather than using their skills in positions that can be filled by private providers. There are many private agencies that are both qualified and interested in providing these counseling services. Therefore, the Department of Health should make every reasonable effort to secure the services of qualified private providers to assist persons with medicaid applications, and use social workers to provide needed services appropriate with their area of expertise.

Testimony in support of this resolution was received from the Department of Health and Loretta Schuler, an advocate for the frail elderly and disabled.

Your Committee has amended this resolution by broadening the title, changing "county/state" hospital to "community" hospital, and by making certain technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Health concurs with the intent and purpose of S.R. No. 28, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 28, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2947      Health on H.B. No. 2637**

The purpose of this bill is to provide the Dispersal Review Council with more time to implement its program on Oahu.



The Dispersal Review Council was established under Act 205, Session Laws of Hawaii 1988, to ensure that group living facilities for persons who are developmentally disabled, elderly, handicapped, mentally ill, or totally disabled are dispersed throughout the State. Act 205 directed the Council to concentrate its efforts on Oahu until July 1, 1990. That date was found to be too restrictive for the Council and is repealed by this bill.

Your Committee has amended the bill by repealing or "bracketing-out" subsection (2) of Section 6 of Act 205 from the bill -- which was not done. Although the effect is the same, the change is recommended Ramseyer procedure, and leaves no doubt as to the Legislature's intent to repeal subsection (2).

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2637, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2637, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2948      Health on H.B. No. 2664**

The purpose of this bill is to authorize the Department of Health to adopt rules to control non-ionizing radiation, including electromagnetic radiation.

Recently, research has demonstrated that electromagnetic radiation can affect cells and tissues. In addition, a number of epidemiologic reports have concluded that exposure to non-ionizing radiation in the form of electromagnetic fields generated by power lines, broadcast transmitters, and video terminals may increase the risk of cancer.

Your Committee finds that the public is concerned about the uncertainties relating to the health effects of electromagnetic fields and should be protected against the possible health risks associated with transmitters.

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

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2664, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2664, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2949      Health on H.B. No. 2903**

The purpose of this bill is to allow pharmacists, registered nurses, or licensed practical nurses to administer or dispense methadone under supervision by and under order of a duly licensed and registered practitioner.

This bill conforms Hawaii law with federal law, and allows physicians and pharmacists to delegate the administration of methadone to nurses, making it possible to provide more services to people requiring medical attention.

Your Committee received favorable testimony from the Department of Health.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2903 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2950      Human Services on H.B. No. 2894**

The purpose of this bill is to include an interim measure to prevent delays in payment for successive contracts.

Your Committee finds that delays in payment for successive contracts cause unnecessary hardship on recipients and providers. As such, a mechanism should be established to prevent such breaks in payment.

Your Committee has amended the bill as follows:

1. Added a findings section;
2. Added a section creating an advisory committee to coordinate agency practices and establish uniform operational guidelines to promote consistency in the handling of contracts;
3. Added a section requiring biennial review of the law;
4. Added language to allow current recipients or providers applying for the same service in a different fiscal year to submit a smaller number of documents than is presently required;
5. Added deadlines for agencies to provide applicants written notification of their decisions;
6. Added language requiring the director of finance to review each agency's budget pursuant to the provisions of Section 37-67, Hawaii Revised Statutes;

7. Added a requirement that the chief executive officer include reasons for the failure to include requests in the budget;
8. Deleted review of contracts by the Administrative Director of the Courts and Attorney General; and
9. Added reimbursement of expenses for a recipient or provider while waiting for the contract to be executed.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2894, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2894, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2951      Health on H.B. No. 2669**

The purpose of this bill is to require an environmental assessment for the release into the environment of genetically engineered organisms.

The environmental assessment is a written evaluation to determine whether an action may have a significant effect as provided under chapter 343, relating to environmental impact statements. Presently, there are no statutory provisions requiring state review or oversight.

In 1989, the federal government received applications to test genetically engineered tomatoes on Molokai and genetically engineered cotton on Kauai by mainland companies. It should be noted that Hawaii is a popular site for field testing of new bioproducts because of the multiple growing seasons, the state's isolation, and its diverse micro-climates and environments. However, the ability to engineer genes from diverse species poses novel uncertainties for the state's environment, and risk assessment is difficult at the present stage of scientific development.

Testimony from the Department of Health noted that an important aspect of the problem is the risk of horizontal transfer of genes, which is the passing of genes from one organism to another as by pollination. This risk is greater for bacteria than for plants since bacteria can share segments of their genetic material among vastly different species. Once these genes are released and integrated into the ecosystem, they may be impossible to eradicate because the genes will be self-replicating. Many imported organisms have inadvertently become serious pests and have had significant negative impacts on agriculture and the environment. Examples include feral pigs, banana poka, and lantana.

Your Committee finds that the environmental assessment required by this measure will provide the State with the necessary authority to review applications, and also ensure the safety of residents and the environment.

Your Committee has amended the bill by requiring the "proposal" rather than the applicant making the proposal requiring an environmental assessment, to comply with the new paragraph 343-5(a)(9). The amendment would subject agencies, as well as applicants, to the provisions of this bill. The bill was also amended by: (1) requiring applicants to comply with chapter 343, Hawaii Revised Statutes, instead of only paragraph 343-5(a)(9); and (2) inserting a repeal date of July 1, 1991.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2669, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2669, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2952      Health on H.B. No. 2699**

The purpose of this bill is to add a new section to chapter 321, Hawaii Revised Statutes, to establish specific goals and timetables for eliminating various threats to public health.

Specifically, the bill addresses two issues: (1) the adoption of rules to establish standards for workers exposed to non-ionizing radiation from video display terminals; and (2) the construction or operation of any TV or FM radio transmission tower within one-half mile of any residential dwelling or urban or rural district.

Testimony received by your Committee indicated that it would be difficult or impossible to adopt standards for video display terminals and that the Department of Labor and Industrial Relations has the authority to adopt such standards if deemed appropriate. Moreover, your Committee recommended passage of H.B. No. 2664, H.D. 1, S.D. 1, which would give the Department of Health the authority it needs to protect the public from non-ionizing radiation. The real need is for funding to implement plans rather than additional statutory language.

With respect to transmission towers, your Committee believes that the language proposed by the broadcast industry is the most appropriate. The industry has expressed concern that the Department of Health may impose unacceptable conditions on transmission facilities. But this concern should not be an objection to this bill, since the authority of the Department of Health to regulate transmission towers is not created by this measure. In any event, rule-making procedures should be allowed to run their course before the legislature considers restricting the authority in this area.

Therefore, your Committee has amended this bill by deleting its substance and inserting language regulating the construction or modification of any full power broadcast facility under Part 73 of the Federal Communications Commission (FCC) rules. This amendment requires a person applying to construct or modify a broadcast facility to submit to the Department of Health a copy of the FCC application and pertinent documentation demonstrating compliance with federal regulations regarding public exposure to non-ionizing radiation.

Your Committee finds that the proposed language better addresses public health concerns regarding non-ionizing radiation, and ensures that broadcast facilities will be in compliance with nationally-accepted standards without regard to power, distance, or type of structure or station.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2699, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2699, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2953      Judiciary on H.B. No. 2051**

The purpose of this bill is to allow the Reapportionment Commission to set the size of the Senate at a number from 25 to 27 and the size of the House of Representatives at a number from 51 to 55.

The current language of the Hawaii Constitution sets the size of the Senate at 25 and the size of the House of Representatives at 51. This bill is intended to allow the Reapportionment Commission greater flexibility to vary the number of districts to minimize variances among districts.

Because of technical requirements associated with bills proposing constitutional amendments, related constitutional amendments are sought through H.B. No. 2053, H.D. 1, S.D. 1. Your Committee on Judiciary has removed Section 4 of this bill because the use of the method of equal proportion is addressed in H.B. No. 2053, H.D. 1, S.D. 1.

Your Committee has amended this bill by amending the purpose clause to reflect your Committee's intent that the Reapportionment Commission have greater flexibility to apportion districts in conformance with permissible federal limitations. The bill has also been amended to establish a minimum of twenty-five senators and fifty-one representatives.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2051, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2954      Judiciary on H.B. No. 2052**

The purpose of this bill is to amend section 25-2, Hawaii Revised Statutes, relating to the duties of the Reapportionment Commission, so that reapportionment requirements are brought into conformity with federal standards.

Testimony in support of the bill was offered by the Lieutenant Governor, who indicated that the present guidelines have been overturned by the courts, and that if a new reapportionment plan is devised on the same guidelines, it will be equally subject to such a challenge.

Your Committee amended this bill in Section 1 by adding the language, "Whenever possible" and the language "to the maximum extent possible" in place of "where possible." The purpose of this amendment is to ensure that the Reapportionment Commission will give careful consideration to maintaining the integrity of basic island units in fashioning a reapportionment plan that meets federal constitutional standards. Your Committee has also substituted the term "total population" for "resident population" on page 3, line 4.

Your Committee made a technical amendment to the bill reflecting that the effective date for the statutory change will be the date on which necessary companion amendments to Article IV of the Hawaii State Constitution take effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2052, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2052, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2955      Tourism, Recreation and Planning on H.B. No. 2174**

The purpose of this bill is to protect the public safety and right to privacy of private landowners by preventing any misuse or misunderstanding of information about hiking trails and accesses maintained by the Department of Land and Natural Resources.

The bill would accomplish this purpose by clarifying the type of information that must be made available to the public from the inventory of trails and accesses maintained by the Department of Land and Natural Resources under section 198D-3, Hawaii Revised Statutes.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Oahu, Hawaii, Kauai and Molokai Advisory Councils of the Na Ala Hele Statewide Trail and Access System, and a citizen from Hana. Opposing testimony was received from Hawaii's Thousand Friends.

Your Committee finds that full public disclosure of the trails and accesses inventory maintained by the Department of Land and Natural Resources is inappropriate. Your Committee finds that information disseminated to the public should be limited to the trails and accesses that are legally open to the general public and not overly hazardous. Full disclosure could result in a failure of the general public to understand: (1) the true condition of hazardous trails and the precautions necessary; (2) that certain trails are on private lands or on state-owned lands leased to private entities and are not open

to the general public; and (3) that, in some cases, access to trails is limited to only specific groups or for only specific uses. Your Committee is also concerned about state liability in the event that full disclosure leads to trespassing on private lands or injuries on hazardous trails. Finally, your Committee understands that the full inventory maintained by the Department of Land and Natural Resources would be exempt from public disclosure under chapter 92F, Hawaii Revised Statutes, and specifically intends that the bill be construed in this manner.

Your Committee has amended the bill to require the Department of Land and Natural Resources to maintain a separate inventory for trails and accesses to public hunting areas. Your Committee has also amended the bill to authorize the Department to restrict or regulate access to protected or endangered wildlife habitats, except for scientific or educational purposes.

Your Committee on Tourism, Recreation and Planning is in accord with the intent and purpose of H.B. No. 2174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2174, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2956      Agriculture on H.B. No. 2878**

The purpose of this bill is to establish a new meat inspection service for exotic animals.

More specifically, the bill proposes to:

- (1) Establish a new exotic animal and game meat reimbursable inspection service, to be provided on request;
- (2) Establish a self-supporting exotic animal inspection revolving fund to handle receipts and disbursements;
- (3) Stiffen the penalties for violations of the Hawaii meat inspection law;
- (4) Liberalize the meat inspection exemptions for custom preparation services, retail stores, and restaurants selling only meat which has passed inspection;
- (5) Provide for payment to the State for any overtime meat inspection services; and
- (6) Set forth factors which the Board of Agriculture shall consider when determining whether the public interest will be adequately served by issuing a written notice of warning for minor violations rather than a citation or summons.

Your Committee received supporting testimony from the Board of Agriculture. This testimony indicated that the bill would enable the Department of Agriculture to provide necessary services to a fledgling animal industry and provide a marked improvement in other areas of the Hawaii Meat Inspection Act. The Board also noted that the bill provides protection to the consumer from the sale of uninspected meat.

Your Committee has amended the bill by deleting the provision establishing an exotic animal inspection revolving fund and by adding a provision which requires the Department of Agriculture to submit an annual report on domestic and exotic animal inspection practices to the Legislature.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2878, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2878, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2957      Transportation on H.B. No. 2002**

The purpose of this bill is to make unlawful the act of operating a motor vehicle's sound amplification system at an excessively loud level.

Your Committee finds that abuse of such motor vehicle sound amplification systems are steadily increasing and under current statutes, is a problem which cannot be easily and expediently dealt with.

Presently, the police investigate noise complaints of this nature as "disorderly conduct" under section 711-1101, Hawaii Revised Statutes, which requires the police officer to wait for a complainant, other than a police officer, and to issue a warning to a violator, making enforcement virtually impossible. The bill will allow police officers to issue a citation to the violator without having to wait for a complaint from the public, and without having to issue a warning first. Presently, by the time the police respond to a complaint the violator has usually left the area.

Your Committee has amended the bill to make illegal the act of operating a motor vehicle's sound amplification system at a sound level at which it is audible by the human ear at a distance of one hundred fifty feet. Furthermore, your Committee has amended the penalty for such a violation to be no more than \$250, rather than assessing a fine of no less than \$25.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2002, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2002, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2958      Transportation on H.B. No. 2014**

The purpose of this bill is to define "pickup truck" under section 291-14, which prohibits standing in the bed of the truck.

Additionally, the bill amends subsection (b) of section 291-14, HRS, by restating in different terms, the exemption of State and federal agencies and private corporations who are engaged in businesses which serve the public from the passenger restrictions for pickup trucks of this section.

Your Committee has amended the bill by deleting the exemption from passenger restrictions for pickup trucks for state and federal agencies and private corporations from the provisions of the section.

Your Committee finds that the application of safe driving practices is universal and should not be compromised by allowing exemptions for certain circumstances.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2014, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2014, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2959      Transportation on H.B. No. 2160**

The purpose of this bill is to amend the definition of a moped.

Your Committee received testimony from the Department of Transportation in support of this bill.

Your Committee finds the bill amends the definition of a moped to conform to the recommendation of moped manufacturers and the National Safety Recommendation Board.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2160 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 Nakasato.

**SCRep. 2960      Transportation on H.B. No. 2571**

The purpose of this bill is to amend the laws relating to financial responsibility in motor vehicle accidents.

Specifically, the bill amends sections 287-4, 287-5, 287-20, and 291C-16, Hawaii Revised Statutes, to raise the property damage level which triggers the requirement to file an accident report and the requirement for the filing of proof of financial responsibility for the conviction of certain offenses from \$300 to \$1,000.

Your Committee finds that the existing \$300 property damage requirement was established in 1974. It was the intent of the Legislature to require proof of financial responsibility when a vehicle was involved in a major accident. Due to the rising costs associated with repairs and replacement parts, your Committee finds that in nearly every motor vehicle accident, property damage exceeds the \$300 threshold, which in turn creates an enormous administrative burden to file accident reports and to notify vehicle owners of the financial responsibility requirement.

In consultation with the Department of Transportation of the City and County of Honolulu, your Committee believes that a \$1,000 property damage requirement will be consistent both with the increased costs of repair since the 1974 enactment of this statute (70.6% increase in cost of repairs and replacement costs from 1976 to 1987) and with the intent of this statute to require proof of financial responsibility for major accidents.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2571, 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 Nakasato.

**SCRep. 2961      Transportation on H.B. No. 3081**

The purpose of this bill is to amend the laws relating to highway safety.

Specifically, the bill extends the period that points for evaluating the operating records of motor vehicle operators will exist on the drivers' records, and to provide authority for permanent revocation of drivers' licenses.

Your Committee has amended the bill by amending the way points are assessed against drivers' records. These amendments limit the maximum amount of points assessed for a single traffic violation to two points.

Furthermore, your Committee has added a new section which amends section 287-3, Hawaii Revised Statutes, to require that only convictions of traffic violations be stated on a driver's abstract. Currently, the law requires that all infractions be recorded on the abstract, whether or not the driver was convicted for committing the offense.

Your Committee finds these amendments will lower the point values assessed in most instances, as well as the total number of points allowed, but remains proportional to how the system is now.

Your Committee also finds that presently the point values assessed to driver's records are up to the discretion of judges, for example; 0 to 3 points, 4 to 8 points, etc. Based on the points assessed, there exists the potential for automobile insurance rates to be raised in an abusive manner.

Consequently, your Committee finds that by decreasing the point value assessments, a reduction in the misuse of the system that determines automobile insurance rates will occur.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3081, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3081, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2962      Judiciary on Gov. Msg. No. 239**

Recommending that the Senate advise and consent to the nominations to the Civil Rights Commission of the following:

DAPHNE E. BARBEE, term to expire June 30, 1991;

JACKIE MAHI ERICKSON and RICHARD J. PORT, terms to expire June 30, 1992; and

AMEFIL AGBAYANI, Ph.D., and JOSEPHINE G. EPSTEIN, terms to expire June 30, 1993.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2963      Judiciary on Gov. Msg. No. 240**

Recommending that the Senate advise and consent to the nominations of ROBYN ULULANI AU and LYNN HIGASHI HIATT to the Defender Council, terms to expire June 30, 1994.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2964      Judiciary on Gov. Msg. No. 241**

Recommending that the Senate advise and consent to the nomination of TIRRELL B. MCGRUDER to the Board of Registration, Island of Oahu, term to expire June 30, 1994.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2965      Judiciary on Gov. Msg. No. 242**

Recommending that the Senate advise and consent to the nomination of MABEL ISHII to the Board of Registration, Island of Hawaii, term to expire June 30, 1994.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2966      Judiciary on Gov. Msg. No. 243**

Recommending that the Senate advise and consent to the nomination of MARTHA A. EVANS to the Board of Registration, Maui, Molokai, Lanai and Kahoolawe, term to expire June 30, 1994.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2967      Judiciary on Gov. Msg. No. 244**

Recommending that the Senate advise and consent to the nomination of MALCOLM Y. DOI, to the Board of Registration, Kauai and Niihau, term to expire June 30, 1994.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2968      Agriculture on Gov. Msg. No. 197**

Recommending that the Senate advise and consent to the nomination of TAMOTSU KITAGAWA to the Governor's Agriculture Coordinating Committee, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2969      Agriculture on Gov. Msg. No. 198**

Recommending that the Senate advise and consent to the nominations of KQST A. PANKIWISKYJ, Ph.D., and LANI STEMMERMANN, Ph.D., to the Natural Area Reserves System Commission, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2970      Agriculture on Gov. Msg. No. 199**

Recommending that the Senate advise and consent to the nominations to the Aquatic Life and Wildlife Advisory Committee, City and County of Honolulu, of the following:

RAYMOND TAMARIBUCHI, term to expire June 30, 1991; and

LEIGHTON ALMEIDA and EDWIN A. EBISUI JR., terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2971      Agriculture on Gov. Msg. No. 200**

Recommending that the Senate advise and consent to the nominations of CLYDE E. BEAUDET and HENRY OTA to the Aquatic Life and Wildlife Advisory Committee, County of Hawaii, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2972      Agriculture on Gov. Msg. No. 201**

Recommending that the Senate advise and consent to the nominations of ROLAND KAOPUIKI, J. LEOLANI ABDUL KILLION and IRVIN L. SARSONA to the Aquatic Life and Wildlife Advisory Committee, County of Maui, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2973      Agriculture on Gov. Msg. No. 202**

Recommending that the Senate advise and consent to the nominations of WILLIAM L. CURAMMENG SR. and ARTHUR K. DEFRIES to the Aquatic Life and Wildlife Advisory Committee, County of Kauai, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 2974      Legislative Management on H.B. No. 2752**

The purpose of this bill is to make the Hawaii Administrative Procedures Act (HAPA) apply to a board or commission in the legislative branch of government, if the board or commission is defined as an agency and required to adopt rules under its own statute.

Your Committee has amended this bill by deleting its provisions and adding language which would in effect give the county planning commissions or the county councils the option of whether to hold hearings in accordance with chapter 91 for resolving special management area conflicts. Testimony received by your committee indicated that there is no uniformity among the counties of whether the county planning commission or the county council handles such disputes. Therefore, flexibility is needed in the amendment.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 2752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2752, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2975      (Joint) Agriculture and Judiciary on H.B. No. 3302**

The purpose of this bill is to establish mandatory penalties for littering.

Specifically, the bill imposes a mandatory fine of at least \$25 for litter violations, a minimum of at least four hours of litter collection on public property for the first offense, and at least eight hours for each subsequent offense.

Your Committees find that littering is an increasing problem in the State and that passage of stricter littering laws will assist in deterring future littering incidents from occurring.

Your Committees have amended the bill by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Agriculture and Judiciary are in accord with the intent and purpose of H.B. No. 3302, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3302, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

**SCRep. 2976      Consumer Protection and Commerce on H.B. No. 3256**

The purpose of this bill is to amend section 453-4(b), Hawaii Revised Statutes, to permit, for a two year period only, an alternative means of satisfying the existing methods of licensure to practice medicine, limited to applicants who have

successfully completed any four year residency program approved by the Accreditation Council for Graduate Medical Education.

Your Committee has amended this bill to its form as initially introduced: allowing applicants the alternative of submitting evidence of being "duly licensed as a physician by written examination under the laws of another state or territory of the United States or its equivalent of another country." Currently, equivalents are not allowed. Your Committee has returned to the original bill format following consideration of the propriety of amending rules of licensure for a limited time period to accommodate individual circumstances. Your Committee reasons that if it is appropriate to do so for any time period, it should be so for an indefinite period. If it is not appropriate for an indefinite period, then any limitation of duration does not suffice in these premises.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 3256, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3256, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Hagino, Nakasato and Tungpalan.

**SCRep. 2977 Consumer Protection and Commerce on H.B. No. 2295**

The purpose of this bill is to strengthen the laws regulating solicitation of funds from the public.

Specifically, the bill:

- (1) Requires annual publication of a list of all registered charitable organizations, professional fund-raising counsel, and professional solicitors registered with the Department of Commerce and Consumer Affairs;
- (2) Requires fund-raisers, with the exception of professional fund-raising counsel and solicitors who work on a flat fee basis, to produce a certified financial statement upon the request of the Director of Commerce and Consumer Affairs;
- (3) Provides that a violation of chapter 467B, Hawaii Revised Statutes, shall be an unfair or deceptive act or practice punishable pursuant to chapter 480;
- (4) Excludes volunteers from the definitions of "professional fund-raising counsel" and "professional solicitor";
- (5) Defines "flat fixed fee";
- (6) Requires fund-raisers to keep records of all fund-raising activities;
- (7) Requires professional fund-raising counsel and solicitors, with the exception of those working on a flat fee basis, to file with the Department a copy of any agreement subject to chapter 467B within ten days of its execution;
- (8) Prohibits persons from acting as professional solicitors unless the entire agreement between the parties, including the text of the oral presentation to be used and the percentage split, is reduced to writing; and
- (9) Provides that the Director may cancel, suspend, or refuse a fund-raiser's registration for failure to respond to a request for information.

Solicitation of funds in Hawaii has become quite lucrative, and while most fund-raisers are legitimate and serve worthy causes with integrity, the potential for abuse is of concern. In particular, concern has arisen over the activities of professional fund-raising counsel and solicitors whose campaigns reach thousands of people and potentially raise large amounts of money for charitable organizations. This bill provides safeguards for the general public and enables more vigorous enforcement of unfair or deceptive fund-raising practices.

Your Committee has amended this bill by deleting the exemptions for flat fee agreements. Your Committee finds that such agreements carry as much potential for abuse as percentage agreements and should be equally regulated.

Your Committee has also modified SECTION 5 of the bill dealing with section 467B-6, Hawaii Revised Statutes, for the purpose of avoiding redundant language and substantive inconsistency. Specifically, existing subsection (a) of section 467B-6 has been deleted as its provisions are covered by the first new subsection to be added by the bill. Additionally, the "percentage distribution" language of paragraph (4) of the first new subsection has been deleted because, by definition, professional fund-raising counsel work only on a fixed fee basis. The paragraph has been amended to require that details of the flat fixed fee arrangement be included.

In addition, your Committee has deleted the requirement that the financial statement must be certified, and provided that the text of the oral presentation which is to be affixed to the agreement between a professional solicitor and a charitable organization shall be the approximate wording intended for use in oral solicitations. Your Committee finds that requiring a small charitable organization to pay for a CPA would be onerous, and that requiring the actual text of the oral presentation to be entered into an agreement between a professional solicitor and a charitable organization might have First Amendment implications.

Your Committee has also made several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2295, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2295, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.



Signed by all members of the Committee except Senator Nakasato.

**SCRep. 2978      Culture, Arts and Historic Preservation on S.C.R. No. 251**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to examine the effects of establishing an Office of Cultural Affairs on State agencies presently administering arts, humanities, preservation, and other related programs.

Currently, the Department of Accounting and General Services (DAGS), Department of Education (DOE), and the Department of Land and Natural Resources (DLNR) coordinate cultural programs and services.

Your Committee received testimony in support of this measure from the DLNR, DAGS, and DOE.

Your Committee believes that the creation of an Office of Cultural Affairs will streamline the coordination of cultural information and services to the public as well as strengthen the role of culture and the arts in the lives of Hawaii's citizens.

Your Committee has amended this concurrent resolution by: (1) requiring the Legislative Reference Bureau to conduct the study in consultation and coordination with DAGS; (2) including the University of Hawaii and the Bishop Museum in the scope of the study; and (3) requiring that the study include an investigation of facility requirements for the Office of Cultural Affairs and the feasibility of establishing a state history museum.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 251, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 251, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2979      Culture, Arts and Historic Preservation on S.R. No. 236**

The purpose of this resolution is to request the Legislative Reference Bureau to examine the effects of establishing an Office of Cultural Affairs on State agencies presently administering arts, humanities, preservation, and other related programs.

Currently, the Department of Accounting and General Services (DAGS), Department of Education (DOE), and the Department of Land and Natural Resources (DLNR) coordinate cultural programs and services.

Your Committee received testimony in support of this measure from the DLNR, DAGS, and DOE.

Your Committee believes that the creation of an Office of Cultural Affairs will streamline the coordination of cultural information and services to the public as well as strengthen the role of culture and the arts in the lives of Hawaii's citizens.

Your Committee has amended this resolution by: (1) requiring the Legislative Reference Bureau to conduct the study in consultation and coordination with DAGS; (2) including the University of Hawaii and the Bishop Museum in the scope of the study; and (3) requiring that the study include an investigation of facility requirements for the Office of Cultural Affairs and the feasibility of establishing a state history museum.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 236, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 236, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2980      (Joint) Education and Transportation on H.B. No. 2008**

The purpose of this bill is to authorize the Department of Transportation to grant exemptions to the Department of Education regarding the use of motor vehicles other than school vehicles in specific circumstances.

The bill authorizes the Department to grant exemptions from the requirements of section 286-181, Hawaii Revised Statutes, upon a finding that compliance is impossible or impractical due to factors beyond the control of a school. The exemptions would be only for transportation to and from school functions or school-related activities other than transportation to and from school, and only when the parents or guardians of pupils being transported agree to waive the State's liability. The Department of Transportation would establish rules to implement the exceptions, and the Department of Education would submit reports to the Department of Transportation at the end of each school year on the extent to which the exemptions were utilized.

Your Committees are concerned that there be sufficient transportation for all of Hawaii's school children who need it. To accomplish this, it is appropriate to allow other motor vehicles to be used to transport children to and from school functions and school-related activities if regular school transportation is unavailable and the parents agree. Since the State would retain regulation over the types of vehicles and the circumstances in which they could be used, your Committees find that this bill offers an appropriate remedy to the current shortage of school vehicles.

In order to further increase the potential use of non-school vehicles in appropriate circumstances, your Committees have amended this bill by authorizing exemptions for transport of private school pupils to and from school, on a case-by-case basis, by a ridesharing program recognized by the Department of Transportation. The transportation may be provided by

someone other than the ridesharing program if it is coordinated by the program. In making this amendment, your Committee intends to facilitate transportation of groups of pupils from outlying areas to their schools, thus furthering the implementation of the State's policies relating to student transportation and traffic reduction.

Your Committees have also made some minor technical amendments which have no substantive effect.

Your Committees on Education and Transportation are in accord with the intent and purpose of H.B. No. 2008, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2008, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Blair, Yamasaki and Nakasato.

**SCRep. 2981 (Joint) Education and Transportation on H.B. No. 2428**

The purpose of this bill is to provide flexibility in the transport of students by exempting motor vehicles used by nonprofit ridesharing organizations from the definition of "school vehicle."

Any organization wishing to take advantage of this provision would have to be incorporated with the Department of Commerce and Consumer Affairs.

Your Committees received supporting testimony from the Department of Transportation and the Department of Education, among others, and find that exemption from the definition of "school vehicle" will allow established and regulated organizations to provide safe and economical school transportation without having to meet rigid criteria which would otherwise exclude their vehicles from such use. Thus, this bill will facilitate safe and regulated pupil transport and help ease the congestion in some of our busiest traffic corridors, meeting the needs of the State and the community.

Your Committees on Education and Transportation are in accord with the intent and purpose of H.B. No. 2428, H.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator Nakasato.

**SCRep. 2982 (Majority) Energy and Natural Resources on H.B. No. 3149**

The purpose of this bill is to amend the definition of development for purposes of the Hawaii Coastal Zone Management program to exclude structureless commercial uses, noncommercial structureless public recreational uses, and structureless uses in public harbors from the Special Management Area (SMA) permit system. It also proposes to authorize the county authority to amend the SMA boundary without adherence to the public notice and hearing requirements, to extend the SMA boundary to the mean sea level, and to delete the requirement that the SMA boundary be confined to the Coastal Zone Management (CZM) area.

Your Committee recognizes that the Legislature has previously determined that the counties are the primary authority in the SMA created by the Hawaii CZM program and are responsible for implementation of Chapter 205A, and that the Office of State Planning is responsible for ensuring that the counties' rules are consistent with overall policies and objectives of that chapter.

Your Committee received a considerable amount of testimony from both opponents and proponents of the bill. Your Committee notes that the hearings on the bill provided a forum in which residents and commercial boat operators in the Hanalei area of Kauai could voice their views concerning the unresolved dispute regarding still pending SMA permits for the commercial boaters.

For the sake of clarity and consistency with other provisions of chapter 205A, your Committee has substituted the term "nonstructural" for the term "structureless" in subsection 205A-2(P).

Your Committee finds that although nonstructural uses of the SMA, both commercial and non-commercial, may constitute development under chapter 205A, they should not be included in the definition of development under chapter 205A unless specifically prohibited by ordinance, and has amended the bill accordingly.

Your Committee further finds that there is no reason to authorize the counties to extend their SMA boundaries to the mean sea level. In fact, such a provision would result in unnecessary confusion arising from the creation of a zone between the shoreline and the mean sea level where the counties and the Department of Land and Natural Resources would have overlapping jurisdiction. Your Committee has therefore amended the bill to delete the proposed new language.

Your Committee has made other technical, nonsubstantive amendments for style and clarity.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 3149, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3149, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 2983 Energy and Natural Resources on H.B. No. 3282**

The purpose of this bill is to prohibit the unauthorized taking and sale of certain species of coral, except for coral rubble pieces or fragments.

Your Committee finds that the value of living corals to our island residents and fishery and tourism industries greatly outweighs its value as souvenirs.

The Department of Land and Natural Resources and the Ocean Recreation Council of Hawaii testified in support of the bill.

Your Committee has amended the bill by deleting language which proposes to extend the prohibition on the taking of coral to just eight species, hence restoring the present ban on the taking of all live stoney corals in our nearshore waters. A technical nonsubstantive amendment to the bill has also been made.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 3282, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3282, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2984      Energy and Natural Resources on H.B. No. 3286**

The purpose of this bill is to require the inclusion of a covenant requiring the implementation of a watershed management plan developed by the Department of Land and Natural Resources in all new or renewed water rights lease agreements.

Your Committee finds it vital to encourage the prudent management of watersheds in Hawaii. Requiring the incorporation of a watershed management plan into all water rights lease agreements would help protect this important natural resource.

Testimony in support of this bill was received from the Department of Land and Natural Resources, the Hawaiian Sugar Planters' Association, the Oahu Rainforest Action Group, and the Natural Resources Defense Council.

Your Committee has amended the bill by requiring that the watershed management plan be developed jointly by the State and the lessee, instead of it being a State-developed plan implemented by the lessee.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.B. No. 3286, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3286, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 2985      Transportation on H.B. No. 2424**

The purpose of this bill is to require motor vehicles to display one, instead of two, temporary license plates.

The bill also restricts the type of information that may be displayed on temporary license plates.

Temporary license plates are issued for new motor vehicles while permanent plates are prepared. The law requires motor vehicles to display license plates, whether the plates are permanent or temporary, on the front and the back of vehicles. The plates serve as a universal means of quickly and accurately identifying motor vehicles.

Your Committee finds that the identification purpose behind permanent plates does not apply to temporary plates. Therefore, this bill requires only one rear temporary plate for new motor vehicles.

Your Committee has amended the bill by deleting the proposed language which renders temporary plates with extraneous markings or printing invalid. The amendment is redundant, as the bill clearly provides the type of information that may be printed on temporary plates.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2424, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2424, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Nakasato and Chang.

**SCRep. 2986      Housing and Hawaiian Programs on H.B. No. 2457**

The purpose of this bill is to require that, where feasible, not less than ten percent of the total number of units in single family projects sponsored by the Housing Finance and Development Corporation shall be first offered to owner-builders or to non-profit organizations assisting owner-builders.

Your Committee received supporting testimony from the Building Industry Association of Hawaii, the Affordable Housing Alliance, the Self-Help Housing Corporation of Hawaii, and several interested citizens. Your Committee also received testimony from the Housing Finance and Development Corporation, which felt that the bill was unnecessary. The Corporation also expressed concerns about the inflexible nature of the ten percent requirement and the capacity of owner-builders and non-profit organizations to undertake construction activities to this extent. The Department of Housing and Community Development of the City and County of Honolulu expressed similar concerns.

Your Committee finds that owner-builder or self-help programs are a means of reducing home construction costs and helping families to fulfill their dream of homeownership. Your Committee notes that the ten percent requirement is flexible, since it is only mandatory where feasible. Furthermore, your Committee notes that owner-builders would have to comply with design guidelines and construction deadlines established by the Housing Finance and Development Corporation.

Your Committee has amended the bill to make it effective upon approval, rather than July 1, 1990. Your Committee has also made several technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2457, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2457, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

**SCRep. 2987      Health on H.B. No. 2546**

The purpose of this bill is to provide uniform state legislation in the regulation of precursors and essential chemicals used in the illicit production of methamphetamine.

Your Committee received testimony from the Attorney General in support of this bill. Although there is federal legislation regulating certain precursor chemicals, the need exists for complimentary state laws to tighten threshold and reporting provisions, expand precursor listings, and implement the absence of inventory accountability in the federal law. Further, the Attorney General testified that although the State of Hawaii has thus far been spared from the proliferation of illegal labs, implementation of this bill may allow us to stop the problem before it begins.

After due consideration, your Committee has amended this bill as follows:

- (1) By amending SECTION 1 of the bill to indicate that the substance of this bill is to be added as a new part to chapter 329, Hawaii Revised Statutes.
- (2) By adding a new section entitled "Protection of records; divulging confidential information prohibited; penalties" to provide for the confidentiality of all records and information and the criminal sanctions for a violation thereof;
- (3) By adding two new sections entitled "Subpoena powers" and "Forfeiture" in order to provide meaningful and effective investigative and enforcement powers as well as additional criminal sanctions;
- (4) By adding a new section requiring a manufacturer, wholesaler, retailer or other person to obtain a permit prior to dealing in any listed substance;
- (5) By adding a new section requiring theft, loss and discrepancy reports;
- (6) By adding penalty provisions for failure to submit required reports, for selling, transferring or otherwise furnishing any listed substance knowing that the substance will be used to manufacture methamphetamine, or for receiving any listed substance without the required permit; and
- (7) By amending the effective date to allow for a transition period.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2546, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2546, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Reed.

**SCRep. 2988      Energy and Natural Resources on H.B. No. 726**

The purpose of this bill is to statutorily define and provide penalties for violations of administrative rules regarding unencumbered public lands.

Your Committee finds that the present system for handling violations regarding unencumbered public lands should be more efficient and effective. As the Senate companion to this bill, S.B. No. 669, crossed over to the House of Representatives first, it is the proper measure to be acted upon. It has been brought to your Committee's attention, however, that another important public land issue requires immediate legislative action and this bill could serve as the vehicle for it.

At a recent court proceeding, it was suggested that the practice of granting 30-day revocable permits without regard to public auction requirements may be unconstitutional. Given this, the Office of the Attorney General has suggested that it is appropriate to make it absolutely clear that such temporary permits may be issued without public auction. Your Committee finds that the Board of Land and Natural Resources should be allowed to issue such permits and believes that this bill should serve as the vehicle for it.

Your Committee has therefore amended the bill by deleting its substance and inserting language allowing the Board of Land and Natural Resources to issue permits for the temporary occupancy of State lands on a month-to-month basis by direct negotiation without public auction.

Your Committee on Energy and Natural Resources 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. 2989      Transportation on H.B. No. 2011**

The purpose of this bill is to increase penalties for the improper transport of loads on highways.

Currently, penalties for violation of transporting loads on highways include the suspension of a vehicle registration or suspension of a driver's license. Penalties for subsequent violations, however, are only assessed against a vehicle.

This bill corrects this inconsistency by providing penalties which affect both the vehicle, and the driver who is convicted of a subsequent offense.

Your Committee has amended the bill by retaining the statutory penalties provided under subsection 291C-131(g), Hawaii Revised Statutes. Your Committee finds that the provisions of this bill will serve to adequately penalize violators improperly transporting loads on highways.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2011, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2011, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Nakasato, Menor and George.

**SCRep. 2990      Transportation on H.B. No. 2430**

The purpose of this bill is to clarify the design requirements of and change the fee schedule for special motor vehicle license plates.

Presently, the law allows motor vehicle owners to decide what they want printed on their license plates. For a one-time fee of \$100, and under minimal restrictions, most owners have special plates printed with their name.

Your Committee finds that the State is preparing to change the design of license plates in 1991. The new design presents a problem for vehicle owners who purchase special plates in 1990. These owners, under current law, must pay \$100 in 1990, and again in 1991 when the new plates are designed.

This bill remedies this problem by requiring vehicle owners who purchase special plates to pay \$25 initially, and \$25 per year thereafter. In this way, vehicle owners are not unfairly charged twice for presumably the same license plates.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2430, 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 Nakasato, Menor and George.

**SCRep. 2991      Transportation on H.B. No. 3128**

The purpose of this bill is to allow rentals and U-drives to use temporary "paper number plates" as are used on new motor vehicles purchased from manufacturers or dealers.

Furthermore, the bill allows rentals and U-drives to use facsimiles of the original certificate of registration and original no-fault insurance certificate.

Your Committee has amended the bill by:

- (1) Deleting subsection (a) of SECTION 1 of the bill;
- (2) Deleting the first paragraph of subsection (d) of SECTION 1 and inserting language which requires rental and U-drive companies to issue temporary number plates to their imported vehicles in sequential order and to submit a notification within twenty-four hours to the respective Director of Finance of the county to which the vehicle was imported;
- (3) Adding a new subsection (g) to SECTION 1 which allows the director of finance to suspend the issuance of temporary number plates by a rental or U-drive company who is in violation of the section;
- (4) Realphabetizing the remaining subsections; and
- (5) Adding clarifying language.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3128, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3128, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Nakasato, Menor and George.

**SCRep. 2992      Ways and Means on H.B. No. 1490**

The purpose of this bill is to extend the excise tax exemptions for certain categories of financial transactions to the year 2000. The exemptions would otherwise expire on June 30, 1992.

Your Committee recognizes the substantive provisions of this bill as the substantive provisions of S.B. No. 1845, S.D. 1, which was heard by your Committee on February 23, 1990.

Your Committee has determined that businesses would be reluctant to invest in Hawaii without assurances that they would be able to generate a profit or at least recoup their initial investment. This exemption from general excise taxes should provide an incentive for those businesses to start new ventures here in Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1490, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 2993      Ways and Means on H.B. No. 1807**

The purpose of this bill is to amend the Hawaii Telecommunications and Information Industries Act to clarify the status of the employees of HAWAII INC and to enable them to receive the same benefits provided to other state employees.

Your Committee finds that the five authorized positions for HAWAII INC are currently excluded from the benefit programs and collective bargaining provisions for state employees, despite the fact that they are employed by the State. Your Committee agrees with the Committee on Business Development and Pacific Relations that it would be more cost-efficient to allow these employees to receive benefits through the state employee benefits plans than to establish a separate benefit package only for them.

Your Committee has made several technical, nonsubstantive bills for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1807, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1807, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 2994      Ways and Means on H.B. No. 2287**

The purpose of this bill is to promote economic development and diversification in the State by appropriating funds to establish a full service financial mall, including exchange trading floors and facilities for a variety of financial industry operations and support activities.

Your Committee finds that the establishment of a financial services industry in Hawaii would provide significant diversification to the State's economic base, create new areas of rewarding employment opportunities, and provide new business for Hawaii's telecommunication providers.

Your Committee has amended this bill by inserting the amount of \$1 in the appropriation provision.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2287, 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. 2287, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 2995      Ways and Means on H.B. No. 2288**

The purpose of this bill is to create and sustain a viable software industry in Hawaii through the establishment of the Hawaii software service center.

Specifically, the bill does the following:

- (1) Provides that the department of budget and finance may copyright all software developed for public use from the expenditure of public funds;
- (2) Allows the high technology development corporation to enter into agreements with the department of budget and finance to license the use of software developed for the State;
- (3) Adds a new section to the public contracts law to require that any expenditures of public funds made for software development shall give preference to Hawaii software development businesses;
- (4) Adds a new part to the high technology development corporation law establishing the Hawaii software service center to assist in the development of software development industries in the State;
- (5) Appropriates \$233,000 for the establishment of the Hawaii software center; and
- (6) Appropriates \$1,000,000 for the discoveries and inventions revolving fund to support software development programs of the University of Hawaii.

Your Committee finds the establishment of a Hawaii Software Service Center is critical in establishing a viable software development industry within the State. Such a center would provide equipment and information necessary to develop state of the art software.

Your Committee has amended this bill by:

- (1) Deleting the words "to read" after "amended" in the prefatory language to section 5 to prevent the repeal of sections 206M-1 to 206M-20;
- (2) Making technical, nonsubstantive changes in sections 4, 8, and 10; and
- (3) Changing the appropriations in sections 6 and 7 to \$4,190.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2288, 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. 2288, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 2996      Ways and Means on H.B. No. 2290**

The purpose of this bill is to establish the Hawaii linked deposit development program to be administered by the department of budget and finance.

Your Committee finds that small businesses, particularly in their developmental stages, are generally considered to be high credit risks by traditional lending institutions. As a result, these businesses often experience considerable difficulty when pursuing conventional means of financing. This bill establishes a linked deposit program which authorizes state funds deposited in public depositories to be linked to commercial loans, provided that the loans are made at favorable rates to eligible businesses engaged in any industry other than tourism.

Your Committee has amended this bill by correcting an inadvertent error in the statutory citation made in the definition of the term "eligible lending institution". Similarly, the section entitled "Criteria for investments" has been amended by clarifying its language and including the exact citation of the law being cited in the section.

Your Committee has further amended this bill by clarifying that the rate of interest on certificates of deposit purchased under the terms of the linked deposit agreement may be set at a rate of up to "three percentage points" rather than "three per cent" below the prevailing market rate for certificates of deposit. To ensure similar clarity under the law regarding the level of interest assessable by depositories participating in the linked deposit program on loans to borrowers, your Committee has specified that the rate of interest on loans issued to eligible businesses shall be set at three percentage points below the prevailing rate for conventional loans. To illustrate the distinction envisioned by your Committee, if the prevailing market rate were ten per cent, a rate which is "three percentage points" lower would be seven per cent, while a rate which is "three per cent lower" would be 9.7 per cent.

Your Committee has also deleted the sum indicated in section 4 of this bill with regard to the extent which the appropriations in this bill will cause the expenditure ceiling to be surpassed.

Your Committee has also made technical, nonsubstantive amendments to this bill to correct errors in drafting and for purposes of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2290, 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. 2290, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 2997      Ways and Means on H.B. No. 2919**

The purpose of this bill is to amend certain laws relating to planning and community development to:

- (1) Facilitate the redevelopment of the Kakaako waterfront;
- (2) Enhance opportunities for more affordable housing through residential developments in Kakaako;
- (3) Establish a loan program to assist in the relocation of small businesses that may be displaced by the redevelopment of Kakaako; and
- (4) Facilitate the development of the Aloha Tower project and change the boundaries of the project area.

Your Committee has made several technical amendments to the bill to clarify the boundaries of the Kakaako Community Development District and the Aloha Tower complex area.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2919, 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. 2919, H.D. 1, S.D. 2.

Signed by all members of the Committee.

**SCRep. 2998 (Majority) Ways and Means on H.B. No. 2986**

The purpose of this bill is to authorize the department of budget and finance to issue special purpose revenue bonds to Linguatron (USA) Limited for the establishment of an electronic computer equipment assembly plant and related facilities.

Your Committee finds that Linguatron (USA) Limited, a Hawaii corporation, is involved in the commercialization of high technology machines designed to form a sophisticated communications equipment system that will overcome communication barriers between persons who speak or write in different languages. This corporation could assist in the diversification of the State's economy and produce new engineering, software, and assembly jobs for Hawaii residents.

Upon further consideration, your Committee has amended this bill by:

- (1) Deleting the provisions:
  - (A) Requiring the legislative advisory committee to examine the equipment to be manufactured by Linguatron (USA) Limited; and
  - (B) Requiring the legislative advisory committee to approve the enterprise for which special purpose revenue bonds have been authorized;

prior to the issuance of the abovementioned bonds by the department of budget and finance; and
- (2) Making several technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2986, 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. 2986, H.D. 2, S.D. 2.

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

**SCRep. 2999 Ways and Means on H.B. No. 2293**

The purpose of this bill is to appropriate funds for a comprehensive review of the State's laws relating to financial institutions.

Your Committee finds that the State's laws relating to financial institutions are among the oldest in the nation and that a comprehensive review of these laws is long over due. In light of the Financial Institutions Recovery, Reform, and Enforcement Act of 1989 (FIRREA), many of the State's laws have been directly affected and in some cases, rendered obsolete. In addition, the review is especially timely and relevant with the general changing nature of financial institutions.

Your Committee has amended this bill by:

- (1) Including additional requirements for progress reports to the legislature;
- (2) Outlining the specific scope of the review; and
- (3) Delineating specific parameters regarding the expenditures to be made.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2293, 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. 2293, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3000 Ways and Means on H.B. No. 2358**

The purpose of this bill is to establish a second permanent condominium specialist position within the department of commerce and consumer affairs to assist consumers with information, advice, and referral on matters relating to condominium property regimes and to assist the real estate commission regarding owner-occupant issues.

Currently, there exists only one condominium specialist position, and that position is scheduled to expire on June 30, 1990. Your Committee finds that the condominium specialist has greatly assisted consumers, apartment owners, boards of directors, associations, managing agents, real estate licensees, government officials, and the general public with information, education, and advice on condominium laws and management. However, increased visibility and an increasing array of duties and tasks have resulted in a workload too extensive for one person to handle, clearly indicating the need to continue the original position permanently and to add a second permanent position, as well as to provide for secretarial assistance.

Your Committee has amended this bill to make the existing position permanent by placing the authority for the existing condominium specialist in the Hawaii Revised Statutes, along with the authorization for the second specialist.



Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2358, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2358, H.D. 2, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3001      Ways and Means on H.B. No. 3356**

The purpose of this bill is to establish a comprehensive correctional industries program in the department of public safety. To accomplish this purpose, this bill repeals the current chapter on correctional industries and establishes a new chapter entitled the "Hawaii Correctional Industries Act".

Upon further consideration of this bill, your Committee has amended section 3 of the bill to ensure that any inmate engaged in work under the correctional industries program created by this bill shall not be affected by the workers' compensation law. The bill as received by your Committee deleted the phrase "chapter 354", Hawaii Revised Statutes, from section 353-19. Your Committee believes that this amendment was intended only to delete a reference to a repealed section and not to apply the workers' compensation law to inmates participating in correctional industries work. Accordingly, your Committee deleted only "354" and left a blank which is to be filled by the revisor of statutes when the chapter number is designated for the new chapter created by this bill.

Your Committee has also made several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3356, 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. 3356, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3002      Ways and Means on H.B. No. 2967**

The purpose of this bill is to clarify the scope of the functions and authority of the department of public safety.

This bill, as amended by the Senate Committees on Corrections and Judiciary, also:

- (1) Reiterates the Senate position that narcotics enforcement investigators should retain their arrest powers under part IV of chapter 712, Hawaii Revised Statutes;
- (2) Changes the provision authorizing civil service exemption for the sheriff, first deputy sheriff, and second deputy sheriff to reflect the transfer of these positions from the judiciary; and
- (3) Permits the temporary assignment of up to eight permanent employees from the state civil service, department of education, or the University of Hawaii to the department of public safety.

Your Committee has amended section 2 of this bill by deleting the reference to section 667-1, Hawaii Revised Statutes, in subsection (f) since there is no reference concerning the term "sheriff" in section 667-1. Your Committee has also made several technical, nonsubstantive amendments to section 13 of the bill for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2967, 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. 2967, H.D. 1, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3003      Ways and Means on H.B. No. 2273**

The purpose of this bill is to appropriate funds to support the creation of a weekly international news program called "Pacific Report" by Hawaii public television focusing on issues and events in the Pacific region.

Specifically, the bill provides a direct appropriation of \$500,000 to the Hawaii public television's revolving fund for the implementation of this project, and \$500,000 to be matched dollar-for-dollar with moneys raised through a special fund-raising effort by the Hawaii public broadcasting authority.

Your Committee believes that Hawaii has the potential to establish itself as a communications leader in the Pacific region and that there is a growing need for coverage of Asia-Pacific events. The development of this program will be a positive step in bringing Hawaii into the global arena of news and business, providing jobs for Hawaii's people, promoting international business in Hawaii, and increasing local awareness and involvement in Pacific affairs.

Your Committee has amended the bill by deleting section 2, including the direct appropriation of \$500,000 and renumbering the sections accordingly.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2273, 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. 2273, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3004      Ways and Means on H.B. No. 3296**

The purpose of this bill is to enhance the State's capacity to care for, protect, and preserve burial sites found in the State. This bill establishes five island burial councils and amends the historic preservation law with regard to the inadvertent discovery of burial sites, the penalties payable for violating the law, the sale and transport of skeletal remains, and the protection of burial sites.

Your Committee finds that human skeletal remains and burial sites deserve special protection under the laws of the State. This bill will augment the State's capacity to properly care for and protect burial sites discovered in Hawaii. To mitigate disputes that may arise as the result of the discovery of human skeletal remains, this bill provides additional protection for native Hawaiian burial sites of high preservation value.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3296, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3005      Ways and Means on H.B. No. 2787**

The purpose of this bill is to:

- (1) Authorize the issuance of special purpose revenue bonds in an amount not to exceed \$119,000,000 to assist electric utilities in obtaining lower interest rate bond financing for capital improvement projects; and
- (2) Extend the statutory authorization to issue special purpose revenue bonds under part VI of chapter 39A, Hawaii Revised Statutes, from December 31, 1991 to December 31, 1995.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2787, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3006      Ways and Means on H.B. No. 3403**

The purpose of this bill is to institute a tree replanting program on all suitable state controlled lands.

Your Committee recognizes that trees play an important role in abating and even reversing the build-up of carbon dioxide in the air. Your Committee finds that it is in the best interest of the State to initiate a tree planting program on Oahu, Hawaii, Maui, and Kauai.

Your Committee has amended this bill by increasing the amount of the appropriation to \$250,001.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3403, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3403, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3007      Ways and Means on H.B. No. 2868**

The purpose of this bill is to enable the department of education to establish a checking account to provide working capital. Money in the account would be derived from advances from the state treasury in the form of warrants in amounts and times agreed upon by the governor or the director of finance and the department of education.

Your Committee is in agreement with the findings of the Committee on Education as stated in Standing Committee Report No. 2733 that the authorization provided by this bill is needed for the department of education's vendor payment system. Currently the department is authorized to pay its vendors but has no means to establish a checking account or generate working capital except by tapping an appropriation account. Reimbursements from the department of accounting and general services take approximately ten days. This bill will allow the comptroller to furnish the department with working capital while waiting for reimbursement of actual expenditures.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2868, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3008      Ways and Means on H.B. No. 2268**

The purpose of this bill is to appropriate \$280,000 to the governor's office of information to conduct a satellite state office pilot project in rural and suburban areas of the State.

Your Committee finds that with the movement of Hawaii's population toward suburban and rural areas of the State, access to governmental services is becoming a significant problem. Your Committee finds that the establishment of satellite state government offices in areas beyond urban Honolulu will serve to promote the legislature's effort to increase the accessibility of state government services.

This bill appropriates the moneys necessary to perform a pilot project to test the feasibility of establishing permanent satellite state government offices in suburban and rural localities of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2268, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3009      Ways and Means on H.B. No. 2302**

The purpose of this bill is to provide for state revenue sharing with the counties by allocating five per cent of the gross state general fund tax revenues to the counties under a percentage arrangement.

Your Committee finds that the State has a duty and responsibility to provide for the health, safety, and well-being of its citizens, and that the counties have a growing role in providing many programs that benefit the people of the State. It is important for the State to support the counties in their efforts to supply public services by sharing more state revenues with them.

Your Committee has amended this bill by removing its existing provisions and replacing them with an automatic grant-in-aid program. This program will return to the counties moneys which are more properly received by them than the State. These moneys are:

- (1) Reimbursement for general excise taxes passed on to the counties by licensees;
- (2) Fines and forfeitures collected from dog licenses and enforcement of regulations;
- (3) Public service company taxes over a specified level; and
- (4) Traffic violation fines.

Your Committee finds that the redistribution of these revenues to the counties is appropriate as it will bring county revenue receipts more in line with existing county services and responsibilities.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2302, 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. 2302, H.D. 1, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3010      Ways and Means on H.B. No. 1492**

The purpose of this bill is to establish an interagency task force charged with the responsibility of developing a plan and conducting a project to assist Hawaiians and native Hawaiians in ascertaining their ancestry.

Your Committee finds that Hawaiians and native Hawaiians are often faced with the difficult task of exhibiting conclusive evidence as proof of their ancestry. The primary documents providing such evidence include birth, marriage, and death certificates, and records of the State, the courts, and the libraries. Often, individuals seeking to trace their genealogy have experienced difficulty and frustration in accessing relevant vital records. The interagency task force established under this bill will explore methods to assist these individuals in their effort to ascertain their genealogy.

While it fully supports and encourages the concept of genealogical determination through the use of state vital records, your Committee finds that the significance of other methods of ascertaining genealogy should not be overlooked. The task force should also recognize and explore the use of church records, family bibles, and other mechanisms to determine genealogy. Accordingly, it is the specific intent of your Committee that any plans and recommendations of the task force should not be viewed as an exclusive means of proving genealogy.

Your Committee has amended this bill by updating the date established as the deadline for the submittal of the plan and fiscal report called for in this measure.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1492, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1492, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3011      Ways and Means on H.B. No. 2645**

The purpose of this bill is to appropriate funds to educate the families of mentally ill persons.

This measure seeks to assure that family members of mentally ill persons will have adequate educational resources and training opportunities to better understand mental illness, its treatment and rehabilitation, and to develop skills in interacting with a mentally ill family member. The adult mental health division of the department of health has identified family education as a pertinent and important component in its spectrum of services for mentally ill persons. In addition, studies have shown that educational programs for these families reduce the incidence of relapse and hospitalization of mentally ill family members.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2645, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3012      Ways and Means on H.B. No. 2208**

The purpose of this bill is to provide matching funds to be deposited into the discoveries and inventions revolving fund for four nine-passenger electric vehicle G-Vans.

Your Committee finds that although electric vehicles are not in general use today, they are promising as a means to meet future transportation needs under certain applications. As there is a need to explore future transportation alternatives and as the United States Department of Energy has expressed a willingness to provide half the cost of the first test G-Van, your Committee believes that now is the time to act on this matter.

Your Committee has amended this bill by changing the amount appropriated to \$76,001, and by making a technical nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2208, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2208, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3013      Ways and Means on H.B. No. 2458**

The purpose of this bill is to appropriate funds for fiscal year 1990-1991 to be expended by the housing finance and development corporation to develop guidelines and propose legislation for the establishment of a rental housing trust fund.

Your Committee finds similar trust funds on the mainland consisting of the combined efforts of private foundations, state government, business, and charities have been quite successful in generating resources for nonprofit developers of affordable housing. A similar source of partnership financing in Hawaii could clearly ameliorate our affordable housing shortage.

The corporation would study existing trust funds in other jurisdictions as well as investigate potential sources of revenue most appropriate to Hawaii. The study would specify the precise role of the trust fund in relation to existing programs in order to maximize efficacy. The corporation will submit a report and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 1991.

The bill intends to provide benefits to families whose incomes are less than eighty per cent of the median family income -- that is, lower income and very low income families and individuals, including the homeless and special needs groups.

Your Committee has changed the appropriation from \$125,000 to \$1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2458, 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. 2458, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3014      Ways and Means on H.B. No. 2888**

The purpose of this bill is to transfer responsibility for managing, operating, and maintaining housing complexes for elders from the housing finance and development corporation to the Hawaii housing authority, with the corporation retaining authority for planning, developing, and rehabilitating projects for elders.

Specifically, the bill amends chapters 201E and 359, Hawaii Revised Statutes, to:

- (1) Repeal subpart D of part III of chapter 201E relating to the housing finance and development corporation and housing for elderly persons;
- (2) Add a new subpart to part III of chapter 201E authorizing the housing finance and development corporation to develop and rehabilitate housing projects for elders on a priority basis and to transfer these projects, upon completion, to the Hawaii housing authority;
- (3) Add new sections to chapter 359 reestablishing the elderly housing revolving fund under that chapter and authorizing the Hawaii housing authority to administer the fund;
- (4) Add a new definition of "elder" to section 201E-2;
- (5) Change the definition of "elder" to include only those persons who have attained the age of sixty-two, while excluding those persons who are suffering from physical or mental impairments but are not otherwise "elders";
- (6) Add a new definition of "housing complex" to chapter 359, Hawaii Revised Statutes, that is substantially similar to the definition of "housing project" in section 201E-230, Hawaii Revised Statutes, which is to be repealed by the bill;
- (7) Add a new section to chapter 359, Hawaii Revised Statutes, relating to resident selection, dwelling units, and rentals that is substantially similar to section 201E-234, Hawaii Revised Statutes, which is to be repealed by the bill; and

- (8) Add a new section to chapter 359, Hawaii Revised Statutes, authorizing the authority to adopt rules necessary for the management and operation of housing complexes for elders.

This bill would also make conforming amendments to sections 46-4(d), 321-15.6, 321E-2, and 359-121, Hawaii Revised Statutes.

Your Committee finds that the transfer of functions proposed in the bill is consistent with the respective roles of the housing finance and development corporation as the agency charged with planning, developing, and rehabilitating housing and the Hawaii housing authority as the agency charged with managing, operating, and maintaining public housing projects.

Your Committee has amended section 8 of this bill by deleting the reference to section 225M-2, in which the term to be amended does not appear, and by adding section 706-662 which contains a reference to the term.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2888, 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. 2888, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3015      Ways and Means on H.B. No. 2909**

The purpose of this bill is to authorize the Hawaii housing authority to certify general excise tax exemptions of eligible income received by any qualified person or firm from the rehabilitation or construction of housing developed for or by the Hawaii housing authority under chapter 356 or 359, Hawaii Revised Statutes. Currently, the housing finance and development corporation must exercise this authority on behalf of the Hawaii housing authority.

Your Committee agrees with the findings of the Committee on Housing and Hawaiian Programs as stated in Senate Standing Committee Report No. 2692 that it is appropriate for the Hawaii housing authority to have independent authority to certify tax exemptions which should help to expedite the development of low-income rental housing.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2909, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3016      Ways and Means on H.B. No. 3111**

The purpose of this bill is to establish a two-year pilot project for the development of fifty to one hundred new cooperative housing units for low income families or the conversion of at least one rental project to the limited equity housing cooperative form. The bill appropriates \$150,000 for the Hawaii housing authority to undertake the pilot project.

Your Committee finds that the limited equity housing cooperative mechanism is a method that can make homeowners of families who would otherwise always remain renters. Your Committee finds that it is appropriate to undertake further studies of this form of housing ownership and to implement a demonstration project. Your Committee is, however, concerned with the plight of welfare and section 8 recipients. Your Committee expects that any conversion of an existing apartment building will be undertaken in a manner that is sensitive to the needs of these tenants and affords them an opportunity to remain in the building as cooperative shareholders if at all possible.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3111, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3017      Ways and Means on H.B. No. 3171**

The purpose of this bill is to make low-interest loans of up to \$25,000 available through the State to enable persons with disabilities and their caregivers to make alterations to their residences necessary to enable the disabled to live in the community. The program will be administered by the housing finance and development corporation.

Your Committee finds that this program will assist persons with disabilities in maintaining independent lifestyles and in continuing to live with dignity and self-respect in their own homes, rather than in an institutional setting. Your Committee also finds that this program will be more cost-effective than the cost of institutionalization.

Your Committee further finds that a state-funded loan program would allow for greater flexibility than is currently afforded under the federally-funded programs currently administered by the city and county of Honolulu and the county of Kauai.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3171, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3018      Ways and Means on H.B. No. 2092**

The purpose of this bill is to establish a mechanism, on a pilot basis, which would link the delivery of social and employment services with the planned development of housing projects. The mechanism established by this bill is a social and employment incubator project board which would study the public and private social and employment service programs currently available in the West Oahu region and identify future needs. The board would also plan the establishment and oversee the implementation of a shared facility at Kapolei which would serve as the one-stop center to simplify resident access to services.

Your Committee has amended this bill by changing the appropriation amount from \$98,605 to \$98,606 and by making several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2092, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2092, H.D. 2, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3019      Ways and Means on H.B. No. 69**

The purpose of this bill is to:

- (1) Establish the position of early childhood education/child care administrator within the office of children and youth;
- (2) Establish a two-year pilot project within the office of children and youth to establish the goals for a statewide early childhood education/child care system;
- (3) Establish the child care task force within the office of children and youth to advise the early childhood education/child care administrator on matters pertaining to child care;
- (4) Require the office of children and youth to coordinate programs and services to provide child care assistance to state employees;
- (5) Appropriate funds for the following purposes:
  - (A) Development of a state strategic child care plan;
  - (B) Planning, development, and implementation of a statewide, early childhood education/child care program, including the hiring of staff;
  - (C) Coordination of programs and services to provide child care assistance to state employees, including the hiring of staff to develop plans, policies, and strategies for the implementation of child care services and programs, and the initiation of a study to determine the feasibility of establishing a dependent care plan for state employees under Section 125 of the Internal Revenue Code of 1986, as amended;
  - (D) Development of a child care resource lending center;
  - (E) Establishment or expansion of demonstration school-age child care programs;
  - (F) Development of child care programs in each of the counties through the office of community services;
  - (G) Family participation in the work transition program;
  - (H) Encouraging families at or below one hundred per cent of the poverty standard to seek and maintain employment;
  - (I) Increasing department of human services child care licensing staff in each of the counties;
  - (J) Establishment of a subsidized child care demonstration project for children of state employees;
  - (K) Establishment of a business management and technical assistant program for child care providers and potential child care providers; and
  - (L) Establishment of an information outreach program to educate businesses on child care issues and options.

Upon further consideration, your Committee has amended this bill by deleting the entire contents of H.B. No. 69, H.D. 2, S.D. 1, and substituting in its place the contents of S.B. No. 2591 which makes an appropriation for the "Zero-to-Three" Hawaii project to develop:

- (1) Community-based, family-centered diagnostic services;
- (2) A public awareness and "child find" effort; and
- (3) A training program for personnel working with infants and toddlers with special needs and their families.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 69, 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. 69, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3020      Ways and Means on H.B. No. 2046**

The purpose of this bill is to support family caregivers, assure safe and adequate care of elders, and pursue cost-effective service options for older adults by providing grants to renovate and improve existing facilities used to deliver a variety of services.

Your Committee finds that there is a need to expand the availability of adult day care and day health programs statewide. Cost-effective strategies should be adopted which encourage the independence, self-sufficiency, and well-being of elders through community-based programs.

Your Committee has amended the bill by changing the appropriation to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2046, 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. 2046, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3021      Ways and Means on H.B. No. 2281**

The purpose of this bill as received is to establish a statewide two-year family support center demonstration project consisting of several family support centers and three family literacy programs.

Your Committee finds that the family is the basic building block of society, and that timely and accessible intervention services need to be made available before families become fragmented and dysfunctional. Coordinated efforts must be made to ensure that readily accessible services will be available to persons in need of intervention services.

Upon further consideration, your Committee has amended this bill by:

- (1) Substituting language to authorize the creation of a single family support center on the island of Oahu instead of several centers around the State;
- (2) Substituting language to authorize the creation of a single family literacy program instead of three program sites around the State;
- (3) Entitling section 2 as "Family support center demonstration project; established";
- (4) Dividing subsection (c) of section 2 into four subsections and designating subsections (d), (e), and (f), accordingly; and
- (5) Making technical, nonsubstantive changes for purposes of consistency, clarity, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2281, 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. 2281, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3022      Ways and Means on H.B. No. 2381**

The purpose of this bill is to appropriate funds to plan and develop a coordinated statewide program for the provision of services to control violent behavior.

Your Committee finds that it is necessary to pull together information and resources to address the critical problem of violent behavior in the areas of sexual abuse, spouse abuse, child abuse, elderly abuse, and family violence. Further, it is equally important to ensure that each police department will sensitively and effectively perform its duty in responding to cases involving domestic violence, sexual abuse, and child abuse. Your Committee believes this bill, a follow-up to Act 361, Session Laws of Hawaii 1989, will help to address violent behavior in the State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2381, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3023      Ways and Means on H.B. No. 2582**

The purpose of this bill is to:

- (1) Request that the governor appoint representatives from private agencies and the homeless population to the homeless committee of the subcabinet task force to better coordinate the efforts of service providers; and
- (2) Appropriate funds for:

(A) The department of human services to retain additional staff to better coordinate programs by developing and monitoring contracts with private service providers;

(B) The department of human services to retain the services of consultants to better guide the efforts of the department;

(C) The department of human services to establish an emergency loan program for the homeless;

(D) Staffing at the Maui Catholic Charities Homeless Center; and

(E) The department of health to provide street outreach and first response care for homeless individuals and families in every county.

Your Committee finds that Hawaii's homeless problem is substantial and growing. There is an immediate need for expanded services to help homeless individuals and families regain their independence and self-sufficiency.

Upon further consideration, your Committee has amended this bill by making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2582, 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. 2582, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3024      Ways and Means on H.B. No. 2603**

The purpose of this bill is to supplement medicaid or medicare reimbursements made by the department of human services for health care providers.

Your Committee finds that within the past several years, both acute and long term care providers have had to cope with marked reductions in federal outlays for health care. More recently, a severe shortage of nurses and other health care workers and the soon-to-be implemented medicare and medicaid requirements for long term care facilities have added dramatically to the costs of delivering quality care.

This bill would counteract the increasing differences between the cost of providing health care services and medicaid payments to ultimately provide accessible and quality health care in the State.

Your Committee has amended the bill by changing the appropriation to a blank amount, pending further discussion.

Your Committee also deleted section 7 which is an unnecessary Ramseyer provision and made other technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2603, 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. 2603, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3025      Ways and Means on H.B. No. 2904**

The purpose of this bill is to implement the job opportunities and basic skills (JOBS) program in the State of Hawaii.

Your Committee finds that the mandatory JOBS work program for recipients of aid to families with dependent children will provide much needed programs and assistance to families striving to break out of the cycle of poverty and become financially self-sufficient. Further, in view of the critical shortage of labor in the State today, the welfare population is an important human resource which should not be ignored.

Your Committee has made a technical, nonsubstantive amendment to delete a cross reference in section 395-5(21), Hawaii Revised Statutes, to one of the sections repealed by section 3 of this Act.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2904, 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. 2904, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3026      Ways and Means on H.B. No. 3109**

The purpose of this bill is to appropriate funds to train department of human services workers, judges, guardians ad litem, and law enforcement officers to recognize and deal with factors that contribute to domestic violence.

Your Committee finds that domestic violence is a serious problem that has a significant impact on child abuse and continuing violence among youths. Effective intervention requires personnel of key agencies in child welfare services, law enforcement, and the judiciary systems to be adequately and properly trained to recognize and deal with this problem that has reached epidemic proportions.



Your Committee has increased the amount in the appropriation provision to \$75,001 for the purpose of continuing discussions at a future date.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3109, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3109, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3027      Ways and means on H.B. No. 3355**

The purpose of this bill is to appropriate funds to enable the department of human services and the judiciary to develop an array of community-based prevention and treatment services and increase activities to prevent the placement of children in foster care; to recruit, train, prepare, and support foster parents; to implement an independent living program for foster children; to hire adoption specialists; to provide paralegal support services for social workers; and to establish full-time family court judges on Kauai and Oahu.

Your Committee finds that reform is necessary to improve the State's system of foster care for children. Your Committee further finds that significant additional resources must be committed to improve the treatment of children consigned to state care in order to correct many existing flaws in the foster care system and to attract necessary federal funding.

Your Committee has amended this bill by changing the appropriations in sections 2 through 7 to blank amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3355, 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. 3355, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3028      Ways and Means on H.B. No. 3357**

The purpose of this bill is to appropriate funds to ensure the recommendations of the legislative auditor's report entitled, Study and Plan for Maximizing Federal Medicaid Funds for Hawaii, are implemented to maximize federal dollars in the Hawaii state medicaid program.

Your Committee finds that medicaid financing provides a cost effective alternative for enhancing and expanding the scope of health services provided to the high risk population served by the department of health's programs. Your Committee believes that these services are essential to the health and well-being of the people of Hawaii and that expanding and supporting health care is the best possible investment in future generations.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. 3357, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3029      Ways and Means on H.B. No. 3385**

The purpose of this bill is to assist the pilot outreach program of the office of children and youth by providing for a program development outreach specialist to serve the literacy needs of the State.

Your Committee finds that a specialist is necessary to identify needs, investigate potential program sites, and coordinate and consolidate efforts to effectively address Hawaii's literacy problem.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3385, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3030      Ways and Means on H.B. No. 2057**

The purpose of this bill is to establish and attach the judiciary history center to the office of the administrative director of the courts for administrative purposes.

The judiciary history center, located on the ground floor of Ali'iolani Hale, was created to promote the historical and cultural contributions of the judiciary in Hawaii. Since its creation in August of 1989, the center has been funded by a combination of state, federal, and private grants. This bill will establish a new administrative structure for the center.

Your Committee has amended the bill by inserting an appropriation of \$222,516.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2057, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2057, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3031      Ways and Means on H.B. No. 2258**

The purpose of this bill is to create a legislative commission on planning and fiscal policy within the legislature to establish general policy directions and to supervise, develop policy, coordinate activities for all legislative support services, and provide the legislature with research, evaluation, analyses, and recommendations in the areas of planning and fiscal policy.

Your Committee has amended this bill by replacing the contents with language which provides for the establishment of an office of the legislative analyst and a legislative commission on planning and fiscal policy composed of eight legislators, including the presiding officers. The commission, with the assistance of the office of the legislative analyst, will provide the legislature with research, evaluation, analyses, and recommendations regarding state revenues and expenditures, the governor's budget, and economic and fiscal policy. The commission will also provide guidance to the executive branch regarding legislative intent in connection with specific appropriations or other legislative action.

Currently, the legislature relies on the economic and fiscal analyses of the executive branch and private sector. Your Committee believes that the establishment of a fiscal policy office in the legislature would place the legislature on an equal footing with the executive branch in terms of fiscal analysis and would ensure its independence as a separate branch of government.

Your Committee also made technical nonsubstantive changes for purposes of style and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2258, 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. 2258, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3032      Ways and Means on H.B. No. 2259**

The purpose of this bill is to appropriate funds to promote improved public access throughout the State of Hawaii using technological and other means.

Your Committee finds that the development of electronic information services will foster the development of private and additional public information providers. Accordingly, this measure appropriates funds for the purchase of public access terminals, related communications lines, software development, other related equipment, and technical staffing in the public schools, public school libraries, state public libraries, University of Hawaii library system, neighbor island state office buildings, and state court libraries. Your Committee finds the public would be served better by having more of the public access terminals located in public libraries.

Your Committee has amended this bill by changing the appropriations as follows:

- (1) In section 2 from \$450,000 to \$1;
- (2) In section 3 from \$500,000 to \$4190, of which \$41.90 (rather than \$60,000) will be used for technical staffing for the Hawaii state public library system;
- (3) In section 4 from \$300,000 to \$1; and
- (4) In section 5 from \$40,000 to \$1.

Your Committee has also deleted the provision in the purpose section concerning public benches to which no operative provision of this bill applies.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2259, 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. 2259, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3033      Ways and Means on H.B. No. 2308**

The purpose of this bill is to provide for the development of a coordinated youth gangs response system that incorporates the critical elements of law enforcement and intelligence, training and community awareness, community intervention, community prevention, information, and evaluation.

This bill amends section 571-84, which authorizes the court to permit relevant persons, institutions, or agencies having a legitimate interest in the disposition of the minor, to have access to the court's legal and social record on the minor.

Your Committee finds that while agencies in Hawaii have been responding to the gang problem, for the most part, their efforts have been uncoordinated. The establishment of statewide policies and goals to guide agencies in their approach to and treatment of gang-related problems is critical. The development of a comprehensive, coordinated, statewide youth gangs response system is essential to maintaining control of the gang situation. It must involve schools, courts, parents, government, agencies, community organizations, and community leaders.

Your Committee has amended this bill to clarify the expending agencies for each of the appropriations.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2308, H.D. 2, S.D. 1, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2308, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3034      Ways and Means on H.B. No. 2871**

The purpose of this bill is to provide general fund appropriations to satisfy claims against the State of Hawaii for refunds, reimbursements, payments of judgments, settlements, and other payments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2871, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3035      Ways and Means on H.B. No. 2489**

The purpose of this bill is to require that individuals who have established a prior unemployment insurance benefit year work in covered employment and earn wages of at least five times the individual's weekly benefit amount in order to establish a subsequent benefit year.

Your Committee finds that this additional eligibility requirement for the receipt of unemployment benefits is necessary to conform with the requirements of section 3304(a)(7) of the Internal Revenue Code of 1986, as amended.

Your Committee has received supporting testimony from the department of labor and industrial relations.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2489, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3036      Ways and Means on H.B. No. 2884**

The purpose of this bill is to provide salary increases for various public officers, including the members of the Hawaii labor relations board, the executive director of the housing finance and development corporation, the members of the public utilities commission, the director of the office of veterans' services, and the members of the labor and industrial relations appeals board.

Your Committee finds that the salary increases are necessary to establish compensation parity and equity among comparable positions.

Your Committee has increased the amount in the appropriation provision for 1990-1991 to \$82,970 for the purpose of continuing discussions at a future date.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2884, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2884, H.D. 2, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3037      Ways and Means on H.B. No. 2929**

The purpose of this bill is to fund repricing actions for the civil service job classes of secretary, private secretary, and school administrative services assistant as recommended by the public employees compensation appeals board.

Your Committee concurs with the findings of the Committee on Labor and Employment that the repricing actions to be funded by this bill are necessary. Your Committee has amended this bill by changing the general fund appropriation amount in section 3 from \$2,235,435 to \$2,235,436. Your Committee has also made technical, nonsubstantive amendments to the bill for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2929, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2929, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3038      Ways and Means on H.B. No. 2932**

The purpose of this bill is to raise the salary ranges of certain state employees.

Your Committee finds that while a substantial number of employee classes were repriced during recent reviews, most departments will be unable to fund the increased payroll costs from existing appropriations without deferring the filling of vacant positions or transferring funds from other program areas. In this regard, additional funds are essential to avoid serious financial repercussions in these departments. This bill provides the means to alleviate such a situation.

Although it concurs with the intent of this measure, your Committee finds that additional discussion may be necessary to ascertain the appropriation necessary to carry out the purposes of this bill. In this regard, your Committee has increased the amount appropriated out of the funding source identified as "general funds" by a sum of \$1.

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. 2932, H.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2932, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3039      Ways and Means on H.B. No. 2296**

The purpose of this bill is to require the office of state planning to conduct studies at five year intervals to determine the capability of various regions of the State to support increases in resident and visitor populations, including the impacts that may occur in these regions as the result of such population increases. This bill also appropriates the sum of \$300,000 to the office of state planning to carry out the tasks outlined in the bill.

Your Committee finds that it is important that accurate information on the needs of the counties and various regions of the State faced with rapid increases in population be available to develop accurate and relevant plans for the future. This bill will facilitate the development of a database to facilitate the formulation of such plans and projections.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2296, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3040      Ways and Means on H.B. No. 3095**

The purpose of this bill is to establish an office of tourism within the department of business and economic development. The office, headed by a deputy director, would promote, market, and develop the State's visitor industry; carry out other duties and responsibilities relating to coordination and implementation of the State's long-range tourism policies and plans and coordination with the private sector; and perform other duties currently vested in the tourism branch of the department of business and economic development. The bill also would establish a commission on tourism within the department of business and economic development to establish state tourism policy, approve actions of the office of tourism, and carry out other functions relating to oversight and development of the State's tourism program.

Your Committee finds that because the State's major industry is tourism, the establishment of an office of tourism in the department of business and economic development is necessary to give the visitor industry the support and recognition it deserves. Your Committee further finds that an office of tourism in the department of business and economic development would allow better coordination of tourism and economic development initiatives.

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. 3095, 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. 3095, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3041      Ways and Means on H.B. No. 3114**

The purpose of this bill is to provide funds for the beautification of certain areas in and surrounding Waikiki.

Your Committee finds that Waikiki plays a significant role in the State's visitor industry and economic base. Currently, many of the parks and facilities in the Waikiki area are in need of landscaping, irrigation improvements, and other beautification measures to maintain Waikiki's reputation as a premier visitor destination area and enhance its ability to remain competitive in the international tourism market.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3114, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3042      Ways and Means on H.B. No. 2950**

The purpose of this bill is to amend Act 320, Session Laws of Hawaii 1989, relating to commercial drivers licenses (CDLs).

Specifically, the bill, as received, does the following:

- (1) Changes the certificated fleet safety examiner to a third party examiner contracted with the State;
- (2) Exempts from the State's licensing requirements persons who have valid commercial motor vehicle driver's licenses issued by any state of the United States or a province of Canada that issues licenses in accordance with the minimum federal standards for the issuance of commercial motor vehicle licenses;
- (3) Exempts active duty military personnel and federal firefighters under certain conditions;
- (4) Establishes hearing and appeal provisions for revoking CDLs;

- (5) Provides penalties for driving without a CDL;
- (6) Allows a person holding a category (4), (5), (6), (7), (8), (9), or (10) license as of March 31, 1991 to continue to drive with that license until the person's next birthday;
- (7) Changes the effective date of Act 320, except for section 20, to April 1, 1991;
- (8) Provides that fees collected for licensing drivers shall be deposited into the state highway fund and that the State shall reimburse the counties for all costs for administering the commercial driver licensing program; and
- (9) Provides an appropriation of \$800,000 for fiscal year 1990-1991 to the department of transportation to carry out the purposes of the bill.

Your Committee finds that this bill brings state law into conformance with federal requirements and is therefore in the public interest.

Your Committee has amended this bill by deleting its entire contents and substituting the language of S.B. No. 3129, S.D.2, which differs primarily from the text of the bill received by your Committee as follows:

- (1) Specifies that the counties rather than the State are responsible for contracting with third party examiners;
- (2) Adds to the conditions under which federal firefighters are exempt the specification that the federal fire trucks being driven are owned or leased by or are under the control of the federal government;
- (3) Deletes items (5), (6), and (7) required to be included in the written notice to the examiner of drivers in section 286- (c), relating to notification requirement, and adds these items, as well as information concerning convictions of traffic violations, to the information required to be provided by an applicant to a prospective employer in subsection (d);
- (4) Specifies that the director of transportation shall determine the amount reimbursed to the counties for administering the commercial driver licensing program; and
- (5) Appropriates the sum of \$1 instead of \$800,000.

In addition to these changes, your Committee has:

- (1) Clarified that the prohibition on commercial drivers from driving with alcohol in their bodies is not intended to be permissive by changing the language to read "shall not" instead of "may not"; and
- (2) Made technical, nonsubstantive changes for purposes of conforming the draft to existing law and for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2950, 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. 2950, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3043 (Majority) Ways and Means on H.B. No. 2960**

The purpose of this bill is to establish the transportation use special fund as a separate account within the airport revenue fund.

Your Committee finds that the amendments proposed in this bill will enhance the department of transportation's capacity to administer the state transportation use special fund.

Your Committee has amended this bill to correct a technical drafting error. Your Committee has underscored the word "that" in the concluding sentence of section 37-53, Hawaii Revised Statutes, to indicate the fact that this is new statutory material being added to the law. Your Committee has also made a non-substantive grammatical amendment by substituting the word "any" in place of the word "a" in the first sentence of section 261-5(d), which is amended in section 2 of the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2960, 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. 2960, H.D. 1, S.D. 2.

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

**SCRep. 3044 Ways and Means on H.B. No. 1576**

The purpose of this bill is to comply with the requirements of Article VII, section 6, of the Constitution of the State of Hawaii relating to tax credits. The state constitution provides that when the state general fund balance at the close of two successive fiscal years exceeds five per cent of the general fund revenues for each of the two fiscal years, the legislature shall provide for a tax credit or refund in the next regular session.

Your Committee finds that this condition has been met for the ninth year in a row, and that a tax refund or credit must be made to comply with the state constitution.

Your Committee has amended this bill by:

- (1) Deleting the \$1 refund and providing instead for a blank amount; and
- (2) Clarifying that references to section 235-55.5, Hawaii Revised Statutes, are to that section as it existed on January 1, 1990, in recognition of the possible repeal of that section by other legislation.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1576, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1576, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3045      Ways and Means on H.B. No. 2069**

The purpose of this bill is to require the state administration to submit the six-year program and financial plan, the program memoranda, the budget, the supplemental budget, and the variance report forty-five days prior to the convening of the appropriate session of the legislature.

Your Committee finds that the law currently requires the submittal of the executive program memoranda on the date of the convening of the legislative session while all other documents are due twenty days prior to this date. These documents contain data critical to the legislature's analysis of the operating budget of the State. This bill will provide the legislature with additional time to evaluate and review these materials.

While your Committee concurs with the intent of this bill, it also recognizes the constraints the state administration may encounter in conforming with these deadlines. Your Committee finds that a thirty-day period prior to the convening of any session of the legislature will provide sufficient time for legislative review. In this regard, your Committee has amended this bill by requiring that these documents be submitted thirty days prior to the convening of either every odd or even numbered session of the legislature, as the case may require.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2069, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2069, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3046      Ways and Means on H.B. No. 2164**

The purpose of this bill is to:

- (1) Extend the enabling legislation authorizing the issuance of special purpose revenue bonds under section 39A-52, Hawaii Revised Statutes, by extending the sunset provision from June 30, 1991 to June 30, 1995;
- (2) Authorize the department of budget and finance, with the approval of the governor, to issue special purpose revenue bonds in a total amount not to exceed \$71,400,000, for the purpose of assisting Kapiolani Health Care System or Pali Momi Medical Center, or both, in one or more of the following:
  - (A) Refinancing the acquisition and purchase of health care facilities in Aiea, Hawaii;
  - (B) Financing the renovation of the health care facilities or the construction of additional facilities, or both; or
  - (C) Financing or refinancing, or both, the acquisition and purchase of additional capital equipment for use in connection with its health care facilities in Aiea; and
- (3) Authorize the department of budget and finance to issue refunding special purpose revenue bonds in those principal amounts as the department determines to be necessary to refund the special purpose revenue bonds authorized in this bill.

The issuance of tax-exempt, low-interest special purpose revenue bonds has proven to be a popular method of financing health care facilities since it provides substantial cost savings. The cost savings realized have benefitted providers, consumers, and third-party payers of health care services.

Your Committee finds that because of unforeseen financial difficulties, Pali Momi Medical Center was purchased in December 1989 by Kapiolani Health Care System. Pali Momi Medical Center was converted to a not-for-profit institution and meets the needs of the surrounding communities by providing health care services in a cost effective manner.

Your Committee finds that this bill will enable Pali Momi Medical Center to seek lower interest rates for major capital projects either through refinancing previous projects or seeking new financing for new projects. The direct benefits for the public are that the health care resources available to the public will continue to be updated and renewed, and that the attainment of the lowest cost of capital will help to moderate increases in health care costs.

Upon further consideration, your Committee has amended this bill by:

- (1) Amending paragraph (2) of section 3 to authorize Kapiolani Health Care System or Pali Momi Medical Center, or both, to use the special purpose revenue bonds authorized in this bill to finance or refinance, or both, the renovation of the health care facilities; or the construction of additional facilities, or both. Testimony received from the Kapiolani Health Care System suggests that the word "refinancing" may have been inadvertently left out of this paragraph; and
- (2) Making several technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2164, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2164, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3047      Ways and Means on H.B. No. 2864**

The purpose of this bill is to increase the maximum annual compensation for criminal injuries compensation commission members from \$6,600 to \$10,000 per year.

Your Committee finds that, based on present workload projections, the maximum amount of compensation allowed for the present year will be exhausted by April 1990, and accordingly, the commission will be unable to complete its work on a timely basis.

Your Committee has amended this bill as follows:

- (1) By changing the effective date from upon its approval to July 1, 1990;
- (2) By deleting obsolete provisions relating to the terms of the original commission members; and
- (3) By making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2864, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2864, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3048      Ways and Means on H.B. No. 2865**

The purpose of this bill is to appropriate funds out of the general revenues of the State, to be deposited into the criminal injuries compensation fund, to pay victims of crimes who were awarded compensation by the criminal injuries compensation commission in 1989.

Your Committee has received the commission's 1989 Annual Report, which provides a case by case summary of the commission's decisions. Your Committee finds that applicants were awarded compensation for out-of-pocket medical expenses, loss of earnings, funeral and burial expenses, and for pain and suffering as a result of their having been victimized. Your Committee received testimony from the department of corrections in support of this bill.

Your Committee has amended this bill by making a technical, nonsubstantive change for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2865, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2865, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3049      Ways and Means on H.B. No. 2895**

The purpose of this bill is to establish a compound interest bond reserve fund in which general fund appropriations may be set aside on an annual basis to pay debt service on general obligation bonds issued as "college saver bonds". This bill also allows the director of finance to transfer savings from other appropriations to meet the debt service requirements of outstanding compound interest bonds.

Your Committee finds that the compound interest bond reserve fund proposed in this bill will assist in maintaining level budget requirements even though actual debt service requirements may vary significantly from year to year due to the nature of compound interest bonds.

Following its review of this measure, your Committee has amended the mechanism proposed to capitalize and maintain the compound interest bond reserve fund. Rather than authorizing the director to capitalize the fund through the transfer of moneys realized through savings on other appropriations, your Committee has amended this bill by allowing the director of finance to transfer from the state general fund, moneys up to but not in excess of \$5,000,000 to the compound interest bond reserve fund during any fiscal year. This will ensure an adequate and consistent level of funding for the compound interest bond reserve fund.

Your Committee has further amended this bill by eliminating the provision exempting the fund from the requirements of chapters 36 and 38, Hawaii Revised Statutes. Your Committee finds that the law regarding the investment and deposit of state funds should apply to the moneys of the compound interest bond fund so invested.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2895, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2895, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3050      Ways and Means on H.B. No. 2908**

The purpose of this bill is to increase the ceiling for payment of personal care services by the department of human services.

Your Committee finds that under the current law, the payment for personal care services is limited to sixty-five per cent of the annual Medicaid cost for comparable institutional care. This limitation has created difficulties in providing adequate services to program recipients because the costs for personal care and skilled nursing have risen dramatically in recent years. This bill provides for an expenditure ceiling on the personal care services program which is seventy-five per cent of the annual medical assistance cost to maintain program recipients at their appropriate level of institutional care. The bill also provides that the medical assistance cost is to be determined by the department of human services.

Your Committee agrees with the department of human services that more flexibility is required in order to ensure personal care recipients safe and adequate care in the home setting. Your Committee has amended the bill by inserting the words "recipients in" before the words "the program caseload..." in the first sentence of the new language. This amendment was made for purposes of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2908, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2908, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3051      Ways and Means on H.B. No. 2949**

The purpose of this bill is to authorize the counties to establish a general excise and use tax to fund mass transit needs for the city and county of Honolulu and to fund the infrastructure and park needs of the counties of Hawaii, Kauai, and Maui.

Your Committee has amended the bill by replacing the contents of this bill with the contents of S.B. No. 3128, S.D. 2. The primary effects on H.B. No. 2949, H.D. 2, of this change are to:

- (1) Change the period of time the counties are authorized to establish the general excise and use tax surcharge from five to ten years;
- (2) Remove the amendment to section 237-34(a) that repealed the requirement that where the privilege was accrued in two tax districts the returns should be transmitted to the office of the first taxation district;
- (3) Remove the requirement that the State enter into a development agreement with the city and county of Honolulu regarding a mass transit system; and
- (4) Remove duplicative provisions regarding the filing of returns for short years.

As in S.B. No. 3128, S.D. 2, the percentage amount of the surcharge has been left blank to allow more time to consider all of the issues involved, including the total assistance to the counties and obtaining additional information on the mass transit scheme.

Your Committee has also amended this bill by:

- (1) Deleting the implementation deadline date for the counties to establish the tax; and
- (2) Deleting references to the current general excise rate of four per cent.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2949, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2949, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3052      Ways and Means on H.B. No. 2990**

The purpose of this bill is to authorize the issuance of general obligation bonds and to comply with Article VII, section 13, of the State Constitution which requires the declaration of findings that the total amount of principal and interest estimated for such bonds and all bonds authorized but unissued and calculated for all bonds issued and outstanding will not cause the debt limit to be exceeded at the time of issuance.



The total amount of general obligation bonds authorized under this bill is \$1.

To facilitate further discussion on this measure, your Committee has amended this bill by increasing the total sum authorized under this bill to \$2. It is the intent of your Committee that the appropriate sum will be substituted into this bill when this sum is determined.

Your Committee has also made a technical, nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2990, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2990, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3053      Judiciary on H.B. No. 1693**

The purpose of this bill is to clarify the power of the Attorney General and the County Prosecuting Attorneys to compel appearance of witnesses and the production of documents and other objects pertinent to their respective investigations.

Your Committee received testimony in support of the bill from the Attorney General and the four County Prosecuting Attorneys. The Attorney General testified that the amendments proposed by the bill are necessary to clarify the circumstances under which his department may issue and enforce investigative subpoenas.

This view was also shared by the Honolulu Prosecuting Attorney. Specifically, the prohibition on issuance of investigative subpoenas "when the matter under investigation is the subject of a civil or criminal adjudication or when the Attorney General, or a designated subordinate, determines that an adjudication is more probable than not" is unclear. As well, that determination is left to the issuing authority rather than a detached and neutral magistrate.

Your Committee received testimony in opposition to the bill from the Public Defender, the American Civil Liberties Union and the Hawaii Banker's Association. The common theme that ran through their testimony was the absence of any procedural safeguards that would allow a witness to challenge a subpoena and require that challenge to be resolved by a court.

Your Committee finds that numerous state agencies with "prosecutorial" powers in their respective areas of responsibility have the power to subpoena witnesses and require the production of documents. This power is necessary for these agencies to discharge the duties imposed upon them by law in the public interest. The same obligation is placed upon the Attorney General and the County Prosecuting Attorneys and they should, therefore, have the same powers.

However, your Committee also finds that the bill, as proposed, does not contain sufficient procedural safeguards for the protection of witnesses who are subpoenaed to testify or produce documents or both. Therefore, your Committee has amended the bill to require that the recipient of a subpoena be provided with a statement of his or her rights with respect to compliance with the subpoena. Specifically, they must be informed that they may exercise the same privileges when testifying that witnesses may exercise in a court proceeding. They may also move to quash the subpoena if compliance would be unreasonable or oppressive. The amendments would also specify where the witness may be compelled to appear and require provision of travel expenses if attendance is required in other than these specified places.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1693, as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. 1693, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3054      (Majority) Judiciary on H.B. No. 2044**

The purpose of this bill is to authorize the director of health to establish a two-year sterile needle and syringe exchange pilot program.

Your Committee has amended this bill by replacing its entire contents with the version as contained in Senate Bill No. 2413, S.D. 2, with the following changes:

- (1) Section 3(a) was amended to clarify the representation of law enforcement agencies on the oversight committee;
- (2) Paragraph (5) of section 3(b) was amended to clarify the examples used for the evaluation of the impact of the pilot program on the transmission of blood borne, life-threatening diseases among intravenous drug users and newborn infants; and
- (3) Section 3(b) was amended to delete the requirement that the evaluation of the pilot program include the impact on public health since the bill already includes provisions for evaluating the impact on specific public health matters.

Essentially, the differences between the bill as received by your Committee and as amended by your Committee are that the bill as received:

- (1) Authorizes instead of mandates the director of health to establish a pilot project;
- (2) Does not specify that there be a full accounting of the number of needles and syringes in use and in storage;

- (3) Does not specify that the program require a one-to-one exchange;
- (4) Does not require the screening of applicants to prevent participation by nonintravenous drug users;
- (5) Does not require compilation of data on the progress of participants in the drug abuse treatment, counseling, and education programs for which enrollment is required as a condition of participation;
- (6) Does not require, in the evaluation report, a demographic profile of the participants served; and
- (7) Does not contain specifics regarding the impacts on law enforcement and public health to be evaluated.

Your Committee has amended the bill because it believes that a mandatory program is required in order to prevent the spread of blood borne life-threatening diseases. Your Committee also believes that the strict controls, as contained in the bill as amended herein, must be delineated to ensure that the wrong message is not sent to drug users, that law enforcement agencies are not hindered in their enforcement activities, and that meaningful data will be compiled. The findings and intent of your Committee with respect to the implementation of a needle and syringe exchange pilot project have been stated at length in Senate Standing Committee Report No. 2625, and such findings and intent are hereby incorporated into this committee report.

As a final note, your Committee wishes to emphasize the importance of the oversight committee in section 3 of the bill in providing the legislature with a fair and objective evaluation of the study. Accordingly, it is the intent of your Committee that the department of health shall make a good faith effort to appoint at least one representative from the county police departments, the county prosecutor's offices, or both, to serve on the oversight committee.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2044, 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. 2044, H.D. 2, S.D. 2.

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

**SCRep. 3055      Judiciary on H.B. No. 2053**

The purpose of this bill is to propose an amendment to Sections 4, 5, and 6, Article IV of the Hawaii State Constitution to conform the sections to federal constitutional requirements. Your committee has incorporated H.B. 2054, H.D. 1 as part of this bill for reasons of simplicity. Both bills address the apportionment provisions of Article IV of the State Constitution.

Your Committee on Judiciary held hearings on H.B. 2053, H.D. 1 and H.B. 2054, H.D. 1 and received testimony supporting the bills from the Lieutenant Governor's Office and the League of Women Voters.

This bill proposes that the requirement in Sections 4 and 6 that apportionment be based on basic island units be amended to mandate the Reapportionment commission to maintain the use of basic island units "whenever possible." This would allow the Commission flexibility in order to comply with federally mandated requirements. Your Committee has added the language "to the maximum extent possible" to ensure that basic island units would be maintained as much as possible.

This bill also proposes that Section 5, which requires that a fractional vote formula be used for legislators from any basic island unit allocated less than a certain minimum number of seats, be repealed. The provisions of this section were struck down as unconstitutional in Burns v. Gill (D. Haw. 1970).

H.B. 2054, H.D. 1 proposed to change the base used for reapportionment from "registered voters" to "resident population." The use of a registered voters base was challenged and struck down in Travis v. King (D. Haw. 1982) because it did not produce a valid reapportionment plan. Your Committee has replaced the "resident population" language incorporated from H.B. 2054, H.D. 1 with the phrase "total population or adjusted population." This is to allow the Reapportionment Commission the flexibility to use resident population or another population base, provided that such other population base meets with federal, constitutional criteria.

Because this bill effects three separate changes in Article IV, your Committee on Judiciary has amended it to provide for three separate questions to be printed on the ballot.

Your Committee is of the opinion that, due to numerous and successful court challenges to this Article, as well as challenges to similar provisions in other jurisdictions, the probability of continued and costly legal challenges is great. Further your Committee is of the opinion that, since the Reapportionment Commission must devise another reapportionment plan by 1992, it is timely for this Legislature to offer guidelines that will withstand legal scrutiny. Your Committee feels that the one person, one vote rule, which has been consistently upheld by the Supreme Court, is the only basis by which to ensure fair and equal representation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2053, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2053, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3056      Judiciary on H.B. No. 2089**

The purpose of this bill is to allow the members of the adoption triad (the adoptees, adoptive parents, and natural parents) to inspect adoption records, including the adoption decree and the original certificate of birth, upon request after the adopted individual has attained the age of majority.

More specifically, the bill provides that upon receipt of a request for inspection of records by a member of the adoption triad, the department of health shall mail a notice to each natural parent, stating that unless a request for confidentiality is filed within thirty days of receipt of the notice, the adoption records shall be open to the person requesting inspection. If a request for confidentiality is received by the department, the records shall not be open to inspection and the confidentiality request shall be effective for a period of five years from the date the request is received by the department; provided the natural parent may revoke the request at any time. The bill requires the natural parent to bear the responsibility of filing additional requests to maintain confidentiality and allows the automatic opening of records when a request for inspection is made and a request for confidentiality has expired and not been renewed. Finally, the bill requires that information contained in the sealed records concerning ethnic background and necessary medical information shall be made available at any time upon request by the adopted individual or the adoptive parents.

Your Committee received extensive testimony on the issue of opening adoption records to the members of the adoption triad, most of which were in favor of the concept. While your Committee agrees that adoption records, especially with respect to ethnic background and medical history are critically important to an adopted individual, your Committee also is sensitive to the concerns of those in the triad who wish to maintain confidentiality. Your Committee believes that access to adoption records cannot be allowed without sufficient safeguards which will protect those individuals and maintain a balance in the exercise of rights by the members in the triad.

After serious deliberation on the issue of access to adoption records, your Committee finds that this bill requires amendments to ensure that the rights of all the members in the adoption triad are equally protected and that the procedure for the submission of requests for inspection of adoption records is clearly stated and easy for the triad members to comprehend and follow. Accordingly, your Committee has amended the bill as follows:

- (1) The age of the adopted individual after which inspection of records is to be allowed has been changed from the age of majority to the age of eighteen.
- (2) Language has been added to clarify that the opening of adoption records can occur upon order of the family court upon a showing of good cause. Your Committee believes this amendment is necessary to ensure that this procedure, which is currently available, will still be available in addition to the other procedures established by the bill as amended.
- (3) The procedure for the submission of a request for inspection has been changed to require a written request; to require that the notice sent to the natural parent be by registered mail, return receipt requested; to require that an affidavit to be completed and signed by the natural parent be included with the notice; to allow sixty rather than thirty days for a response from the natural parent; to delete the five-year refiling requirement to maintain confidentiality; to provide that the request for confidentiality remain in effect until revoked by the natural parent or until the natural parent is deceased; to allow the filing of another request for inspection any time after two years have elapsed since the filing of a request for confidentiality; and to apply this procedure only to adoptions occurring prior to January 1, 1991.
- (4) A new procedure has been added, for adoptions occurring after December 31, 1990, to require the family court to provide notice to the natural parents, at the time of placement, that if they wish to keep the records closed when the adopted individual is eighteen years old, they must file an affidavit with the family court within sixty days after the adopted individual is eighteen years old and every ten years thereafter.
- (5) The procedure delineated under section 578-14, which is identical to the procedure under section 578-15, has been replaced by a reference to the procedure in section 578-15 and the agency responsible for the handling of requests for inspection has been changed to the family court rather than the department of health. Your Committee believes that this amendment will provide for a less confusing and more expeditious method for the submission and processing of requests since all the records pertaining to the adoption, including the original birth certificate, are filed with the family court.
- (6) A provision has been added to require the family court to designate an agency to search for a natural parent who cannot be contacted by registered mail. The search is to be conducted during a period of not more than one hundred twenty days and contacts must be personal and confidential with assurance that only the natural parent or the agency through which the natural parent obtained assistance for the adoption shall be informed of the adoptive individual's existence and relationship to the natural parent. When contacted, the natural parent shall be presented with copies of the written request for inspection and other documents filed with the request. If a natural parent cannot be located after the search, the adoption records will be opened. Since the mailing addresses of the triad members on file in adoption records may be outdated, your Committee believes this amendment is necessary to afford the triad member whose consent is being sought a fair opportunity to request confidentiality.
- (7) A provision has been added to clarify that where only one natural parent waives confidentiality, the inspection of the records shall not include any identifying information concerning the other natural parent.
- (8) A provision has been added to provide that for adoptions occurring prior to January 1, 1991, upon submission of a written request to the family court by a natural parent after the adopted individual has attained the age of eighteen, the family court shall notify the adopted individual and shall allow the inspection of records in accordance with the process established for requests submitted by the adopted individual or adoptive parents. Your Committee believes that this amendment is necessary to protect the rights of those adopted individuals who may wish to remain anonymous to a natural parent. Your Committee notes that under the house version,

although the language indicates that a natural parent may request access to adoption records, the procedure set out only covers situations where an adopted individual or adoptive parents request access.

- (9) A provision has been added for adoptions occurring prior to January 1, 1991, to permit a natural parent or an adoptee to file an affidavit consenting to the inspection of records by the other.
- (10) A new provision has been added to allow a natural parent to obtain a copy of the original birth certificate.
- (11) Technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee recognizes that there are compelling arguments for fully opening up adoption records; and that this bill as amended by your Committee, while it is a major step, may be just the first step to more liberal access to adoption records in the future.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2089, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2089, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3057      Judiciary on H.B. No. 2184**

The purpose of this bill is to outlaw gambling aboard ships whether it takes place on ships operated solely for that purpose or on ones which offer gambling incidental to other legitimate activities.

Your Committee received testimony in support of the bill from the Attorney General and the Department of Transportation. The Attorney General noted that the State has long taken a stand against gambling because of its traditional association with organized crime and because it tends to diminish the State's reputation as the premier tourist destination, especially for families, with a corresponding economic impact. He indicated that this bill would prevent a recent proposal to begin inter-island operation of one of these ships from becoming a reality.

The Department of Transportation expressed its support for the bill but indicated concern that the language of the bill was not sufficiently specific to exclude ships travelling to and from foreign ports and the continental United States from being placed within its ambit. These ships close down and lock their gambling equipment when they sail in State waters and, therefore, do not present the cause for concern represented by gambling ships operated locally. Accordingly, your Committee has amended the bill to make it clear that these ships are not in violation of the proposed law if they conduct gambling activity when travelling to or from foreign ports or the continental United States.

Your Committee has also amended the bill to make it clear that operators of legitimate tour ships, on which gambling is being conducted without their consent or knowledge, will not be subjected to criminal liability for gambling conducted by employees or passengers. Your Committee further amends the bill so that persons transporting passengers to and from ships on which gambling is taking place would not be covered under this new section. The final amendment made by your Committee deletes the provision which subjects persons soliciting, enticing, inducing, persuading or procuring persons from visiting gambling ships to criminal liability. Your Committee is of the opinion that these provisions raise questions of equal protection, as persons are permitted to make identical solicitations and promotions for gambling operations conducted outside of the State.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2184, H.D. 1, as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2184, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3058      Judiciary on H.B. No. 2191**

The purpose of this bill is to prohibit the possession of firearms, ammunition, and certain weapons in, on or within 750 feet of the real property comprising a public or private elementary or secondary school.

Testimony in support of this bill was offered by the Attorney General, the Department of Education and the Hawaii State Teachers Association. They all testified in favor of the bill, which was originally drafted to create a "weapon free zone" within 750 feet of the real property comprising a public or private school. The Attorney General recounted a series of recent events in which a teacher was shot while conducting class, students were shot in drive-by shootings, and a student was methodically stalked, shot and killed in a high school parking lot. This statement was echoed by the Department of Education which reported that in the last school year, seven firearms and 61 other weapons were taken from public school students.

Testimony in opposition to the bill was offered by the Public Defender and a number of firearm enthusiasts. The Public Defender submitted that a mandatory sentence of 20 years was too severe, particularly when compared to other serious offenses. The firearm enthusiasts were concerned by the fact that numerous legitimate firearm activities take place on school campuses, such as ROTC training, hunter safety courses and rifle matches.

While your Committee strongly agrees that our educational institutions should be places of sanctuary, we believe just as strongly that our entire community should be a safe place to live and learn and that everyone deserves to feel free from the threat of harm wherever they go. To achieve this goal, your Committee has undertaken substantial amendments to the bill. First, weapons offenses have been reclassified to reflect their severity. For example, a new subsection has been added to section 134-6, Hawaii Revised Statutes, which makes it a class A felony to possess, use or threaten to use a

firearm in the commission of a felony. A person who violates the requirement that firearms be confined to the person's place of business, residence or sojourn or that they be transported between these and certain other destinations in a specified manner or that handguns not be carried on the person without a permit would be guilty of a class B instead of a class C felony. Those who violate the requirement that firearms other than handguns not be carried on the person would be guilty of a class C felony instead of a misdemeanor. Consistent therewith, a person who uses a switchblade or other deadly weapon in the commission of a crime would be guilty of a class C felony.

Your Committee has addressed the very real concern within the community regarding the use by criminals of semi-automatic "assault" weapons. To that end, your Committee has amended the bill by adding a new subsection to Section 706-660.1, Hawaii Revised Statutes, to provide for severe mandatory minimum sentences for the use of these weapons in the commission of a felony. Under current law a first "firearm felony" offender may be sentenced to a minimum term of up to 15 years while a second "firearm felony" offender must be sentenced to a mandatory minimum term of up to 20 years. This bill would require that a first semi-automatic or automatic "firearm felony" offender be sentenced to a mandatory minimum term of up to 20 years. Your Committee believes that these harsh sentences are necessary to keep these weapons out of the hands of criminals.

Your Committee has also amended the definition of "automatic firearm" to include the parts that are currently available to convert a firearm to automatic operation.

Your Committee is in accord with the intent and purpose of H.B. No. 2191, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2191 H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3059      Judiciary on H.B. No. 2398**

The purpose of this bill is to ensure that mental health treatment is offered to convicted sex offenders and to create new offenses relating to "peeping tom" behavior and sexually harassing telephone calls.

Your Committee received testimony from the Attorney General, the Honolulu Prosecutor, the Honolulu Police Department, the Public Defender, and a number of private citizens. The Attorney General expressed strong support for the bill, particularly the provision that would require that treatment be offered to sex offenders. The Honolulu Prosecutor also expressed strong support for the treatment provision, noting that the compulsive, repetitive behavior of sex offenders can be changed only by specialized therapy.

Support was also expressed for the provision of the bill that would address the "peeping tom" type of offenses which are not currently covered by the Penal Code.

Your Committee found the testimony provided by the private citizens regarding these offenses to be particularly compelling. One person recounted a series of incidents over a period of four years during which a male intruder stole undergarments from a clothesline, began knocking at the door during the early morning hours and hounded her to the point of a nervous breakdown. Ultimately, she was forced to move.

Another person testified about similar conduct occurring over a two year period. An unknown man stole lingerie, prowled outside the bedroom window at night and was caught twice looking in. This person was so disturbed by this conduct that she spoke to other women and found that many in her neighborhood had experienced repeated visits from men who masturbate outside and into their windows. She even interviewed one offender by arrangement with his therapist. The man reported that he had a twenty year career as a peeping tom and public masturbator and that, while he had been arrested seven or eight times, he had spent only three days in jail and that was imposed on the mainland. He also stated that he was not required to undergo treatment. Another person testified about a peeping tom lurking in her yard who was later identified as a rapist being sought by the police.

These people also expressed frustration about the ability of the courts to deal with these offenders. These offenders are often not recognized or treated as sex offenders. As a result, they are routinely processed along with the rest of the large case load handled by the District Court and frequently receive only a fine with little, if any, counseling. As a further result, the opportunity to examine the offender and provide treatment that will prevent escalation in the severity of these offenses is often lost.

Your Committee finds that the need for early intervention and treatment of sexual offenders is imperative. While "peeping toms" and "exhibitionists" may seem harmless, these offenses are typically perceived by the victims as potential burglaries or sexual assaults. The criminal records of these individuals justify this concern because the rate of recidivism amongst this class of offenders is extremely high and many go on to commit more serious, violent crimes. Treatment must be afforded to these offenders and they must be monitored closely. At the same time, however, the seriousness of these offenses must be recognized and appropriate sanctions, in addition to treatment, must be imposed.

Accordingly, your Committee has amended the bill to require that all convicted sex offenders undergo presentence mental and medical examinations. If the resulting report indicates that it is appropriate, the Court would be required to offer specialized mental health treatment to these offenders while they are under sentence of the court. This would mandate that treatment be offered to offenders placed on probation whereas currently such treatment is offered only discretionarily under Section 706-624(2)(k), Hawaii Revised Statutes. Treatment would also be offered to incarcerated offenders and the Hawaii Paroling Authority would be required to consider the offender's willingness to undergo treatment and their progress, if any, when considering whether to grant parole. The authority would also be required to condition parole on continued treatment if recommended by the offender's therapist.

Your Committee has also amended the bill to permit the court to sentence misdemeanor sex offenders to a term of probation of two years and petty misdemeanor sex offenders to a term of probation of one year, instead of one year and six months, respectively. This has been done in recognition of the fact that these offenders take much longer to respond to rehabilitative treatment than do other offenders because of their compulsive behavior.

Your Committee has also amended the bill to restore trespassory surveillance to the offense of violation of privacy under Section 711-1111, Hawaii Revised Statutes. This has been done because persons who trespass for surveillance purposes, such as private investigators, may not be sex offenders and should not be sanctioned as such. Instead, your Committee has added the element of affront or alarm to the offense of trespassory surveillance under sexual assault in the fourth degree, Section 707-733, Hawaii Revised Statutes, to make the sexual nature of the offense clearer.

Your Committee has also amended the bill to make the exposure of one's genitals to another under circumstances in which the actor's conduct is likely to cause affront or alarm, a misdemeanor under sexual assault in the fourth degree, Section 707-733, Hawaii Revised Statutes, only when the offense occurs on private property. Otherwise, "streaking" or "flashing" offenses will remain a petty misdemeanor under sexual assault in the fifth degree, Section 707-734, Hawaii Revised Statutes. Your Committee has also amended the bill to include in the latter section, sexually harassing telephone calls. This was done because the existing statute, Harassment, Section 711-1106, Hawaii Revised Statutes, does not recognize the sexual nature of the offense or require that the offender be treated as such.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2398, H.D. 1 as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2398, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3060      Judiciary on H.B. No. 2400**

The purpose of this bill is to make it a misdemeanor for a person to intentionally discharge a firearm in a populated or residential area, or within the boundaries of any road, street, or highway.

Your Committee received testimony in support of the bill from the Honolulu Police Department.

Your Committee finds that a person who intentionally discharges a firearm in areas likely to be traveled or inhabited by other people creates an obvious risk of harm to the public and should be subject to misdemeanor liability. Your Committee has amended the bill to include the discharge of a firearm in the direction of a road, street or highway among its prohibitions, as consistent with these findings.

Your Committee has further amended this bill by deleting on page 1, lines 7-8, the phrase: "and in addition to other applications," to avoid ambiguity. Additionally, lawful target shooting upon a target range located within the specified areas has been excepted from the bill's proscribed conduct.

Your Committee has also made other minor stylistic changes that have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2400 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2400, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3061      Judiciary on H.B. No. 2536**

The purpose of this bill is to add a new chapter to Hawaii Revised Statutes addressing the issues related to foreign-money claims.

Your Committee received testimony in support of the bill from the Hawaii Committee To Promulgate Uniform Laws. The testimony indicated that the act attempts to address a problem which is of particular importance to jurisdictions such as Hawaii where there is considerable international movement and commerce. The Act has become desirable because foreign-money claims have increased greatly as a result of the growth in international trade, the greater fluctuation over shorter periods of time of foreign moneys as compared to United States dollars and the differing judicial treatment of the problem by jurisdictions which encourages forum shopping and results in uncertainty in the law.

Your Committee concurs that the real issue is where the risk of exchange rate fluctuation should be placed. This Act recognizes the right of the parties to agree upon the money that governs their relationship. In the absence of an agreement, the Act adopts the rule of giving the aggrieved party the amount to which it is entitled in its own money or the money in which the loss was suffered.

The overarching principle of the Act is to restore the aggrieved party to the economic position it would have been in had the wrong not occurred. In attempting to reasonably effectuate such intent, the "payment day rule" has been adopted. Such rule uses the date the judgment is paid as the date for converting foreign money into United States dollars. By employing such rule, the reasonable expectations of the parties can fairly be met.

The Act also covers other related issues which include revalorization and interest.

Your Committee has made technical changes that do not affect the substance of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2536, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2536, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3062      Judiciary on H.B. No. 2827**

The purpose of this bill is to reduce the cost of liability insurance for health care providers by giving courts the option of awarding future damages to victims of medical malpractice through periodic payments, rather than in a lump-sum upon entry of the judgment.

Your Committee received testimony supporting this bill from the Medical Coalition for Tort Reform, and in opposition to the bill from the Hawaii Academy of Plaintiff's Attorneys.

While your Committee supports innovative methods of reducing the cost of health care providers' liability insurance premiums, it is also very sympathetic to the needs of persons who have been the victims of medical malpractice. This is particularly true where a court has found that malpractice occurred, and has awarded compensation to the victim for future medical expenses, loss of wages, pain and suffering, mental anguish, disfigurement and loss of consortium.

In such situations, it is the opinion of your Committee that any effort to reduce the amount of money necessary to satisfy the judgment cannot impair a victim's ability to obtain timely medical care or pose substantial burdens on the victim and his or her lawyer in collecting money owed under a malpractice judgment. Therefore, your Committee has made a number of changes to this bill to reduce the possibility that a malpractice victim will be deprived of necessary resources at a time of need.

The amendments include lump-sum payment of all future medical expenses so that the victim can have full access to these essential funds; use of financially stable insurance companies to make or secure periodic payments of future wage losses and noneconomic damages; establishment of procedures for invoking, modifying, and (if necessary) revoking a periodic payment schedule; the assessment of interest at the standard statutory rate where pain-and-suffering and other future noneconomic losses are deferred for periodic payment; clarification that the projection of life expectancy and work life expectancy of the victim are necessary to the establishment of periodic payment schedules, and should be decided by the trier of fact; establishing the proper amount of appeal bonds where a judgment for periodic payments has been rendered; and protection of the award for lost wages from certain forms of garnishment, attachment, or execution. Additional amendments were made for the sake of clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2827, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2827, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Chang.

**SCRep. 3063      Judiciary on H.B. No. 2876**

The purpose of this bill is to make additions and corrections to the controlled substance schedules, to broaden the offense of fraudulent obtaining of a controlled substance to include theft, and to make it unlawful to obtain a legal prescription for a controlled substance by misrepresenting or withholding information. Changes to the existing controlled substance schedules were necessitated in order to conform with federal law.

Your Committee received testimony in support of the bill from the Attorney General. He testified that the inclusion of theft has been added to address the diversion of controlled substances by registrants and employees, all of whom have access to legally stocked inventories of controlled substances. This change is necessary because such persons who divert controlled substances and conceal the diversion by altering records are guilty of a felony. However, under current law, if such a person steals a controlled substance, he or she may only be charged with petty misdemeanor theft even though the end result is the same. Accordingly, your Committee has amended the bill to subject only practitioners, registrants, and their employees to liability for this offense.

Further, Section 329-42(a)(7), has been added to make it unlawful for a patient to obtain a legal prescription for a controlled substance by misrepresentation or by withholding information regarding current controlled substance use and/or acquisition. One of the main sources of drugs in the illicit market is through legitimate prescriptions from well-intended physicians who are conned and scammed by a group of manipulative and creative individuals who spend the better part of each day going to doctors in order to obtain drugs. These individuals are known as "doctor shoppers" and they are generally addicted to these drugs and frequently sell, share, or trade them for other drugs.

Unfortunately, they also consume valuable medical resources which could be used by those truly in need. This conduct also corrupts the physician-patient relationship and distracts the doctor's attention from the most important concern: the patient's health.

Your Committee has amended the bill to clarify that only those persons who misrepresent or withhold information regarding their recent drug use with intent to obtain the drug for other than legitimate medical purposes will be subjected to liability. This will ensure that inadvertent omissions will not subject an innocent person to criminal sanctions. This amendment will also make it possible to prosecute the "doctor shopper" who uses someone else to actually obtain the drug from a pharmacy. Under current law, simply obtaining the prescription is practically speaking, not sufficient to prove an attempt to fraudulently obtain a controlled substance.

Your Committee has also amended the bill to include the provisions of S.B. No. 2205, whose purpose is to provide uniform state legislation in the regulation of precursor chemicals used in the illicit production of controlled substances.

Your Committee received testimony from the Attorney General in support of S.B. No. 2205. Although there is federal legislation regulating certain precursor chemicals, the need exists for complimentary state laws to tighten threshold and reporting provisions, expand precursor listings, and implement the absence of inventory accountability in the federal law. Further, the Attorney General testified that although the State of Hawaii has thus far been spared from the proliferation of illegal labs, implementation of the provisions of S.B. No. 2205 may allow us to stop the problem before it begins.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2876, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2876, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3064      Judiciary on H.B. No. 2965**

The purpose of this bill is to clarify certain procedural provisions in the state civil rights commission law.

Your Committee received testimony from the Hawaii Civil Rights Commission, the State Attorney General, Na Loio no na Kanaka, the Committee on Welfare Concerns, the Honolulu Community Action Program, the American Civil Liberties Union of Hawaii, the Hawaii Women Lawyers, the Chamber of Commerce of Hawaii, the Oahu Filipino Community Council, the Young Women's Christian Association of Oahu, Hawaiian Electric, the American Friends Service Committee, the American Association of University Women, Liberty House, the Hawaii Centers for Independent Living, GTE Hawaiian Telephone Company, the Hawaii State Commission on the Status of Women, the Life Foundation, the Rainbow Coalition, and private citizens.

The testimonies were generally in support of the housekeeping amendments which would clarify the procedures to be followed by the commission when it assumes jurisdiction and enforcement responsibilities over complaints filed under the State's discrimination laws on July 1, 1990. However, concerns were expressed regarding the necessity of changes to further clarify provisions in the civil rights law to ensure fair and expeditious handling of complaints by the civil rights commission.

Your Committee has amended the bill as follows:

- (1) Section 368-11, Hawaii Revised Statutes, has been amended to clarify that the term "unlawful discriminatory practice" as used in the civil rights law includes the term "unfair discriminatory practice", or like terms, as may be used in the state discrimination laws over which the civil rights commission has jurisdiction. This amendment is necessary to avert any possible controversy over the commission's jurisdiction.
- (2) Section 368-14, Hawaii Revised Statutes, has been amended to require that a contested case hearing, as provided under the Administrative Procedure Act, be held when conciliation fails to resolve a complaint and to clarify that the final decision is to be made by the commission, not the hearings examiner. According to the attorney general, the language in the bill as received by your Committee is ambiguous and inconsistent with the Administrative Procedure Act. This amendment would resolve those problems.
- (3) Section 368-17, Hawaii Revised Statutes, has been amended to require proof by clear and convincing evidence that the respondent acted wantonly or oppressively or with such malice as implies a spirit of mischief or criminal indifference to civil obligations, or that there has been wilful misconduct or entire want of care which would raise the presumption of a conscious indifference to consequences for an award of punitive damages; and to allow the award of punitive damages only when the requisite proof has been satisfied and the commission has determined that it is necessary to deter similar conduct in the future. In awarding punitive damages, the legislature intends that the commission be judicious in its decisions and exercise restraint so as to limit punitive damages only to egregious cases such as where the defendant has committed multiple discrimination offenses. Your Committee believes that this amendment will accomplish the legislature's intent without unfairly limiting the remedies available to the complainant.
- (4) Section 368-17, Hawaii Revised Statutes, has been amended to prohibit duplication of remedies awarded under the workers' compensation law and the civil rights law; provided that when a claimant has filed complaints under both laws, the claimant shall be entitled to recover damages for lost wages under the civil rights law to the extent of the difference between the amount recovered under the workers' compensation law and the amount the complainant would have earned if the claimant had remained on the job. Your Committee believes that this amendment is necessary to clarify that double recovery is not allowed and to ensure that those who are entitled to file actions under both laws are able to recover up to the total amount of wages lost.
- (5) Section 368-17, Hawaii Revised Statutes, has been amended to allow the prevailing defendant in any action or proceeding under the civil rights law to recover a reasonable attorney's fee as part of the costs; provided that a prevailing defendant establishes that the action or proceeding was frivolous, unreasonable, in bad faith, and without foundation. This amendment is intended to avoid a flood of frivolous claims which would cause the commission to spend less time on valid claims.
- (6) Technical, nonsubstantive amendments have been made throughout for purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2965, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2965, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.



**SCRep. 3065      Agriculture on H.B. No. 2388**

The purpose of this bill is to amend Act 77, Session Laws of Hawaii 1989, which prohibits over-the-counter sale of refrigerants, raises the standards of automobile air conditioner repair facilities, and promotes the recovery and recycling of chlorofluorocarbons (CFCs).

As received, the bill proposes to: expand the definition of CFCs while specifically excluding the class of compounds with low ozone depletion potential termed HFCs and HCFCs; correct potential problems caused by the prohibition in Act 77 against wilful release of CFCs into the air from any source; add a new section requiring product labeling; and amending the penalty provisions of Act 77 to make violations of affected sections class C felonies.

Supporting testimony was received from the following individuals and organizations: Department of Health; American Association of University Women; Murray Corporation; Napa Schuman Automotive, Inc.; Napa Distribution Center Hawaii; Dr. Bruce Justin Miller; Andrea Wangler; Dr. Kathleen Wolf; International Business Machines Corporation; Alliance for Responsible CFC Policy; General Electric Company; Honeywell; Retail Merchants of Hawaii; Paul Berry; Hawaii Automotive & Retail Gasoline Dealers Association; and Hawaii Food Industry Association.

Based upon the testimony presented at the hearing, your Committee has amended the bill as follows:

1. By deleting section 2 of Act 77, Session Laws of Hawaii 1989, and placing its regulatory provisions under the chapter on ozone protection.

2. The definition of CFCs has been amended to delete references to CFC 14 and CFC 116 which are not CFCs as they contain no chlorine and have no ozone depletion potential.

Your Committee has also amended the definition to apply to the fully halogenated CFCs which are regulated by the international agreement known as the Montreal Protocol. Your Committee is acutely aware of the potential for persons or organizations to attempt to circumvent the law by adding a non-CFC dilutant to a CFC in order to be excluded from the definition of a CFC, but is also cognizant that certain percentages of CFCs are necessary in order for a compound to retain its beneficial qualities. Your Committee further finds that the mixtures actually help to reduce the damage to the ozone since they have less ozone depletion potential than fully halogenated CFCs. Your Committee also notes that HCFC and HFC replacements for fully halogenated CFCs must still complete toxicity testing and will not be commercially available until 1993 at the earliest, provided that they are proven to be safe by the ongoing tests. Moreover, your Committee is concerned that over-zealous regulation of compounds may result in the use of alternatives that are not as safe to human health or exacerbate other environmental problems. Consequently, your Committee believes that the continued use of mixtures should be encouraged as substitutes for fully halogenated CFCs until such time as non-CFC alternatives can be developed, tested for safety to human health and the environment, become commercially available, and incorporated into product manufacturing processes.

2. Your Committee has also amended the bill to correct practical problems arising from Act 77's overly broad proscription against wilful release of any amount of CFCs into the air from any source. Your Committee finds that the normal use of many products, such as air conditioners, will result in the release of small amounts of CFCs into the air, and that Act 77, unamended, would make normal use a violation of the law once a consumer realizes CFCs were being emitted. Your Committee further finds that Act 77's wilful release language would also make it a violation to recover and/or recycle CFCs from items such as automobile air conditioners since small amounts of CFCs are also released into the air during the process.

Consequently, your Committee has amended the bill to specifically exempt the common use of a product and attempts to recover, recycle, or safely dispose of CFCs from the prohibition against wilful release of CFCs so long as due care had been exercised when the aforementioned actions are engaged in.

4. Your Committee has further amended the bill to specify that refrigerators and freezers are not subject to the law. House Standing Committee Report No. 1247-89 clearly stated, "Refrigerators and freezers have been removed from the scope of this bill because an infrastructure capable of handling the recycling, recovery, and destruction of CFC emissions from refrigerators and freezers does not exist at present."

Your Committee finds that it is necessary to place the exemption for refrigerators and freezers within the body of the law itself in order to avoid any confusion or potential litigation over the scope of Act 77.

5. Your Committee has also amended the bill to permit the continued use of automotive air conditioning refrigerant recovery and recycling systems that were in use by the motor vehicle repair industry prior to December 31, 1989, but not certified by Underwriters Laboratories, Incorporated as required by Act 77. Underwriters Laboratories' certification for such recovery/recycling equipment did not become available until November 11, 1989. Prior to that time, however, a small number of state-of-the-art recovery/recycling units were purchased by air conditioning repair businesses in anticipation of federal environmental protection legislation. Although the equipment is identical to the ones subsequently certified by Underwriters Laboratories, Inc., the businesses which purchased the recovery/recycling equipment prior to November 11, 1989, would be in violation of Act 77 on January 1, 1991, when Act 77 goes into effect. Rather than penalizing the well-intentioned efforts of these businesses, your Committee believes that a "grandfather" provision is appropriate.

6. Your Committee has also deleted the labeling requirement contained in the bill. Your Committee recognizes that there are thousands of items made with or containing CFCs, including hospital sterilants, blood plasma, computers, telephones, furniture, toys, contact lenses, and dry cleaning fluid to name a few. A requirement to label every one of these products would be extremely impractical since many contain only minute amounts of CFCs. Your Committee believes as soon as non-CFC alternatives do become available, manufacturers will voluntarily switch to them due to (1)

the increasing cost of CFCs resulting from the federal tax and government recovery/recycling requirements, and (2) the knowledge that CFCs will be phased out by the year 2000.

Your Committee finds that labeling will increase costs to Hawaii's people since local distributors and/or retailers who undergo the expensive, labor-intensive process of labeling goods to meet this requirement will pass these costs on to the consumer. Labeling may also reduce consumer choice by limiting the supply of products available in Hawaii since national manufacturers may be reluctant to go through the trouble of labeling items for a small market such as ours.

If labeling is to be required, your Committee believes that it should be done at the national level so as to not interfere with the free flow of commerce.

7. Your Committee has amended the bill to delete the provisions making violations of Act 77 a class C felony.

8. Finally, your Committee has added a severability clause to the bill.

Your Committee believes that the Act, with the amendments proposed by this bill, will accomplish what it was intended to achieve. By providing Act 77 with an effective date of January 1, 1991, affected parties are given the opportunity to address practical problems that would be created by Act 77, and has given the Legislature time to correct these problems before they occur. The amendments contained in the bill will ensure that Hawaii is not just a leader in environmental legislation, but a State that enacts responsible legislation.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2388, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2388, H.D. 2, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Solomon, Mizuguchi and Reed.

#### **SCRep. 3066      Housing and Hawaiian Programs on H.B. No. 1275**

The purpose of this bill is to amend section 519-1, Hawaii Revised Statutes, to provide that, where a lessee is not given notice of the terms for lease rent renegotiations, the amount of the lease rent must be based on the actual use of the leased land. Under current law, the amount of the lease rent may be based on the fair market value of the land according to its highest and best use, subject to any use restrictions in the lease document itself.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Hawaii Association of Realtors, and hundreds of owners and tenants of single-family homes, condominiums, and cooperative housing units on leasehold properties. Your Committee received opposing testimony from The Queen Emma Foundation, The Estate of James Campbell, and two small landowners. The Estate of James Campbell suggested that the bill be limited to leases on condominium projects, and not apply to leases on other types of property.

Your Committee finds that, while it is appropriate that property owners and lessees be able to determine the basis upon which any lease rent renegotiations will take place, this assumes that a reasonable basis will be selected and that both parties, the lessor and the lessee, have equal bargaining power and are advised of and have the ability to understand the terms for future renegotiations of lease rents. Your Committee finds that it is necessary to set forth minimal standards for lease rent renegotiations, so that the renegotiations will be fair to all parties concerned and be based on generally recognized appraisal standards.

Your Committee has amended the bill to provide that lease rent renegotiations in which the amount of the rent is to be calculated according to the fair market value of the land may use the highest and best use of the land as the basis for the calculations, subject to any use restrictions in the lease document itself or use restrictions based on zoning classifications in effect at the time of the renegotiation. Your Committee has also amended the bill to make its application retroactive, i.e. applying to lease rent renegotiations taking place after the effective date of the bill both for existing leases and new leases. Finally, your Committee notes that the Committee does not intend to alter standard appraisal methods for determining fair market value. For example, the Supreme Court of Hawaii has ruled in several cases that, for purposes of eminent domain proceedings, fair market value may be calculated according to existing zoning classifications or a different zoning classification where there is a reasonable probability or possibility of re-zoning within the reasonably near future. See *City & County of Honolulu v. Market Place, Ltd.*, 517 P.2d 7, 55 Haw. 226 (1973); *State v. Midkiff*, 516 P.2d 1250, 55 Haw. 190 (1973); *County of Hawaii v. Sotomura*, 517 P.2d 57, 55 Haw. 177 (1973), cert. denied, 419 U.S. 872. Your Committee intends that the same would hold true for lease rent renegotiations.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1275, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1275, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Solomon and Reed.

#### **SCRep. 3067      Housing and Hawaiian Programs on H.B. No. 2984**

The purpose of this bill is to resolve a long-standing occupancy problem involving four families who reside on State-owned lands known as the Kalawahine lands (parcel 8 of tax map key no. 2-4-34), which are located between Papakolea and Makiki Heights on Oahu. The bill would authorize the Department of Land and Natural Resources to negotiate and enter into long-term residential leases, not to exceed 65 years, with persons who:

- (1) Reside on the land, or have permits allowing them to reside on the land, or are descendants of persons who lawfully resided on the land before 1934; and

- (2) Have built homes on the land for use as their own residences; and
- (3) Can prove that the various governments of Hawaii have expressed an intent to grant them long-term tenure on the land.

The bill would also direct the Department of Hawaiian Home Lands to negotiate with the Honolulu Board of Water Supply for the acquisition of the lower portion of parcel 8 situated along Kahawai O Ka Poopoo Stream.

Your Committee received supporting testimony from the Department of Hawaiian Home Lands and the Department of Land and Natural Resources. During the hearings, the Departments indicated that three of the four families wished to receive long-term leases from the Department of Land and Natural Resources and that the remaining family wished to have the land under their home transferred to the Department of Hawaiian Home Lands and to receive a homestead lease from that Department. The Department of Hawaiian Home Lands also expressed a desire to be granted title to the entire 31.6 acre site, without cost, and indicated that the Department was considering kupuna housing for a portion of the site.

Your Committee also received testimony from the Council of Hawaiian Homestead Associations supporting the Department of Hawaiian Home Lands' position and testimony from the Makiki Heights Community Association and over 20 residents of the neighboring community. The Makiki Heights Community Association and the residents supported an equitable resolution of the problem involving the four families as well as granting the Department of Hawaiian Home Lands title to the lower portion of parcel 8 for kupuna housing, but expressed grave reservations about transferring the remaining portions of the site to the Department. More specifically, the Makiki Heights Community Association and the residents expressed a strong preference that the upper portion of the parcel remain under the control of the Department of Land and Natural Resources and not be subject to development, citing concerns about special planning considerations for this area and the need for a community-oriented plan review process as well as problems with steep grades, substandard roads and hazardous traffic conditions, inadequate lighting, on-street parking capacity, and fire safety in the area.

The Kalawahine lands have a long and unusual history. Originally, the lands were under private ownership, but were acquired by the Territory of Hawaii through a land trade. In 1934, the U.S. Congress enacted legislation giving the Kalawahine lands the status of Hawaiian home lands, with the stipulation that existing residents of the lands would be given a first opportunity to lease the lands on which they resided, whether or not they were native Hawaiians. Subsequently, in 1952, the U.S. Congress removed the Kalawahine lands from the Hawaiian home lands trust and returned them to the Territory of Hawaii, to serve as a future source of water supply. The Department of Hawaiian Home Lands was at the same time granted other lands of equal value (approximately 47 acres) in exchange for the Kalawahine lands, with the stipulation that families residing on the Kalawahine lands who had been granted rights to Hawaiian homestead leases pursuant to the 1934 congressional legislation would be given the right to resettle on other similar lands under the control of the Hawaiian Homes Commission, again whether or not they were native Hawaiians.

Unfortunately, the intent and purpose of the 1952 congressional legislation have not been fully realized. While many families were successfully relocated to other Hawaiian home lands, four families remain on the Kalawahine lands. These families claim to be direct descendants of persons who resided on the land in 1934 and were granted occupancy rights by the U.S. Congress. Currently, these four families have been issued or are eligible for revocable permits from the Department of Land and Natural Resources to remain on the land. However, the residents are unable to negotiate bank loans to make home improvements because they live on State-owned land without long-term lease rights. As a result, their homes are deteriorating and becoming less habitable. If these residents were allowed to obtain long-term leases from the State, their homes could be renovated and improved, providing these residents with a safer and healthier place to live and enhancing the surrounding community. Moreover, the uncertain tenure situation has made it difficult, if not impossible, for these residents to obtain fire and liability insurance.

During the 1989 Regular Session, the Legislature adopted Senate Concurrent Resolution No. 180 requesting that an assessment of the legal disposition and possible uses of the Kalawahine lands be undertaken by the Department of Land and Natural Resources, with the assistance of the Department of the Attorney General, the Department of Hawaiian Home Lands, and the Board of Water Supply of the City and County of Honolulu. This bill is based on that assessment.

Your Committee finds that the four families remaining on the Kalawahine lands had, and continue to have, a justifiable expectation that they would be allowed to remain on the land. Your Committee further finds that these residents have strong claims of legal or equitable rights to remain on the land, based on the congressional legislation and actions by the government. Your Committee believes that first priority must be given to addressing the needs of these four families, and that the government has a moral, if not legal, responsibility to resolve the problems facing these families by granting them long-term tenure. Your Committee must stress, however, that this is a very unique situation and should not be considered any type of precedent for other claims to the Kalawahine lands or other State-owned lands.

Your Committee has amended the bill to allow the four families to elect to have the lands under their homes transferred to the Hawaiian Homes Commission and be granted homestead leases in accordance with the procedures in the Hawaiian Homes Commission Act, 1920, as amended, as long as they can prove that they were given rights under the 1934 congressional legislation or are descendants of persons who were given such rights. In the alternative, residents not making the election will have the land under their homes remain under the control of the Department of Land and Natural Resources and will be granted long-term leases by that Department. Your Committee expects that all four families will be given long-term residential leases, one way or the other.

Your Committee has also amended the bill to limit the amount of land to be leased to each family to 12,000 square feet.

Your Committee has also amended the bill to transfer the middle portion of parcel 8 consisting of approximately twelve acres to the Department of Hawaiian Home Lands. Conforming amendments have been made to sections 203 and 209 of the Hawaiian Homes Commission Act, 1920, as amended.

Your Committee has also amended the bill by deleting that section directing the Department of Hawaiian Home Lands to negotiate with the Board of Water Supply of the City and County of Honolulu for the acquisition of the lower portion of the Kalawahine lands. While your Committee supports the transfer of this land to the Department, it feels that such a transfer is premature. Your Committee has not amended the bill to include a transfer of the upper portion of parcel 8 to the Department of Hawaiian Home Lands. Again, this transfer would be premature. Your Committee believes that further consideration and clarification is needed on many factors, including the scope and appropriateness of the Department of Hawaiian Home Lands' plans for these portions of the Kalawahine lands and the concerns of residents with respect to ingress/egress, traffic and parking hazards and congestion, and environmental and aesthetic matters. These and other concerns must be addressed before the transfer of the portions to the Department. At the same time, nothing prevents the Department from formulating more concrete plans for viable uses of these lands and from continuing consultations with appropriate state and county agencies and the Makiki community, including the Makiki Heights Community Association, the Papakolea Community Association, the applicable neighborhood board, and affected residents. When the Department's plans reach a more concrete stage and the residents' concerns are adequately addressed, the Legislature can move to transfer these portions of the Kalawahine lands to the Department, if this transfer is determined to be appropriate in whole or in part. Hopefully, the necessary analyses, plans, and consultations can be accomplished before the 1991 Regular Session.

Your Committee has also made a number of technical amendments to the bill which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2984, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2984, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Solomon and Reed.

**SCRep. 3068      Ways and Means on H.B. No. 2751**

The purpose of this bill is to make an appropriation to the Hawaii capital loan revolving fund and to establish a special fund in the state treasury to be administered by the department of health and known as the "underground storage tank financial responsibility guarantee fund".

The sum appropriated to the Hawaii capital loan revolving fund will be used to establish the capacity to provide loans to persons needing financial assistance to:

- (1) Retrofit or replace petroleum underground storage tanks to meet new tank standards; and
- (2) Perform necessary corrective actions to mitigate the effects of a release that occurred prior to the person's obtaining of coverage by appropriate financial assurance mechanisms.

The underground storage tank financial responsibility guarantee fund will be used to assist persons in meeting the requirements of financial responsibility established under state law, but will not be used to perform corrective actions on abandoned petroleum underground storage tanks, including tanks that were abandoned prior to the effective date of this bill, to pay liability costs, or to mitigate the effects of a petroleum release that occurred before the owner or operator of a petroleum underground storage tank was certified to participate in the financial responsibility guarantee program.

Upon further consideration, your Committee has amended this bill by:

- (1) Amending section 2 relating to the financial guarantee fund to:
  - (A) Require the director of health, on April 26 and October 26 of each year, to transfer any moneys in the fund in excess of \$4,000,000 to the credit of the general fund until the initial appropriation of \$2,000,000 has been paid to the general fund;
  - (B) Require the director of health, on April 26 or October 26 of any year, or both, to suspend the collection of the maintenance fee when the unobligated balance in the fund reaches \$4,000,000, and to resume the collection of the maintenance fee on April 26 or October 26 of any year, or both, when the unobligated balance in the fund is reduced to \$2,000,000. The director of health is not permitted to suspend the maintenance fee until such time as the initial appropriation of \$2,000,000 has been paid to the general fund; and
  - (C) Require every owner or operator who has complied with the notification requirements of section 342L-30, not later than October 26, 1990, to pay a maintenance fee of \$200 to the director of health for each petroleum underground storage tank, and to require every owner or operator who has complied with the notification requirements of section 342L-30, not later than April 26 and October 26 of each year thereafter, to pay a biannual maintenance fee of \$100 to the director of health for each petroleum underground storage tank unless the fee is suspended by the director;
- (2) Changing the sum appropriated for the purposes of this Act from \$3,000,000 to \$2;
- (3) Changing the amount of monies to be deposited to the credit of the Hawaii capital loan revolving fund and the underground storage tank financial responsibility guarantee fund from \$1,000,000 to \$1 and \$2,000,000 to \$1, respectively; and
- (4) Changing the amount of money that the department of business and economic development may expend from the Hawaii capital loan revolving fund for administrative purposes from \$50,000 to \$1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2751, 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. 2751, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3069      Ways and Means on H.B. No. 3299**

The purpose of this bill as received was to promote energy conservation in the State by requiring the installation of solar energy systems for water heating in all new state-funded, sponsored, and subsidized housing, with some exceptions, and to modify the tax credit system for ice storage systems, solar energy systems, and heat pumps.

Your Committee finds that energy conservation is of major importance for Hawaii, with its heavy dependence on the importation of fossil fuels and that energy conservation, through the harnessing of the powers of the sun, has a promising future in the State. Consumers should be encouraged to take advantage of these alternative methods through tax credits.

Your Committee also finds that the public utilities commission has instituted a proceeding and an investigation to require the energy utilities to implement integrated resource planning (IRP). Your Committee further recognizes the importance of identifying and developing demand-side management options and according them equal consideration with supply-side options in the IRP process. As such, the department of business and economic development will assist the commission in securing the use of oil surplus moneys (oil overcharge) to facilitate the development of an integrated resource plan for each utility and to ensure that viable and feasible demand-side management programs are included in each plan.

Your Committee has amended this bill as follows:

- (1) References to the installation of solar water heating systems in state-related housing have been removed.
- (2) The present tax credit for ice storage systems has been retained until January 1, 1990, when a new tax credit of fifty per cent shall become effective.
- (3) The present tax credit for solar energy systems has been retained until January 1, 1990, when a new tax credit of thirty-five per cent shall become effective.
- (4) The present tax credit for heat pumps has been retained until January 1, 1990, when new tax credit caps shall become effective.

Your Committee has also amended this bill by making technical, nonsubstantive amendments for the purposes of style and clarity.

As stated in the Hawaii State Plan, it is the policy of the State to promote the prudent use of power and fuel supplies through conservation measures including education and energy-efficient practices and technologies. Your Committee has further amended this bill to include demand-side management options as a conservation measure. In so doing, your Committee reaffirms legislative commitment to and support for energy conservation. The public utilities commission is encouraged to conclude its IRP docket with a strong demand-side component, and the private sector is strongly encouraged to cooperate with the public utilities commission in an early inclusion of the IRP with a strong demand-side component.

Your Committee on Ways and Means is in accord with the intent and purposes of H.B. No. 3299, 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. 3299, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3070      Ways and Means on H.B. No. 2299**

The purpose of this bill is to establish a statewide program to provide after-school care for students enrolled in kindergarten through grade six.

Upon further consideration of this bill, your Committee has made the following amendments:

- (1) In section 3, relating to the expenditure ceiling, the dollar amount was deleted and left blank and the fiscal year was changed from 1989-1990 to 1990-1991;
- (2) In section 4, a proviso was added to require the department of education to utilize, for the A+ program, child care federal funds that may become available after the effective date of this Act. Your Committee is aware that child care funding legislation is pending in Congress and wants to ensure that, if available, funding from such legislation be applied to the A+ program;
- (3) In section 5, language was added to the first sentence to clarify that participation is limited to public elementary school students; the language limiting participation to students with parents who work while the program is in session was deleted; and the language concerning the availability of space within the prescribed staff ratio was deleted;
- (4) In section 6, the commencement date of the program was changed from September 1, 1990 to the "first full school day";

- (5) In section 7, the language allowing a subcontractor to request criminal history records was deleted;
- (6) In section 9, the provision authorizing the board of education to adjust fees was deleted; and
- (7) Technical, nonsubstantive amendments were made throughout the bill for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2299, 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. 2299, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3071      Ways and Means on H.B. No. 1148**

The purpose of this bill as received is to require persons filing general excise and transient accommodations tax returns from more than one district in the first taxation district office to provide a breakdown of the return specifying the amount incurred in each taxation district.

Upon consideration, your Committee has amended this bill by deleting the entire contents of H.B. No. 1148, and substituting in its place the contents of S.B. No. 2919, S.D. 2, which proposes to share with the counties transient accommodations tax revenues collected by the State by:

- (1) Amending the definition of "gross rental" or "gross rental proceeds" to exclude taxes imposed by the transient accommodations tax;
- (2) Blanking the transient accommodations tax rate which was previously five per cent;
- (3) Requiring that an unspecified percentage of the tax revenues be retained by the State and used for the convention center, tourism promotion, and other tourism-related activities, while an undetermined percentage of the revenues be made available for appropriation to the counties for improvements to infrastructure and other tourism-related activities;
- (4) Requiring that the director of finance establish a separate special account into which an undetermined percentage of the tax revenues shall be deposited;
- (5) Appropriating \$75,000 for fiscal year 1990-1991 to the department of budget and finance to implement the provisions of the bill; and
- (6) Requiring that the director of finance, in consultation with the director of taxation, report on actions, findings, and recommendations relating to the implementation of the bill to the 1991 legislature.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1148, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3072      Ways and Means on H.B. No. 2985**

The purpose of this bill is to appropriate funds for the lease or acquisition or plans, design, and construction of multipurpose centers for the leeward Oahu community mental health center and the Lanakila health center for mental services in the Kalihi-Palama area.

Your Committee finds that these centers are necessary to provide services for seriously disabled mentally ill clients of the community mental health centers for the leeward Oahu and Kalihi-Palama service areas.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2985, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3073      Ways and Means on H.B. No. 2896**

The purpose of this bill is to clarify the basis for determining the revenue due to the office of Hawaiian affairs (OHA) for the betterment of the conditions of native Hawaiians under the provisions of the State Constitution and chapter 10, Hawaii Revised Statutes.

More specifically, the bill would:

- (1) Clarify which lands comprise the public land trust for native Hawaiians under chapter 10, Hawaii Revised Statutes;
- (2) Clarify what constitutes revenue derived from the public land trust which in turn forms the basis for determining the pro rata share of OHA;

- (3) Provide a process to determine the actual amounts payable to OHA under the clarified standards;
- (4) Provide a process for payment of sums to OHA consistent with restrictions and limitations under existing federal and state laws, rules, and regulations, and bond and contractual obligations;
- (5) Require the department of budget and finance and OHA to determine the actual amount equivalent to twenty per cent of the revenue derived from the public land trust;
- (6) Require the department of land and natural resources, the office of state planning, and OHA to identify parcels of public land which may be conveyed to OHA;
- (7) Appropriate \$7,200,000 for fiscal year 1990-1991 as the initial installment of moneys owed to OHA;
- (8) Appropriate \$500,000 for land surveys, public information meetings, transportation costs, and to otherwise carry out the purposes of the bill;
- (9) Require that all data relating to lands comprising the public land trust and the revenue derived therefrom be subject to review by an independent auditor selected by the office of Hawaiian affairs; and
- (10) Require the office of state planning in cooperation with affected agencies to:
  - (A) Review existing policies on the utilization and disposition of lands in the public land trust;
  - (B) Evaluate the effect of existing policies on the revenue due to OHA; and
  - (C) Develop and assist in implementing revised policies to ensure OHA receives its revenue entitlement promptly.

Your Committee finds that this bill is an important first step in addressing the concerns and needs of native Hawaiians and Hawaiians. With the confusion cleared up over what constitutes the public land trust and revenue derived therefrom, OHA will be in a position to significantly increase its efforts on behalf of native Hawaiians. Your Committee notes that the proposed settlement is on behalf of native Hawaiians only and leaves open for future negotiations the question of entitlements for Hawaiians with less than fifty per cent Hawaiian blood and the question of establishing a separate trust fund to benefit all Hawaiians regardless of blood quantum. Your Committee also notes that this bill in no way replaces, affects, or impairs claims of native Hawaiians and Hawaiians to reparations from the federal government, including claims relating to lands now under federal control in Hawaii.

Your Committee has also made several technical amendments to the bill which have no substantive effect.

Your Committee has amended section 11 of the bill which appropriates \$500,000 for land surveys, public information meetings, transportation costs, etc. by authorizing the director of finance with the governor's approval, to exceed the appropriated amount if needed, by using savings available in the office of state planning.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2896, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2896, H.D. 3, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3074      Ways and Means on H.B. No. 2789**

The purpose of this bill is to provide automatic annual pensioners' bonuses to retirants and pensioners with ten or more years of credited service. The bill provides for different bonus amounts based on the number of years the person has been retired.

Your Committee has amended the bill by changing the appropriation amount from \$1 to \$2.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2789, 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. 2789, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3075      Ways and Means on H.B. No. 2891**

The purpose of this bill is to amend the employees' retirement system law to clarify provisions concerning:

- (1) Contributions made by firefighters, police officers, corrections officers, investigators of the prosecutors' and attorney general's offices, and narcotics enforcement investigators;
- (2) Credits for military service; and
- (3) Acquisition of credit by noncontributory members at no cost.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2891, 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. 2891, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3076      Ways and Means on H.B. No. 2737**

The purpose of this bill is to establish copyright and liability laws for the ACCESS/legislative information services.

Specifically, the bill creates a new chapter within the Hawaii Revised Statutes to limit the liability of the legislature in providing legislative information and services through the Hawaii Area-Wide Information Network (HAWIAN).

Furthermore, the bill specifies that the legislature is the sole and exclusive owner of rights, titles, and interests in and to its databases.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2737, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3077      Ways and Means on H.B. No. 2265**

The purpose of this bill is to provide for the transfer of the boating branch, including the marine patrol program, and the responsibility for managing ocean recreation activities from the Department of Transportation to the Department of Land and Natural Resources.

Your Committee finds that a step-by-step or incremental process for reorganizing the State's ocean-related programs and functions will not result in a smooth and orderly transition or the creation of a well coordinated, integrated ocean management system. A more comprehensive approach is needed that takes into consideration not only the Department of Transportation's enforcement functions relating to ocean recreation and boating, but also the Department's management and regulatory functions as well as functions vested in other agencies. Immediate transfer of the boating branch, without carefully examining all substantive and administrative issues and resolving logistical problems, is not in the best interests of the State and its people.

Your Committee has amended the bill to delete the provisions calling for an immediate transfer of the boating branch to the Department of Land and Natural Resources. Your Committee has instead incorporated provisions requiring the Office of State Planning to conduct a comprehensive study of existing state ocean-related programs and functions, exploring all available organizational options, in order to determine the most effective organizational option for a well coordinated, integrated ocean management system. An interim report on the study would be required prior to the Legislature's 1991 Regular Session and a final report before the Legislature's 1992 Regular Session.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2265, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2265, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3078      Ways and Means on H.B. No. 2608**

The purpose of this bill is to amend Act 315, Session Laws of Hawaii 1989, in order to provide supplemental appropriations to the Judiciary for the fiscal year 1990-91.

In reviewing the Judiciary's requested supplemental budget, your Committee continued to be supportive of the goals and objectives of the Judiciary. Your Committee has funded the Judiciary's legitimate operating requirements. However, while adequate funds must be provided to enable the Judiciary to carry out its mission, your Committee feels that this branch of government must continue to develop and implement sound fiscal and management policies. These policies will enhance the Judiciary's accountability and further its credibility with the Legislature and general public.

Based on testimony and information received from the Judiciary, your Committee has amended the bill by adjusting position counts and appropriations in the programs identified as JUD 101, JUD 111, JUD 112, JUD 121, and JUD 201. Specific appropriations include:

- \* JUD 112 (Family Court). Two Family Court judges, support staff, and \$340,288 were provided to the Family Court of the First Circuit to respond to growing caseloads in domestic violence cases, juvenile and adult criminal cases, and other filings. A temporary Social Worker III position in the Second Circuit was also converted to permanent to ensure continuity of services on Molokai and Lanai.
- \* JUD 121 (District Court). As recommended in the Legislative Auditor's report no. 89-5, Management and Financial Audit of the Judiciary of the State of Hawaii, your Committee has provided additional staff and \$104,944 to implement the new records retention schedule for the District Court's Records Management Division. Support for facilities management was provided through an appropriation of \$135,848 for staffing and equipment to maintain Aliiolani Hale and the grounds of the statue of King Kamehameha. Secure courtrooms for judges and the public will be ensured by new bailiff positions and security equipment.



- \* **JUD 201 (Administrative Director Services).** Also as recommended by the legislative auditor's report no. 89-5, your Committee has provided \$246,200 in funding for the Judiciary to produce a budget manual, administrative manual, equal employment opportunity complaints manual, policies and procedures manual, and a class specifications manual. Finally, \$153,259 was appropriated to enable the Child Advocacy Center and Program Services Office to expand statewide.

Your Committee has inserted a proviso requiring the Judiciary to submit a written report to the legislative auditor regarding the progress it has made in implementing the recommendations made in report no. 89-5. The proviso also requires a progress report on the implementation of a budget format similar to that of the executive branch. The legislative auditor will submit a report containing findings on these subjects to the 1991 regular session of the Legislature.

Your Committee recognizes the importance of the Judiciary being given flexibility in their budget execution and daily operations. However, your Committee does not feel it is appropriate for the Judiciary to fund unapproved programs and positions through internal savings and reallocations. Your Committee is concerned that this practice circumvents the legislative budgetary process and may cause difficulties if internal savings prove to be inadequate.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2608, 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. 2608, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3079      Ways and Means on H.B. No. 2229**

The purpose of this bill is to amend Act 303, Session Laws of Hawaii 1989, to provide supplemental appropriations to the Office of Hawaiian Affairs (OHA) for fiscal year 1990-91.

Supplemental budget requests are ordinarily intended to fine-tune the biennial budgets enacted in the first session of each new legislature. Supplemental budgets do not usually entail major program expansions. It is incumbent upon the requesting agencies to plan well enough to anticipate their needs for two years. This was the approach taken by your Committee in reviewing the supplemental budget request of the Office of Hawaiian Affairs. Your Committee believes that the circumstances in this supplemental budget year do not justify a significant increase in appropriations to OHA. The one exception is the support for OHA's decision to extend its lease at its Honolulu office and consolidate its operations on one floor.

More importantly, your Committee was guided by the legislative auditor's report no. 90-11 on the management audit of OHA. Your Committee recognizes that the audit report was intended to assist OHA in accomplishing its important mission and was not intended simply to find fault. Your Committee also recognizes that OHA should be given every opportunity to make improvements, adopting the auditor's recommendations as well as those that it develops on its own. Your Committee takes particular note of OHA's need to complete and adhere to its administrative and financial manual of guides. Carrying out these tasks would help to build a stable foundation on which to base future projects. Your Committee believes it would be premature to approve major program expansions pending these improvements.

Finally, your Committee was influenced by the likely enactment of S.B. 973, S.D. 2, H.D. 1, which clarifies legislative intent in the preparation of OHA's budget and the way it accounts for its funds. That measure includes provisions for the participation in the budgetary process of OHA's constituents in every county, a new aspect of budget development that should enhance OHA's communication with its beneficiaries. Your Committee believes that S.B. 973, in tandem with H.B. 2229, as amended herein, will help OHA focus on improving its ongoing programs and achieving broad consensus and support in the Hawaiian community before initiating major new programs.

Your Committee has amended the bill to provide some additional support to ongoing projects, recommending thereby that OHA concentrate on maximum utilization of the funds already budgeted by Act 303, SLH 1989, and of the funds forthcoming from other sources.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2229, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2229, H.D. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3080      Ways and Means on H.B. No. 2500**

The purpose of this Supplemental Appropriations Bill of 1990 is to amend Act 316, the General Appropriations Act of 1989, which appropriates funds for the programs of state agencies for the 1989-91 fiscal biennium.

**FINANCIAL AND BUDGETARY OVERVIEW**

At the beginning of the 1990 Legislative Session, a surplus of 248.5 million was projected for the end of the 1989-90 fiscal year. A review of the general fund tax revenues for the first eight months of the current fiscal year reveal a 5.4 percent increase over last fiscal year. Tax revenue projections for fiscal years 1990-91 and 1991-92 indicate increases of 14.5 percent and 8.5 percent respectively.

Your Committee developed this supplemental request keeping in mind our growing needs as a state. As such, your Committee provides resources to supplement and establish programs to meet those needs. Two areas your Committee focused on are formal education and social services. An additional \$19.5 million are provided towards education with \$12.5 million directed towards lower education and an additional \$7.0 million for higher education. In the area of social

services, one area of major concern is the homeless. Resources towards the homeless are provided by additional manpower at state agencies, capital improvement projects, and private providers with purchase of service contracts.

The remainder of this report summarizes these highlights and other considerations that shaped this bill.

#### BUSINESS AND ECONOMIC DEVELOPMENT

Hawaii Capital Loan Program. The Hawaii Capital Loan Program gives loans to small businesses in the manufacturing, wholesaling, retailing, and service industries. Continued support for this program was provided with funds to replenish its revolving loan fund.

Molokai Revolving Loan Program. In 1988, the Legislature established the Molokai Revolving Loan Program to provide loans to small businesses on the Island of Molokai. Your Committee has appropriated funds to continue this important program that helps bring job opportunities to local communities. Funds were also provided to support the Molokai Ice House and Molokai Fisheries Program.

International Business Center. Your Committee feels that the International Business Center will be an information resource center for international traders and help position Hawaii as a hub of Pacific commerce. The center will also support the expansion of exports and attract companies to the State. Funds were thus provided to continue the center's development and ensure its implementation.

Molokai Ferry Program. Your Committee will continue to support the Molokai Ferry Program, however, your Committee feels that this program should be transferred to the Department of Labor where it can be more appropriately served.

Tourism promotion. Funding of \$150,000 was provided for destination marketing on Lanai and additional assistance of \$100,000 was provided for promotion of Kauai.

Pilot Detection Program. The Pilot Detection Program which relies on the use of beagles is strengthening the Plant Quarantine Inspection Program at the Honolulu International Airport. Three inspectors and three dogs have been inspecting passengers and baggage since November 1989, and every day they find plants and fruits that have not been declared as required. Your Committee recognizes the program's success to date and has provided funds to expand the Beagle Detection Program to ports-of-entry on the neighbor islands and military bases on Oahu.

Banana bunchy top disease eradication. The banana industry has been expanding in Hawaii and the annual value of its production is now estimated at \$4.26 million. The banana bunchy top disease, if not eradicated, could be devastating to the industry. Your Committee has provided funds to continue the Department of Agriculture's efforts to eliminate this disease. These monies will help minimize the long-term effects of banana bunchy top disease on Oahu, where losses can be as high as \$12,500 per acre per year, and lessen the chances of the disease spreading throughout the State.

Animal quarantine. Your Committee has appropriated funds to convert 18 part-time temporary animal caretaker positions to full-time permanent positions at the quarantine station. These permanent positions will provide stability and reduce turnover among staff, thus improving quality of service and reducing complaints from the public.

Agricultural parks. An additional \$500,000 has been provided for additional support of Agricultural Park Development.

#### EMPLOYMENT

Job Help Store. In order to enhance coordinated employment and training services, approximately \$1,506,773 has been provided for expansion of the Job Help Store. This statewide program assists immigrant and marginally employable jobseekers in securing positions which best meet their qualifications and assists employers in meeting workforce demands.

ASSET training program. Your Committee has also provided \$250,000 to continue the Aloha State Specialized Employment Training (ASSET) program. This program provides customized training and recruiting assistance specifically for high technology and growth industries.

#### TRANSPORTATION

Airports. Due to the increase in overall air traffic, additional support is provided for expansion at various airports including Honolulu, Keahole, Kahului, Molokai, Lanai, and Lihue. These capital improvement projects include expansion of terminal facilities, runways, and related aviation facilities.

Harbors. Increases in container shipments and passenger cruise ship activities require expansion and upgrading of our commercial harbors. Your Committee has provided additional funds for Sand Island, Hilo, Kahului, and Nawiliwili harbors.

Highways. Your Committee concurs with the highways program current objectives and has provided additional funds to improve and maintain roads through various statewide capital improvement projects including Kalaniana'ole highway, Haleiwa bypass, Kaahumanu highway, Haleakala highway, Puhi and Kapaa bypass, and the Wailua to Kapaa corridor.

#### ENVIRONMENTAL PROTECTION

Protection of our natural resources is critical to maintaining the health of our community. To enhance monitoring of release of hazardous substances, \$137,942 in additional funding has been provided to increase the capabilities of the Hazard Evaluation and Emergency Response (HEER) program. Additional funds of \$1.0 million have been provided for solid waste management, and \$154,797 has been provided for the improvement of wastewater systems.

Resource conservation and protection. Conservation of our State's water supply is of immediate concern. Your Committee has provided \$250,000 in funds for hydraulic investigations and studies to assess statewide sustainable yield. Additional funds of \$100,000 have also been provided to conduct studies of fresh water reserves flowing through lava tubes in west Hawaii. Continued water development projects in North Kona and Kohala have received additional support.

## HEALTH

HIV detection and treatment. In continuing the State's efforts to reduce the incidence and severity of human immunodeficiency virus (HIV), Your Committee has provided \$829,901 for the expansion of drug-testing and administration of drug treatment under the Hawaii Sero-Positivity and Medical Management (HSPAMM) Program. Additional funds have also been provided to assist with payments to private providers and for expansion of existing state prevention and direct service programs.

Emergency medical services. Your Committee has addressed a severe statewide shortage of emergency medical personnel by providing \$488,485 to fund the training of additional medical intensive care technicians (MICT's). The need for additional emergency medical services on Kauai has been addressed by providing \$400,000 in funding for expanded ambulance services.

Expanded substance abuse programs. Your Committee has also provided additional funding for various statewide substance abuse programs such as expanded treatment for adolescents through the Teen CARE Program, residential treatment for adolescents and exposed infants, and an alcohol and substance abuse training network to be offered through the community college system.

ASK 2000. To improve human services information dissemination and referral, \$500,000 has been provided for the establishment of a statewide telephone information and referral service, ASK 2000. This service will provide single access to a statewide database of community human services through the collaboration of the departments of Health, Human Services, Labor, and Budget and Finance.

Operation Nightingale. To assist with training of foreign nurses, \$13,000 has been provided for an audiovisual teaching system for "Operation Nightingale". This training program has been expanded to attract more foreign nurses to address the severe statewide nursing shortage.

## HUMAN SERVICES

Recent changes in federal laws and regulations require the State to provide additional funding in the following areas:

Nurse aide training and certification. Long-term care facilities have traditionally relied on uncertified workers to provide nurse aide services. However, the Nursing Home Reform Act of 1987 now requires these facilities to employ trained and certified nurse aides. To assist the facilities in complying with the new federal requirement, and to avoid a disruption of caregiving services, your Committee has provided funds to reimburse long-term care facilities for the cost of training and certifying their workers.

Health care screening. The Early Periodic Screening Diagnosis and Treatment Program offers regular health care screening for Medicaid-eligible children under age 18. Since the early detection and treatment of medical problems helps to contain health care costs, your Committee has provided funds for program cost increases and outreach services.

Medicaid Option for Mothers and Infants (MOMI). The State is now required to provide Medicaid coverage for children between the ages of one and six with family incomes up to 133 percent of the federal poverty level. Since this federal mandate is in keeping with the Legislature's continuing effort to ensure that all residents of the state receive adequate levels of health care, funding has been provided for the expanded coverage.

Funding has also been provided to supplement services and assistance in the following areas:

Nursing Home Without Walls. The cost of personal care and skilled nursing services has risen dramatically over the previous year. Unless more funding is made available, there must be significant reductions in services or a reduction in the number of recipients served, at a time when nearly 150 applicants are on the statewide waiting list. To prevent such reductions, your Committee has provided additional funding to maintain the program at the full service level for the current 350 recipients.

Care for drug-addicted and medically fragile babies. Many caregivers are reluctant to care for drug-addicted or medically fragile babies because of a lack of training and support services. Your Committee has provided funding for a training and technical assistance program that will encourage interested persons to provide 24-hour home care for these infants. The program will cover such areas as the use of heart/apnea monitors, portable ventilators, oxygen equipment, and tube feeding; and the dispensing of extraordinary medicines. Funding has also been provided to establish a community-based early intervention team to provide emergency support for the caregivers.

Assistance for the Homeless. The State of Hawaii's homeless population is a growing concern in our society. The 1989 Legislature provided necessary funding to conduct a definitive study of Hawaii's homeless with the goal of finding

workable solutions to address the many problems. Your Committee strives to find a means of providing funding and support despite the lack of a precise homeless population count and the lack of clearly identified target groups. Since this data is essential to accurately propose long-term resolutions, we cannot focus on a means to provide permanent relief, but only on an interim solution. Thus, your Committee has provided funding for the following projects: \$1.1 million in grants-in-aid for the Institute of Human Services, Hale Kipa, Catholic Charities, Mailland, the Hawaii Ecumenical Housing Corporation, Maui Catholic Charities, the East Hawaii Coalition for the Homeless, and other private organizations; \$3.7 million for the development of State homeless shelters; \$2.4 million in capital improvement funds for homeless shelter projects; \$250,000 for the establishment of a homeless emergency loan program; \$240,000 for outreach services; and \$196,000 for the coordination, planning, and development of additional projects to resolve this growing problem. During this session, a need has been identified and focused upon with the hope that increased study, research, and facts will identify a path for a permanent solution.

Your Committee has provided additional support for housing including \$15 million to the rental assistance program to supplement the \$31.4 million appropriated in this current fiscal year, an additional \$100 million to build affordable housing units under the Rental Housing Project, and \$4.3 million for low income housing development.

Elder employment. Funding has been provided to continue the Older Employment Program developed by the Executive Office on Aging. This program educates employers about the benefits of using older adult workers, and encourages retirees to consider re-entering the job market. It has been highly successful and has already reached about 250,000 persons.

Job Opportunities and Basic Skills (JOBS). The State has developed a new federally-mandated work program for able-bodied recipients of Aid to Families with Dependent Children (AFDC) who do not have children under three years of age. The JOBS program will encourage AFDC recipients to want to become financially self-sufficient and independent of the welfare system. It will focus on motivating participants to succeed; provide case management and support services before, during, and after participation; and offer financially attractive alternatives to public welfare.

Since February 1989, public and private sector representatives from throughout the state have been involved in an impressive planning effort for the new program. Given the broad planning and the perceived readiness of all involved, your Committee recommends that the JOBS program be implemented on a statewide basis as proposed by the administration.

Funding for other capital improvement projects in the area of human services include the Hawaii State Veterans' Memorial Cemetery and the Korean War and Vietnam War Veterans' Memorial.

## LOWER EDUCATION

Class size reduction. In 1987 and 1988, the Legislature made a commitment to reduce class size in kindergarten and the first grade. The ratio was then reduced from 26.15 children to 1 teacher to 20 to 1 in both grades. In 1990, your Committee focused on grades two and three. Staff was provided to reduce the pupil-teacher ratio from 26.15 to 1 in these two grades to 22 to 1. These positions will provide each child with further opportunity for individual attention and help promote a positive attitude toward learning at an early age.

Pilot parent education program. Your Committee recognizes that learning has foundations in both the classroom and home. To ensure that no children begin their education at a disadvantage, positions and funds were provided to begin a pilot parent education program for 0-4 year-old children who are unable to attend preschool. This program will help these children to be on an even footing with their peers in kindergarten.

School priority fund. Your Committee continues to support the school priority fund, which is a means of enriching the learning environment. Monies for the current year have been spent on many things, such as implementing the Distance Learning and Technology Programs, educational supplies and instructional equipment, and field trips. Funds were appropriated to increase the School Priority Fund from \$35 to \$45 per student. Each school will spend the fund at its discretion.

Educational innovation. Educational innovation will be promoted through funds provided to restructure the teaching and learning environments in each school level. Team teaching will be featured at Castle and Campbell High Schools. The Honolulu School District will be the site of a middle schools project targeted at grades 6 through 8. The concepts of schools-within-schools and simultaneous school revitalization will be the focus at Kapaa and Honaunau Elementary Schools.

Special education. Your Committee believes that every special education student must be provided with an equal opportunity for future success. Positions and funds were thus appropriated to reduce the ratio of special education pupils to teachers from 10.59 students to 1 teacher to 9.28 to 1.

In-school suspension. The goal of this program is to provide needed supervision and assistance to troubled youth and prevent the spread of negative behavior in local communities. Currently, suspended students are released from schools without any supervision. Your Committee has provided 38 positions and funds to supervise and monitor the activities of suspended students at secondary schools with high incidence of suspensions.

Vice Principals and General Aides. Vice principals and general aides play an integral role in the move toward school/community-based management and shared decision making. Your Committee recognizes the importance of these positions within the school community and provided positions and funds for a total of 57 vice principals and 25 general aides to meet the numerous demands of each school.

Division of Technology and Information Services. Your Committee has provided six positions and funds to establish a new division to unite the eight units that now fulfill the technological needs of the Department of Education. This division will provide more efficient planning and maintenance as well as enable the department to keep pace with technological changes.

Financial management system. Your Committee continues to support the implementation of a financial management system. Training of school office staff will be underway by December 1990. This will give schools opportunities to use the many services available to them such as storeroom inventory control, vouchering, and maintaining an equipment inventory.

School food services. Your Committee is determined that each school child be provided with a nutritious and affordable meal. The current prices of 35 cents for breakfast and 45 cents for lunch are the lowest costs for school food services in the nation. Funds were provided to maintain these prices and cover anticipated shortfalls due to reductions in surplus commodities and federal assistance.

Utilities. Utilities in the past have been a high priority shortage area for the Department of Education. Your Committee has taken a long and hard look at this area to ensure that sufficient funding will be provided so that the need for utility shortages will not harm other programs.

Repair and maintenance. Concerns regarding the physical condition of many public schools have arisen. Most cyclical repair goals have been met, but other repairs ranging from leaky roofs to broken toilets have been deferred due to a lack of funds. Your Committee has continued its firm support for the maintenance of our public schools by providing \$3.5 million in additional funding to ensure Hawaii's school children have the best possible learning environment.

Libraries. Your Committee continues to support public libraries. Funds were provided for the Outreach Program to meet the special needs of native Hawaiians in the age group of birth to five years. Funds were also appropriated for a new bookmobile for the Leeward School District to help children experience the joy of reading. The needs of the blind and physically handicapped were addressed through funding for a coordinator position, a special Matsumoto stereo copier, and a radio reading service. Finally, 37 temporary library positions were converted to permanent to consistently meet the needs of all who enjoy library services.

## HIGHER EDUCATION

Your Committee continues to be concerned with University practices in the areas of program change requests, transfers between program i.d.'s, and budget restrictions and further notes that the University has been criticized in the past in these areas by this Committee and the Legislative Auditor.

One of the budget restrictions of particular concern to the Committee relates to funding for the study of ciguatera toxin. For the 1989-90 fiscal year, \$30,850 was appropriated and of this amount, the University restricted 39 percent of the funds. This large restriction on such a small budget does not seem necessary when other projects with larger budgets remain intact.

School teacher shortage. Your Committee continues to be concerned about the shortage of school teachers, and has provided funding of \$228,746 for the first year of a three year plan to enlarge the College of Education's teaching programs.

Wage and salary increases. Hourly wage increases have been provided for student assistantships, and repricing of administrative, professional, and technical (APT) unit employees has been provided to maintain comparability and equity relative to the state civil service classification schedules. Your Committee has also addressed the rise in nursing salaries by providing additional funding of \$356,580 to assist in the recruitment and retention of nursing faculty.

Child care. Services have been expanded through additional funding of \$391,383 for the Manoa child care center and the Honolulu Community College center. These programs assist the working two-parent and single parent families who are students and employees of the University community.

Minority programs. Supplemental funds of \$974,132 have been provided to expand minority programs to the community colleges and the University of Hawaii at Hilo. Funds are also provided to support Operation Kua'ana, and to support additional internships and graduate assistantships for minority students.

In the area of capital improvement projects for the University, your Committee provided \$585,000 for planning of a Special Events Arena on the Manoa campus. Other projects which received funding include the Agricultural Sciences Facility, College of Education Complex, Center for Hawaiian Studies, Wist Hall, Kapiolani Community College at Diamond Head and Maui Community College.

## CULTURE AND RECREATION

Waikiki Aquarium. Additional funding to expand the services at the Waikiki Aquarium is provided to afford greater access to educational programs and proper maintenance of the facilities.

Public television systems. Through \$250,000 in additional support to Hawaii Public Television (KHET), expanded children's programming will be provided with the production of SATURDAY A.M. Your Committee is also providing additional assistance of \$256,418 to encourage full and effective use of Hawaii Interactive Television System (HITS).

Trail system. In the area of recreation, your Committee provided positions and funds to the Na Ala Hele Program to implement the Hawaii Statewide Trail and Access System.

Repricing of marine patrol positions. Your Committee is also providing funding of \$215,050 for the repricing of Marine Patrol Offices so that their salary levels will be on parity with conservation and resource enforcement officers.

Historic preservation. To provide for the operation of the newly created Division of Historic Preservation, \$609,800 in additional funding will assist with implementation of this program.

The Paul Markham Kahn collection. The State has been presented with a unique opportunity to purchase a private collection (the Kahn collection) of historic Hawaiiana and Pacific documents. Funds are provided for the acquisition and display of these documents for educational purposes at a site to be selected.

Capital improvement projects funded in this area include \$500,000 for the planning and design of a new archives building, \$2 million to upgrade and renovate the stadium scoreboard, and \$500,000 for a master plan to consider the option of constructing an International Sports Stadium Complex at the present Aloha Stadium site.

## PUBLIC SAFETY

In order to resolve long-standing deficiencies and ensure better organization and coordination of State resources, the 1989 Legislature enacted landmark legislation placing all public safety functions and personnel into a new Department of Public Safety. To guarantee the successful transfer of these functions, and to provide the new department with sufficient resources to fulfill its mandate, your Committee has appropriated funds for the following:

Additional staff support. The most important resource of any department is its staff. The State's correctional system includes dedicated support staff who are working diligently under trying conditions to maintain and improve the system. These personnel require additional support in light of the new responsibilities they will soon be asked to assume. Your Committee has provided 31 managerial and administrative support positions to address this concern.

Salary adjustments for Adult Correctional Officers (ACOs). The correctional system's recruitment and retention problems stem, in part, from unsatisfactory salary levels for ACOs. Shortages will continue to occur unless steps are taken to address this problem. Your Committee has provided funds to enable the new department to raise ACO salaries to levels that are competitive with county law enforcement agencies and fire departments.

Staff training. The recruitment of qualified individuals will not suffice. The new department needs a well-trained and highly motivated staff to develop the kind of correctional system envisioned by the Legislature. To build such an organization, attention must be paid to the basic elements of human resource management. Your Committee has provided funding for staff training and career development to reflect this commitment to human excellence.

Repair and maintenance. The physical condition of the State's correctional facilities has been a major concern of your Committee and the court-appointed panel. With the assistance of the special master and the department, your Committee has identified 24 repair and maintenance projects in need of immediate attention. Priority funding has been given to safety concerns, including such items as smoke detection, fire suppression, security systems, waste treatment, and water systems.

Management information system. The need for an information system to support management decisions with key operating data cannot be understated, as clearly noted by the special master. A computerized information retrieval system will enable the department to provide guidance, oversight, and control over expenditures. Your Committee has received assurances from the Department of Public Safety that, with the funding provided, a functional management information system will be in place within a year.

New program structure. Your Committee has transferred funds for the Department of Public Safety's transition team from GOV 100 to a new program i.d. PBS 900 (General Administration-Public Safety). Funds for the Sheriff's Office have also been transferred from the Judiciary to PBS 900. The new Department of Public Safety, in consultation with the Department of Budget and Finance, should develop a new program structure for the purpose of budgeting for the 1991-93 biennium and for presenting its program and financial plans.

Your Committee believes that these funding initiatives will place the correctional system and the Department of Public Safety on a sound footing and help them to meet the expectation of the Legislature and the public.

## INDIVIDUAL RIGHTS

Civil Rights Commission. Recognizing the importance of and need for advocacy in the area of civil rights, your Committee has provided \$704,140 and 17.00 positions to proceed with the staffing and operations of the Civil Rights Commission.

Packaging and labeling. The Legislature recently required the Department of Agriculture to inspect agricultural products produced in Hawaii to determine if they are so labeled. This will ensure that manufacturers are not labeling imported products as being made in Hawaii. However, the Packaging and Labeling Program currently does not have enough staff to fulfill this responsibility. Your Committee provided positions and funds to meet this program requirement.

Commodities and pesticides analysis. The University of Hawaii's Agriculture Biochemistry Department currently performs pesticides analysis for the Department of Agriculture through a contract agreement. However, the university has

reduced the number of samples it analyzes by 20 percent because of a lack of necessary equipment. Your Committee addressed this problem by providing funds for additional analysis equipment for the university laboratory.

#### GOVERNMENT-WIDE SUPPORT

**Retirees health insurance benefits.** Additional funds of \$7,335,884 are provided to cover the premiums required for the new prescription drug, vision care, and adult dental benefit plans offered to retired state employees through the Public Employees Health Fund.

**Computerization of document processing.** Within several state agencies, the processing of government documents needs to be computerized, or the old computer systems need to be upgraded. The existing payroll/personnel system is outdated, and \$2 million has been provided to upgrade and modernize this system into the next decade. Additional funds of \$539,189 have been provided to upgrade the Applicant Tracking System and computerize the Classification and Pricing Actions System, for more efficient handling of employment applications within the State's civil service system. Your Committee also continues to support the implementation of the redesigned General Excise Withholding/Transient Accommodations Tax (GEW/TAT) system by providing additional funds of \$313,256. Finally, \$63,946 is provided to implement the taxpayer bill of rights so that taxpayers' questions and complaints can be more adequately addressed.

**Statewide civic centers.** As part of an expanded government facilities program to provide additional state offices, five civic center projects at Liliha, Kapolei, Waipahu, Kahului and Kaunakakai are being supported.

**State land planning.** It is essential that a State Land plan be established in the areas of management of all State unencumbered land, certain natural resources, and State leased land. To establish this plan, your Committee has appropriated funds to enable consultants to conduct a land plan study.

#### RECOMMENDATION

In summary, the appropriations highlighted in this report continue to support major program objectives established during the 1989-90 fiscal year and further meet impending needs which must be addressed in this supplemental budget year.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2500, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2500, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

#### **SCRep. 3081      Ways and Means on H.B. No. 2418**

The purpose of this bill is to replace preferential tax rates given to Hawaii insurance companies with a single insurance premium tax rate for all domestic and foreign insurers.

This bill also provides tax credits for eligible insurers who comply with certain requirements. In addition, an alternate set of rates is provided as a contingency against the first set of provisions being found unconstitutional.

Under current law, the State imposes a tax on the gross premium income generated by insurance companies doing business in Hawaii. The tax rates depend on the type of insurance and the State in which the insurance company is incorporated. Presently, foreign insurers are taxed at a higher rate than domestic insurers on both life (3.197 per cent vs. 1.918 per cent) and nonlife (4.2824 per cent vs. 2.9647 per cent) insurance business. The Hawaii tax appeal court, however, has held that the current statutory scheme is unconstitutional based on the United States Supreme Court decision in Metropolitan Life Insurance Co. v. Ward.

This bill proposes to tax all authorized insurers at the same rates: 3.2 per cent for life insurance contracts and 4.3 per cent for nonlife insurance contracts.

The bill also provides for the allowance of credits against these taxes to any authorized insurer that has a designated employee residing in Hawaii who is responsible for its insurance operations in the State, and annual gross premiums of at least \$250,000 received from all risks or property resident, situated, or located in Hawaii. These credits include:

- (1) Contributions made to the state unemployment compensation fund and for workers' compensation insurance;
- (2) Contributions to a group life insurance plan and a stock bonus, pension, profit-sharing, or annuity plan; and
- (3) Income taxes paid by the insurer for its employees working in the State.

Should the premium tax rates proposed in this measure be found unconstitutional:

- (1) This bill contains a provision to establish alternative tax rates of 2.9 per cent for life insurance contracts and 3.8 per cent for nonlife insurance contracts;
- (2) The commissioner shall refund to each insurer the excess taxes paid under protest over and beyond the taxes imposed by the proposed premium tax legislation; and

- (3) All authorized insurers entitled to the refund must then come up with a rebate plan, and immediately reduce their premium rates to a point that effectively passes on the tax reduction to their insureds.

Upon receiving comments from the insurance commissioner and representatives of domestic and foreign insurers, your Committee has amended the bill by making the following changes:

- (1) Clarifying the procedures whereby an insurer may claim a tax credit by requiring an appropriate schedule to be filed with the insurer's annual tax statement;
- (2) Providing for administrative streamlining by deleting language that would require the insurance commissioner to adopt rules; and
- (3) Deleting language in section 10 of the bill that would have automatically converted to alternative insurance premium tax rates described in section 3 of the bill if predetermined tax revenue levels were not met or exceeded.

Your Committee has amended the bill by making a technical change and by clarifying the effective dates of the respective sections.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2418, 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. 2418, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Mizuguchi, Solomon and Tungpalan.

**SCRep. 3082      Ways and Means on H.B. No. 2649**

The purpose of this bill is to establish a community-based teenage health clinic in Waikiki on the island of Oahu to improve health care to "high risk" and "homeless" teenagers. This Act also establishes an outreach program for homeless persons under twenty-one years of age at the abovementioned community-based teenage health clinic.

Upon further consideration, your Committee has amended this bill by:

- (1) Adding language to Section 5 to clarify the citation to "Federal Title X guidelines", which is ambiguous; and
- (2) Making several technical, nonsubstantive amendments for purposes of clarity, style, and consistency; and
- (3) Changing the appropriation to \$150,000.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2649, 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. 2649, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Mizuguchi, Solomon and Tungpalan.

**SCRep. 3083      Ways and Means on H.B. No. 2280**

The purpose of this bill is to promote the optimal health of pregnant women and their infants at birth.

Specifically, this bill appropriates funds to:

- (1) Establish a perinatal care hotline referral service for pregnant women and women of child-bearing age to inform them about the value and importance of early perinatal care;
- (2) Establish a three-year maternal care incentives demonstration project to provide incentives to pregnant women to seek perinatal care at the earliest stages of pregnancy;
- (3) Establish a three-year comprehensive perinatal care in needy areas demonstration project to provide:
  - (A) At least three demonstration programs for comprehensive perinatal services; and
  - (B) Reimbursement for comprehensive services for low-income or high-risk pregnancies, including nutrition education, health education, psychosocial services, and the provision of perinatal vitamins and minerals;
- (4) Establish a three-year medicaid patient delivery supplement demonstration project to provide flat-rate medicaid reimbursements to physicians and certified nurse midwives for perinatal care at the prevailing reimbursement rates in the State, and to encourage physicians and certified nurse-midwives to accept and promote early pregnancy care for medicaid patients;
- (5) Establish adjunctive eligibility for the federally funded Women, Infants, and Children (WIC) program so that:
  - (A) All women receiving medicaid assistance are considered automatically income eligible for the WIC program; and
  - (B) All members of families in which a pregnant woman or infant receives medicaid assistance are considered automatically income eligible for the WIC program; and



- (6) Ensure the quality of community health clinics in urban areas by providing health care services that are responsive to the needs of the community and making necessary improvements in the delivery of health care services.

This bill also amends sections 324-1 and 324-2, Hawaii Revised Statutes, to:

- (1) Permit any person, hospital, sanatorium, nursing or rest home, or other similar medical facility to provide the department of health with information, interviews, reports, statements, memoranda, or other data or material relating to the condition and treatment of any person, for use in the course of any study for the purpose of reducing morbidity or mortality; and
- (2) Require the department of health to:
  - (A) Use or publish the abovementioned material only for the purpose of advancing medical research, medical education, or education of the public in the interest of reducing morbidity or mortality; and
  - (B) Treat, as confidential information, the identity, or any group of facts which tends to lead to the identity, of any person whose condition or treatment has been studied.

Upon further consideration, your Committee has amended this bill by:

- (1) Changing the appropriations in sections 3, 5, 7, 9, 11, and 13 from \$75,000 to \$4,190, \$75,000 to \$4,190, \$450,000 to \$4,190, \$1,500,000 to \$4,190, \$650,000 to \$4,190, and \$85,000 to \$4,190, respectively;
- (2) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2280, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2280, S.D. 2.

Signed by all members of the Committee except Senators Mizuguchi, Solomon and Tungpalan.

**SCRep. 3084      Ways and Means on H.B. No. 1144**

The purpose of this bill is to establish a small business incubator program under the department of business and economic development. The purpose of the program is to assist new businesses, especially those engaged in high technology, for a maximum period of five years, after which each business is required to operate independently of the program. The bill also appropriates \$1 to establish and operate a small business biotechnology incubator.

Your Committee has made a technical nonsubstantive change to the bill to correct a cross-reference concerning standards of conduct for tenants in the incubator program.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1144, 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. 1144, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Mizuguchi, Solomon and Tungpalan.

**SCRep. 3085      (Majority) Consumer Protection and Commerce on H.B. No. 2356**

The purpose of this bill is to clarify and strengthen the provisions relating to sales of condominium units to prospective owner-occupants.

This bill would increase from one to five years the amount of time an owner-occupant must actually dwell in a condominium unit designated for owner-occupants under part VI of chapter 514A, Hawaii Revised Statutes.

The bill also establishes a public lottery procedure for choosing prospective owner-occupants for new buildings or condo conversions, and clarifies the prohibitions against transferring interest in the unit within the five year period and the provisions relating to the affidavit which prospective owner-occupants must sign in order to be eligible for the lottery.

Other provisions would strengthen or clarify the current laws regarding notices and other matters relating to the sale of condominium units to prospective owner-occupants, and enhance the ability of the Real Estate Commission to enforce them.

Under current law, a developer must designate at least half of the units for prospective owner-occupants, and an owner-occupant must use the unit as his dwelling place for three hundred and sixty-five consecutive days. Selection of prospective owner-occupants is on the basis of first come-first served.

Your Committee finds that public lottery is an appropriate means of choosing owner-occupants for scarce condominium units but finds the five-year occupancy requirement proposed in this bill to be overly long. One year of continuous occupancy should be sufficient to deter speculation, and your Committee has amended the bill accordingly.

Your Committee has also amended this bill by:

- (1) Changing from thirty days to fifteen days the time period allowed the developer to publish notification of intent to sell before notifying the Commission;

- (2) Specifying that a deposit shall be returned to a prospective owner-occupant if no sales contract is offered within six months of the date of issuance of the first public report, rather than from the date of the lottery;
- (3) Clarifying that the broker has two calendar days to submit the preliminary and final reservation lists to the Commission after the public lottery and the first public report, respectively;
- (4) Deleting the provisions that would require financial institutions and escrow companies to report owners who are not occupants or persons other than the developer who sell an owner-occupant unit, and allow financial institutions to impose immediate escalation of the interest rate or acceleration of the mortgage loan;
- (5) Clarifying the prohibitions against early transfer of interest in a unit and providing that prohibitions shall be lifted upon foreclosure;
- (6) Adding provisions clarifying the Commission's authority to enforce section 514A-83.5 and deleting criminal sanctions for violating chapter 514A; and
- (7) Making several nonsubstantive technical and language changes for the purposes of clarity, style, and conformance with recommended drafting technique.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2356, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2356, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Senators A. Kobayashi, Matsuura, McCartney, Nakasato and Tungpalan did not concur.

**SCRep. 3086      Ways and Means on H.B. No. 2103**

The purpose of this bill is to appropriate funds to implement the United States Postal Service's zip plus four program in certain state departments.

Your Committee has reviewed the data generated by the United States Postal Service from information supplied by the department of accounting and general services. Your Committee finds that implementation of the zip plus four program should begin in the departments where the largest cost benefit will be reaped. In accordance with these findings your Committee supports appropriations for this program to the fiscal benefit office of the department of human services, the preaudit office of the department of accounting and general services, the tax service and processing division of the department of taxation, and the administrative services office of the department of education.

Your Committee has increased the amount of the appropriation by \$1 for the purpose of continuing discussions at a later date.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2103, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2103, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Mizuguchi, Solomon and Tungpalan.

**SCRep. 3087      Ways and Means on H.B. No. 2059**

The purpose of this bill is to provide salary increases for the justices and judges of the judiciary system, the administrative director of the courts, and the deputy administrative director of the courts.

Your Committee finds that judicial salaries have not been adjusted since 1986. In 1988, the advisory committee on judicial salaries concluded in its report that judicial salaries were inadequate at every level of the judiciary. In the meantime, salaries of practitioners in private and public practice have increased dramatically. Although salaries of judges and other public officials cannot be expected to reach those received by private practitioners, reasonable parity must be achieved in order to attract and retain qualified and experienced judges in the State's judicial system.

Your Committee has substituted the amount of \$411,990 in the appropriation provision for 1989-1990 for the purpose of continuing discussions at a future date. In addition, your Committee has made technical, nonsubstantive amendments for the purpose of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2059, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2059, H.D. 2, S.D. 1.

Signed by all members of the Committee except Senators Mizuguchi, Solomon and Tungpalan.

**SCRep. 3088      Ways and Means on H.B. No. 3098**

The purpose of this bill is to establish a two-year pilot program to develop visitor industry practicum courses at Wallace Rider Farrington high school and Waipahu high school.

Your Committee finds that the pilot program established by this bill would build on existing visitor industry practicums at Waipahu high school and take advantage of Wallace Rider Farrington high school's transition center and exemplary Japanese language program. If successful, this pilot program could assist the State in meeting one of the visitor industry's most critical problems--the shortage of employable workers.

Your Committee has amended this bill by increasing the appropriation amount by \$1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3098, H.D. 2, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 3098, H.D. 2, S.D. 1.

Signed by all members of the Committee except Senators Mizuguchi, Solomon and Tungpalan.

**SCRep. 3089      Ways and Means on H.B. No. 2947**

The purpose of this bill is to promote a greater level of compliance by nonresidents in reporting income from sales of real property located in Hawaii. Your Committee believes that this bill is one method of ensuring that nonresident investors pay their fair share of state income taxes by requiring the withholding of the state income tax on sales of real property when the seller is not a Hawaii resident.

Your Committee has amended this bill to require that every buyer of real property deduct, withhold, and pay to the Department of Taxation, a tax on the amount realized by the seller on disposition of Hawaii real property. At the request of the real estate escrow industry and agreed to by the Department of Taxation and the Tax Foundation of Hawaii, your Committee also has deleted references to gain realized by the seller and to the corporate income tax rate, resulting in a single, unified rate of 9 per cent for easier administration of this withholding provision. Your Committee also has amended the bill by deleting the definition for "nonresident" and adding definitions for "nonresident person" and "resident person".

Following the form set forth in the Foreign Investment in Real Property Tax Act (FIRPTA), section 1445 of the Internal Revenue Code of 1954, as amended, your Committee has added an affidavit provision on residency and for exemptions, has substituted references to specific Internal Revenue Code exemptions with a general reference to federal exemptions, and has substituted "buyer" with "transferee" and "seller" with "transferor". It is the intent of this Committee that any rules, forms, and procedures adopted by the Department for the administration of this withholding provision follow to the extent possible the federal income tax rules and regulations established in conjunction with the federal Foreign Investment in Real Property Tax Act (FIRPTA) provisions. Your Committee also has added a section 2 to this bill to include this new withholding section in section 235-65(a), Hawaii Revised Statutes, which provides criminal misdemeanor sanctions for noncompliance with other existing withholding provisions.

Your Committee has received testimony from the Department of Taxation, the Tax Foundation of Hawaii, and the real estate escrow industry favoring the above amendments.

The effective date of this bill is January 1, 1991, and your Committee recommends that the Department of Taxation give the real estate industry early notice of this new withholding provision to facilitate its implementation.

Your Committee has made other nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2947, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2947, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3090      Ways and Means on H.B. No. 1900**

The purpose of this bill is to designate the vice-director of civil defense as a first assistant within the meaning of section 26-53, Hawaii Revised Statutes.

This change in description from "chief administrative assistant to the director" to "first assistant to the director" will provide an increase in the level of compensation for the vice-director of civil defense in recognition of the increased responsibilities placed on this position.

Your Committee finds that the proposal to compensate the vice-director of civil defense at the first assistant level is appropriate and justified because over the past twenty years, the continued increase in the state population, demographic changes, growth in technology, and changes in federal laws have increased the scope and complexity of civil defense operations. Consequently, the responsibilities for managing, directing, and controlling these operations have also expanded.

Your Committee has amended this bill by increasing the appropriation amount by \$1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1900, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1900, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Mizuguchi, Solomon and Tungpalan.

**SCRep. 3091      Ways and Means on H.B. No. 2882**

The purpose of this bill is to reestablish the Molokai irrigation system water users advisory board until June 6, 1991, and thereby clarify the ambiguity with regard to its official status.

During the Regular Session of 1987, the legislature passed two conflicting measures relating to chapter 175, Hawaii Revised Statutes. Act 179, Session Laws of Hawaii 1987, added a new section (subsequently designated as section

175-2.5, Hawaii Revised Statutes), establishing the Molokai irrigation system water users advisory board. Pursuant to Act 179, Session Laws of Hawaii 1987, the board was to remain in existence until June 6, 1991. However, section 19 of Act 306, Session Laws of Hawaii 1987, provided for the repeal of chapter 175, Hawaii Revised Statutes, including section 175-2.5, as of July 1, 1989.

Your Committee finds that it was not the intent of the legislature to terminate this advisory board prior to June 6, 1991. This bill would remedy the problem by reestablishing the advisory board and allowing the original board members to serve the balance of their terms. In addition, the bill places the advisory board within the department of agriculture for administrative purposes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2882 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3092      Health on Gov. Msg. No. 184**

Recommending that the Senate advise and consent to the nominations to the State Planning Council on Developmental Disabilities of the following:

ROBERT L. ELLIS, ROBERT A. STODDEN, Ph.D., and MARK Y. YABUI, terms to expire June 30, 1991; and

MARGARET A. DONOVAN, Ed.D., MARY JANE LEE, MARGARET B. PROFFITT, SUSAN C. SANDERS and MYRON W. WONG, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3093      Health on S.C.R. No. 104**

The purpose of this concurrent resolution is to request the Department of Health to establish alcohol and drug abuse specialist positions at Kona Hospital.

The positions would be created to assist medical personnel with the identification of persons suffering from and needing treatment for severe and chronic substance abuse problems.

Your Committee received testimony in support of this measure from the Department of Health (DOH).

Your Committee concurs with the DOH testimony stating that the positions need not be placed specifically in Kona hospital, but rather in the West Hawaii area to service the hospital, and your Committee has amended the concurrent resolution accordingly.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 104, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 104, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3094      Health on S.R. No. 92**

The purpose of this resolution is to request the Department of Health to establish alcohol and drug abuse specialist positions at Kona Hospital.

The positions would be created to assist medical personnel with the identification of persons suffering from and needing treatment for severe and chronic substance abuse problems.

Your Committee received testimony in support of this measure from the Department of Health (DOH).

Your Committee concurs with the DOH testimony stating that the positions need not be placed specifically in Kona hospital, but rather in the West Hawaii area to service the hospital, and your Committee has amended the resolution accordingly.

Your Committee on Health concurs with the intent and purpose of S.R. No. 92, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 92, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3095      Health on S.C.R. No. 259**

The purpose of this concurrent resolution is to request a study to determine ways to ensure the medical coverage of AIDS/HIV-related patients in Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, Governor's Committee on AIDS, State Health Planning and Development Agency, and Department of Human Services. Testimony from the Governor's Committee on AIDS indicated that the issue of medical coverage for patients with HIV infection is one of the most difficult aspects of the AIDS epidemic in Hawaii and the nation. Although Hawaii has a relatively low rate of medical indigence due to the Prepaid Health Care Act and the upcoming State Health Insurance Program, many HIV-infected people lose their benefits when the progression of their illness prohibits them from working. Your Committee

finds that medical coverage for this high risk population and a study examining ways to provide this coverage is necessary in order for HIV-positive persons to receive proper care and services.

Your Committee has amended this concurrent resolution by: (1) changing the term "AIDS/ARC" to "HIV/AIDS" since the term "ARC" is archaic; (2) decreasing the amount cited as being spent on hospitalization costs for an AIDS patient from \$174,000 to \$50,000-\$60,000; (2) requiring that the Governor's Committee on AIDS conduct the study in conjunction with the Departments of Health and Human Services; and (4) making several technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 259, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 259, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3096      Health on S.R. No. 242**

The purpose of this resolution is to request a study to determine ways to ensure the medical coverage of AIDS/HIV-related patients in Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, Governor's Committee on AIDS, State Health Planning and Development Agency, and Department of Human Services. Testimony from the Governor's Committee on AIDS indicated that the issue of medical coverage for patients with HIV infection is one of the most difficult aspects of the AIDS epidemic in Hawaii and the nation. Although Hawaii has a relatively low rate of medical indigence due to the Prepaid Health Care Act and the upcoming State Health Insurance Program, many HIV-infected people lose their benefits when the progression of their illness prohibits them from working. Your Committee finds that medical coverage for this high risk population and a study examining ways to provide this coverage is necessary in order for HIV-positive persons to receive proper care and services.

Your Committee has amended this resolution by: (1) changing the term "AIDS/ARC" to "HIV/AIDS" since the term "ARC" is archaic; (2) decreasing the amount cited as being spent on hospitalization costs for an AIDS patient from \$174,000 to \$50,000-\$60,000; (2) requiring that the Governor's Committee on AIDS conduct the study in conjunction with the Departments of Health and Human Services; and (4) making several technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.R. No. 242, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 242, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3097      Health on S.C.R. No. 30**

The purpose of this concurrent resolution is to assist hospital patients in qualifying for medicaid, to the benefit of the patient, the patient's family, the hospital, and the State's taxpayers.

Many persons eligible to receive medicaid benefits need assistance in applying for these benefits for a number of reasons, including their inability to understand the medicaid requirements and difficulty with the English language. Your Committee finds that helping eligible persons apply for medicaid benefits will make it possible for hospital facilities to receive federal reimbursements that would otherwise go uncollected.

The Department of Health recently contracted the services of a private sector provider whose primary function was to help eligible persons qualify for medicaid benefits. The Legislative Auditor was highly critical of the method used by the Department of Health in executing this contract, which has since expired. Your Committee believes it is imperative that contracts of this nature be solicited, negotiated, and executed in a manner that prevents the appearance of favoritism in order to maintain the integrity and reputation of government operations.

Since the expiration of this contract, the Department of Health has been utilizing social workers to provide these counseling services. Your Committee finds that social workers are highly skilled professionals whose services are in critical demand. Your Committee believes that social workers would be better utilized providing needed services they are trained to perform, rather than using their skills in positions that can be filled by private providers. There are many private agencies that are both qualified and interested in providing these counseling services. Therefore, the Department of Health should make every reasonable effort to secure the services of qualified private providers to assist persons with medicaid applications, and use social workers to provide needed services appropriate with their area of expertise.

Testimony in support of this concurrent resolution was received from the Department of Health and Loretta Schuler, an advocate for the frail elderly and disabled.

Your Committee has amended this concurrent resolution by broadening the title, changing "county/state" hospital to "community" hospital, and by making certain technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 30, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3098      Transportation on S.C.R. No. 101**

The purpose of this concurrent resolution is for the Legislative Auditor to conduct an audit of the project management function of the Department of Transportation's airport capital improvement program.

Your Committee finds that in previous years, the Department of Transportation Airports Division has requested additional engineer positions which were subsequently denied. Therefore, the Department of Transportation relied heavily on consultants to manage construction projects.

Furthermore, your Committee finds the airport capital improvement program currently has over 39 construction projects in force worth over \$163,000,000 and over 100 design projects in force to design facilities worth over \$2,100,000,000. It is estimated that there may be an additional \$2,000,000,000 worth of contracts in the future. Given the magnitude of the airport capital improvement program, the opportunity for impropriety, whether inadvertent or otherwise, exists. Additionally, because of the limited state forces there may be some inability to effectively monitor and control projects and project managers.

According to the project status report prepared by the Department of Transportation, there are several instances where the project management consultant and the design consultant are the same firm. Consequently, in these cases a conflict may arise where the interest of the State could be superceded by the profitability of the firm.

The same project status report shows that of the 118 projects with project managers, 94 were managed by six consultant firms. The concentration of projects managed by a small number of firms gives an impression of impropriety. Also due to the workload and the shortage of qualified engineers in Hawaii, these six firms may not be able to provide proper service on a timely basis.

Your Committee finds that, in order to banish all doubts and to clear up false information, the Legislative Auditor should conduct an audit on the airport capital improvement program.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 101 and recommends its adoption.

Signed by all members of the Committee except Senators Nakasato, Menor and George.

**SCRep. 3099      Transportation on S.R. No. 88**

The purpose of this resolution is for the Legislative Auditor to conduct an audit of the project management function of the Department of Transportation's airport capital improvement program.

Your Committee finds that in previous years, the Department of Transportation Airports Division has requested additional engineer positions which were subsequently denied. Therefore, the Department of Transportation relied heavily on consultants to manage construction projects.

Furthermore, your Committee finds the airport capital improvement program currently has over 39 construction projects in force worth over \$163,000,000 and over 100 design projects in force to design facilities worth over \$2,100,000,000. It is estimated that there may be an additional \$2,000,000,000 worth of contracts in the future. Given the magnitude of the airport capital improvement program, the opportunity for impropriety, whether inadvertent or otherwise, exists. Additionally, because of the limited state forces there may be some inability to effectively monitor and control projects and project managers.

According to the project status report prepared by the Department of Transportation, there are several instances where the project management consultant and the design consultant are the same firm. Consequently, in these cases a conflict may arise where the interest of the State could be superceded by the profitability of the firm.

The same project status report shows that of the 118 projects with project managers, 94 were managed by six consultant firms. The concentration of projects managed by a small number of firms gives an impression of impropriety. Also due to the workload and the shortage of qualified engineers in Hawaii, these six firms may not be able to provide proper service on a timely basis.

Your Committee finds that, in order to banish all doubts and to clear up false information, the Legislative Auditor should conduct an audit on the airport capital improvement program.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 88 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Nakasato, Menor and George.

**SCRep. 3100      Agriculture on S.C.R. No. 1**

The purpose of this concurrent resolution is to support the adoption of a uniform system of labeling plastic materials.

Your Committee received supporting testimony from the Department of Health and members of the Environmental Center of the University of Hawaii.

Your Committee finds that 10.3 million tons of plastics are being landfilled annually with only one percent of all plastics being recycled. With proper and uniform labeling, a much greater percentage of plastic material could be recycled thereby reducing the amount of plastic materials in landfills.

Your Committee has amended the concurrent resolution by deleting the last "WHEREAS" and the first "BE IT FURTHER RESOLVED" clauses and inserting language which requests the Administrator of the Environmental Protection Agency to develop rules for the uniform recycling symbols in conjunction with plastic material identification codes. Furthermore, your Committee has included the Environmental Protection Agency and Hawaii's congressional delegation in the transmittal clause.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 1, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 1, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3101      Agriculture on S.R. No. 2**

The purpose of this resolution is to support the adoption of a uniform system of labeling plastic materials.

Your Committee received supporting testimony from the Department of Health and members of the Environmental Center of the University of Hawaii.

Your Committee finds that 10.3 million tons of plastics are being landfilled annually with only one percent of all plastics being recycled. With proper and uniform labeling, a much greater percentage of plastic material could be recycled thereby reducing the amount of plastic materials in landfills.

Your Committee has amended the resolution by deleting the last "WHEREAS" and the first "BE IT FURTHER RESOLVED" clauses and inserting language which requests the Administrator of the Environmental Protection Agency to develop rules for the uniform recycling symbols in conjunction with plastic material identification codes. Furthermore, your Committee has included the Environmental Protection Agency and Hawaii's congressional delegation in the transmittal clause.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 2, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 2, S.D. 2.

Signed by all members of the Committee.

**SCRep. 3102      Agriculture on S.C.R. No. 132**

The purpose of this resolution is to request the Legislative Auditor to conduct a study on whether the licensure or regulation of industrial hygienists and other environmental protection practitioners is necessary.

Your Committee finds that there is an increasing awareness of environmental and occupational health hazards that may affect people where they live and work. Such hazards include asbestos, radon gas, non-ionizing radiation, impurities in drinking water, indoor air pollutants, and various inorganic, organometallic, and phenolic wood-treating chemicals.

Because proper assessment and management of the health risks posed by many environmental health hazards present highly technical problems, the ordinary layperson is forced to seek professional consultative services. In some cases, acts of impropriety may occur, being as there is no regulatory agency to safeguard the rights of people contracting services from industrial hygienists.

Your Committee has amended the resolution by:

- (1) Deleting the eighth and ninth WHEREAS clauses;
- (2) By adding to the BE IT RESOLVED clause, after the phrase "environmental protection practitioners," the phrase "as defined by the Environmental Health Association"; and
- (3) By adding the Hawaii Chapter of the American Industrial Hygiene Association to the transmittal clause.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 132, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 132, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3103      Education on S.C.R. No. 124**

The purpose of this resolution is to request the Department of Education to examine the health and safety needs of the children of Hookena Elementary School on the Big Island.

The resolution also requests the Department to review its current procedure relating to budget preparation and a master plan for the school.

Your Committee received supporting testimony from the school and the Superintendent of Education and finds that there is reason to be concerned that the health and safety of Hookena Elementary School students is being affected by overcrowding arising from the enormous growth of the district. There is also reason to be concerned about the adequacy of teacher workroom space, the children's bathrooms, and traffic hazards posed by the school's traffic pattern and bus stop. This study will help the Department appropriately prioritize CIP requests for the Hawaii District.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 124 and recommends its adoption.

Signed by all members of the Committee except Senators Menor and Yamasaki.

**SCRep. 3104      Education on S.C.R. No. 140**

The purpose of this resolution is to request the Legislative Auditor to do a financial and management audit of the Department of Education.

The audit would include a report on progress made in implementing recommendations stemming from the 1973 audit, and other information relating to the functions of the Board of Education, Department programs, State functions, personnel deployment, administrative positions, resource teachers, instructional time, and school funds.

The resolution also requests the Legislative Auditor to update the budget review and analysis of the special education program (Report No. 89-6).

The last complete Department Audit, conducted in 1973, revealed deficiencies in management regarding roles and responsibilities of the state office, district offices, and schools, implementation of new programs or program changes, and lack of standards which affect performance. Since the Legislature has put school/community-based management in place and implementation has begun, it is necessary and appropriate that the Department be reviewed so that provision may be made for factors which might affect the success of Department and public education reformation.

Your Committee has amended this resolution by clarifying that the request is for a program and management audit as proclaimed in the title, and by further requesting the Legislative Auditor to review alternatives to the decentralization of state and district level personnel and programs down to the school level.

Your Committee has also deleted the request to update the budget review and analysis of the special education program, which your Committee finds is already underway.

In addition, your Committee has made some nonsubstantive technical changes for the purpose of style.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 140, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 140, S.D. 1.

Signed by all members of the Committee except Senators Menor and Yamasaki.

**SCRep. 3105      Human Services on S.C.R. No. 18**

The purpose of this resolution is to support the development of a Silver Legislature in Hawaii.

Your Committee finds that educating citizens to better understand the legislative system should result in their continued interest and involvement in the democratic process. Your Committee also finds that an excellent way of accomplishing this is through the development of a Silver Legislature for senior citizens.

Testimony in support of the resolution was received from the Executive Office on Aging, the National Association of Retired Federal Employees, the Founders' Group of the Kokua Council for Senior Citizens, and a private citizen.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 18 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3106      Human Services on S.C.R. No. 75**

The purpose of this resolution is to request a determination of the need and best site for a senior citizen's center in Kailua-Kona.

Your Committee finds that, given the rapid growth in Kailua-Kona and the fact that the nearest senior citizen center is located some distance away at Captain Cook, it may be time for the establishment of such a center in Kailua-Kona.

Testimony in support of the resolution was presented by the Executive Office on Aging and a private citizen from Kailua-Kona.

Your Committee has amended the resolution to request that the Executive Office on Aging serve as the lead agency in coordinating a task force composed of representatives from the community, the Hawaii County Department of Planning, the Hawaii County Department of Parks and Recreation, and the Hawaii County Area Agency on Aging, to verify the need and determine the best location for the center. Your Committee has also corrected a technical error in the title of the resolution and made other grammatical changes having no substantive effect.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 75, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 75, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3107      Human Services on S.R. No. 66**



The purpose of this resolution is to request a determination of the need and best site for a senior citizen's center in Kailua-Kona.

Your Committee finds that, given the rapid growth in Kailua-Kona and the fact that the nearest senior citizen center is located some distance away at Captain Cook, it may be time for the establishment of such a center in Kailua-Kona.

Testimony in support of the resolution was presented by the Executive Office on Aging and a private citizen from Kailua-Kona.

Your Committee has amended the resolution to request that the Executive Office on Aging serve as the lead agency in coordinating a task force composed of representatives from the community, the Hawaii County Department of Planning, the Hawaii County Department of Parks and Recreation, and the Hawaii County Area Agency on Aging, to verify the need and determine the best location for the center. Your Committee has also corrected a technical error in the title of the resolution and made other grammatical changes having no substantive effect.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 66, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 66, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3108      Human Services on S.C.R. No. 88**

The purpose of this resolution is to request that the Department of Human Services consider providing an exemption from criminal history record checks for summer fun program employees.

Your Committee finds that given the short time frame of the summer fun program and the high cost of fingerprint record checks conducted by the Federal Bureau of Investigation, alternatives to a criminal history check should be explored so as not to unnecessarily pass on such costs to users of the program.

The Office of Children and Youth testified in support of the resolution and the Department of Human Services testified that it had no objection to it.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 88 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3109      Human Services on S.R. No. 77**

The purpose of this resolution is to request that the Department of Human Services consider providing an exemption from criminal history record checks for summer fun program employees.

Your Committee finds that given the short time frame of the summer fun program and the high cost of fingerprint record checks conducted by the Federal Bureau of Investigation, alternatives to a criminal history check should be explored so as not to unnecessarily pass on such costs to users of the program.

The Office of Children and Youth testified in support of the resolution and the Department of Human Services testified that it had no objection to it.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 77 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3110      Human Services on S.C.R. No. 128**

The purpose of this resolution is to urge the Hawaii congressional delegation to support federal legislation that would allow social security and supplemental security income cost of living allowances received by persons on public assistance, medicaid, food stamps, and federally funded housing programs to be passed through without affecting their eligibility for these benefits.

Your Committee finds that because the federal programs for medicaid, food stamps and housing assistance require that cost-of-living allowances (COLA) be addressed as income in determining eligibility and benefits, it can have a disastrous effect on Hawaii's poor, disabled, or marginal income residents. Although the purpose of COLA is to help maintain people at the same standard of living as the prior year, it will continue to have a negative impact on many public assistance recipients unless federal legislation exempts it from the above programs.

Among the many who testified in support of the resolution were the Department of Human Services, the State Planning Council on Developmental Disabilities, the Honolulu Community Action Program, Alu Like, the Hawaii Centers for Independent Living, the Hawaii Chapter of the National Association of Social Workers, the Committee on Welfare Concerns, and the Life Foundation.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 128 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3111 Human Services on S.R. No. 112**

The purpose of this resolution is to urge the Hawaii congressional delegation to support federal legislation that would allow social security and supplemental security income cost of living allowances received by persons on public assistance, medicaid, food stamps, and federally funded housing programs to be passed through without affecting their eligibility for these benefits.

Your Committee finds that because the federal programs for medicaid, food stamps and housing assistance require that cost-of-living allowances (COLA) be addressed as income in determining eligibility and benefits, it can have a disastrous effect on Hawaii's poor, disabled, or marginal income residents. Although the purpose of COLA is to help maintain people at the same standard of living as the prior year, it will continue to have a negative impact on many public assistance recipients unless federal legislation exempts it from the above programs.

Among the many who testified in support of the resolution were the Department of Human Services, the State Planning Council on Developmental Disabilities, the Honolulu Community Action Program, Alu Like, the Hawaii Centers for Independent Living, the Hawaii Chapter of the National Association of Social Workers, the Committee on Welfare Concerns, and the Life Foundation.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 112 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3112 Human Services on S.C.R. No. 130**

The purpose of this resolution is to request the Department of Human Services, in conjunction with the Department of Health, to report to the Legislature on their efforts to maximize federal medicaid funds and to implement the strategic plan and other recommendations contained in the Legislative Auditor's report.

Your Committee finds that by maximizing federal medicaid funds, more health care services will be provided to those in need in the low income gap group. It will also provide cost effective alternatives for enhancing and expanding the scope of services to high risk populations served by the Department of Health.

Among the many who testified in support of the resolution were the Department of Health, the Department of Human Services, the State Planning Council on Developmental Disabilities, the Honolulu Action Program, Inc., Alu Like, the Hawaii Centers for Independent Living, and the Hawaii Public Health Association.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 130 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3113 Human Services on S.R. No. 114**

The purpose of this resolution is to request the Department of Human Services, in conjunction with the Department of Health, to report to the Legislature on their efforts to maximize federal medicaid funds and to implement the strategic plan and other recommendations contained in the Legislative Auditor's report.

Your Committee finds that by maximizing federal medicaid funds, more health care services will be provided to those in need in the low income gap group. It will also provide cost effective alternatives for enhancing and expanding the scope of services to high risk populations served by the Department of Health.

Among the many who testified in support of the resolution were the Department of Health, the Department of Human Services, the State Planning Council on Developmental Disabilities, the Honolulu Action Program, Inc., Alu Like, the Hawaii Centers for Independent Living, and the Hawaii Public Health Association.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 114 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3114 Human Services on S.C.R. No. 131**

The purpose of this resolution is to request the Commission on Persons with Disabilities, in consultation with other agencies and interested persons, to review the provision of reasonable accommodations for persons with disabilities who are employed by the State and to make recommendations for more efficient and appropriate accommodations in conformance with federal law.

Your Committee finds that although reasonable accommodations should be provided for state employees with disabilities, the State lacks a uniform policy and guidelines in this areas. Further, more information is needed on the number of persons affected and a viable funding mechanism to assist agencies and programs to provide these accommodations.

Testimony in support of the resolution was received from the Department of Accounting and General Services, the Department of Personnel Services, the Department of Human Services, the State Planning Council on Developmental Disabilities, and the Commission on Persons with Disabilities.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 131 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3115      Human Services on S.R. No. 115**

The purpose of this resolution is to request the Commission on Persons with Disabilities, in consultation with other agencies and interested persons, to review the provision of reasonable accommodations for persons with disabilities who are employed by the State and to make recommendations for more efficient and appropriate accommodations in conformance with federal law.

Your Committee finds that although reasonable accommodations should be provided for state employees with disabilities, the State lacks a uniform policy and guidelines in this areas. Further, more information is needed on the number of persons affected and a viable funding mechanism to assist agencies and programs to provide these accommodations.

Testimony in support of the resolution was received from the Department of Accounting and General Services, the Department of Personnel Services, the Department of Human Services, the State Planning Council on Developmental Disabilities, and the Commission on Persons with Disabilities.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 115 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3116      Human Services on S.C.R. No. 142**

The purpose of this resolution is to request that President Bush attend the 1999 World Summit for Children and set goals to reduce poverty.

Your Committee finds that the objective of the World Summit for Children is to raise the importance of children on the political agenda, to ensure not only their survival, but a sustainable and meaningful future. Participation by the President of the United States and the establishment of specific poverty reduction goals will have a positive, worldwide effect on the survival of children.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 142 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3117      Human Services on S.R. No. 128**

The purpose of this resolution is to request that President Bush attend the 1999 World Summit for Children and set goals to reduce poverty.

Your Committee finds that the objective of the World Summit for Children is to raise the importance of children on the political agenda, to ensure not only their survival, but a sustainable and meaningful future. Participation by the President of the United States and the establishment of specific poverty reduction goals will have a positive, worldwide effect on the survival of children.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 128 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3118      Human Services on S.C.R. No. 183**

The purpose of this resolution is to request the Department of Human Services to study and make recommendations to the Legislature on issues relating to the availability and quality of vocational rehabilitation services in Hawaii.

Your Committee finds that there is currently no baseline data on the number of people requiring vocational rehabilitation, the number utilizing such services in the public sector, and the number of public assistance and aid to dependent children recipients who might be employable after receiving such services. This data should be compiled and strategies developed to maximize the effectiveness of vocational rehabilitation in Hawaii.

The Department of Human Services testified in support of the resolution.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 183 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3119      Human Services on S.R. No. 167**

The purpose of this resolution is to request the Department of Human Services to study and make recommendations to the Legislature on issues relating to the availability and quality of vocational rehabilitation services in Hawaii.

Your Committee finds that there is currently no baseline data on the number of people requiring vocational rehabilitation, the number utilizing such services in the public sector, and the number of public assistance and aid to dependent children recipients who might be employable after receiving such services. This data should be compiled and strategies developed to maximize the effectiveness of vocational rehabilitation in Hawaii.

The Department of Human Services testified in support of the resolution.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 167 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3120      Human Services on S.C.R. No. 196**

The purpose of this resolution is to request that the Department of Human Services support efforts to provide services, including outreach services, to address domestic violence in West Hawaii.

Your Committee finds that domestic violence and its underlying family dysfunctions give rise to a host of social ills which can and should be prevented.

Your Committee has amended the resolution by replacing "domestic violence" with "emotional, physical and sexual abuse of adults and children" in the title and throughout the resolution.

Further, the Department of Human Services has been replaced by the Office of State Planning as the coordinator for the compilation of relevant information into a report, and Family and Probation Services of the County of Hawaii was added to the list of agencies requested to work with the Office of State Planning on it.

Your Committee has also added a WHEREAS paragraph to include information on pending legislation and two BE IT RESOLVED paragraphs acknowledging receipt of the Kona Community Advisory Council Ad Hoc Committee on Resolution No. 271 and urging that all appropriate departments read and familiarize themselves with the report and support efforts to provide services to address the emotional, physical and sexual abuse of adults and children in West Hawaii.

Other technical, clarifying amendments were also made to the resolution.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 196, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 196, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3121      Human Services on S.R. No. 178**

The purpose of this resolution is to request that the Department of Human Services support efforts to provide services, including outreach services, to address domestic violence in West Hawaii.

Your Committee finds that domestic violence and its underlying family dysfunctions give rise to a host of social ills which can and should be prevented.

Your Committee has amended the resolution by replacing "domestic violence" with "emotional, physical and sexual abuse of adults and children" in the title and throughout the resolution.

Further, the Department of Human Services has been replaced by the Office of State Planning as the coordinator for the compilation of relevant information into a report, and Family and Probation Services of the County of Hawaii was added to the list of agencies requested to work with the Office of State Planning on it.

Your Committee has also added a WHEREAS paragraph to include information on pending legislation and two BE IT RESOLVED paragraphs acknowledging receipt of the Kona Community Advisory Council Ad Hoc Committee on Resolution No. 271 and urging that all appropriate departments read and familiarize themselves with the report and support efforts to provide services to address the emotional, physical and sexual abuse of adults and children in West Hawaii.

Other technical, clarifying amendments were also made to the resolution.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 178, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 178, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3122      Human Services on S.C.R. No. 224**

The purpose of this resolution is to request that the Department of Health, the Department of Human Services, the Department of Labor, and other state agencies review their contract policies with private nonprofit social agencies for fair compensation and competitive salaries.

Your Committee finds that private nonprofit social agencies serve an important role in providing services that the State is unable to provide. Unfortunately, many are experiencing increasing difficulty in recruiting and retaining qualified staff, and stability of staff is crucial for any agency to maintain a minimum level of quality. The State should review its contracting policies to see if they are contributing to the problem.

Testimony in support of the resolution was received from the Department of Human Services, the Department of Health, the Department of Labor and Industrial Relations, the State Planning Council on Developmental Disabilities, Catholic Charities of the Diocese of Honolulu, and the Honolulu Community Action Program, Inc.

Your Committee has amended the title and body of the resolution by deleting the request that various departments review their contract policies with private agencies and inserting in its place a request that the Legislative Auditor conduct a study to identify standards that are appropriate for use in purchase of service contracts.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 224, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.C.R. No. 224, S.D. 1.

Signed by all members of the Committee except Senator Levin.

**SCRep. 3123      Human Services on S.R. No. 207**

The purpose of this resolution is to request that the Department of Health, the Department of Human Services, the Department of Labor, and other state agencies review their contract policies with private nonprofit social agencies for fair compensation and competitive salaries.

Your Committee finds that private nonprofit social agencies serve an important role in providing services that the State is unable to provide. Unfortunately, many are experiencing increasing difficulty in recruiting and retaining qualified staff, and stability of staff is crucial for any agency to maintain a minimum level of quality. The State should review its contracting policies to see if they are contributing to the problem.

Testimony in support of the resolution was received from the Department of Human Services, the Department of Health, the Department of Labor and Industrial Relations, the State Planning Council on Developmental Disabilities, Catholic Charities of the Diocese of Honolulu, and the Honolulu Community Action Program, Inc.

Your Committee has amended the title and body of the resolution by deleting the request that various departments review their contract policies with private agencies and inserting in its place a request that the Legislative Reference Bureau conduct a study to identify standards that are appropriate for use in purchase of service contracts.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 207, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.R. No. 207, S.D. 1.

Signed by all members of the Committee except Senator Levin.

**SCRep. 3124      Human Services on H.C.R. No. 72**

The purpose of this resolution is to declare 1990 to 1999 as the decade of the family.

Your Committee finds that the society's most important component is the family unit, and a strong family unit is the building block for a strong community. As such, strategies should be formulated and support systems provided to maintain the integrity and strength of the family unit.

Testimony in support of the resolution was received from the Family Court, the Department of Education, the Executive Office on Aging, and the Commission on Persons with Disabilities.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 72, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3125      Tourism, Recreation and Planning on S.C.R. No. 71**

The purpose of this resolution is to request the Office of State Planning to formulate a Comprehensive Regional Plan for the Hana district of the Island of Maui. The plan would have to be completed and submitted to the Legislature before the 1991 Regular Session.

Your Committee received supporting testimony from the Office of State Planning.

Your Committee finds that it is appropriate to require the preparation of a Comprehensive Regional Plan for the Hana district, given the significant changes that have occurred in this district during the last several years.

Your Committee has made several technical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 71, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 71, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3126      Tourism, Recreation and Planning on S.R. No. 62**

The purpose of this resolution is to request the Office of State Planning to formulate a Comprehensive Regional Plan for the Hana district of the Island of Maui. The plan would have to be completed and submitted to the Legislature before the 1991 Regular Session.

Your Committee received supporting testimony from the Office of State Planning.

Your Committee finds that it is appropriate to require the preparation of a Comprehensive Regional Plan for the Hana district, given the significant changes that have occurred in this district during the last several years.

Your Committee has made several technical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 62, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3127      Tourism, Recreation and Planning on S.C.R. No. 109**

The purpose of this resolution is to request the Governor to set aside land for the City and County of Honolulu for use as a public motor sports complex.

Your Committee received supporting testimony from the Department of Transportation and opposing testimony from the Department of Land and Natural Resources, which expressed some doubts about the availability of suitable State-owned land for this purpose.

Your Committee finds that development of a first class motor sports facility would have significant benefits for the State, in terms of tourism promotion, economic growth, and the provision of additional recreational and entertainment opportunities for the State's residents and visitors.

Your Committee has amended the resolution to include, as an alternative, transfer of land to a private entrepreneur for development of the complex at a reasonable cost. Your Committee has also made technical amendments to the title and body of the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 109, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 109, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3128      Tourism, Recreation and Planning on S.R. No. 95**

The purpose of this resolution is to request the Governor to set aside land for the City and County of Honolulu for use as a public motor sports complex.

Your Committee received supporting testimony from the Department of Transportation and opposing testimony from the Department of Land and Natural Resources, which expressed some doubts about the availability of suitable State-owned land for this purpose.

Your Committee finds that development of a first class motor sports facility would have significant benefits for the State, in terms of tourism promotion, economic growth, and the provision of additional recreational and entertainment opportunities for the State's residents and visitors.

Your Committee has amended the resolution to include, as an alternative, transfer of land to a private entrepreneur for development of the complex at a reasonable cost. Your Committee has also made technical amendments to the title and body of the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 95, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 95, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3129      Tourism, Recreation and Planning on S.C.R. No. 113**

The purpose of this resolution is to request the County of Hawaii and the Department of Land and Natural Resources to assess the feasibility of establishing a community park in the vicinity of Kalaoa, North Kona, Hawaii.

Your Committee received supporting testimony from the Department of Land and Natural Resources and the Kona Palisades Estates Community Association.

Your Committee finds that the Kalaoa community is growing rapidly and that the residents of this community are in need of a variety of new recreational facilities.

Your Committee has amended the title and body of the resolution to specify that the County of Hawaii is to take the lead in preparing the assessment, with the assistance of the Department of Land and Natural Resources. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 113, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 113, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3130      Tourism, Recreation and Planning on S.R. No. 99**

The purpose of this resolution is to request the County of Hawaii and the Department of Land and Natural Resources to assess the feasibility of establishing a community park in the vicinity of Kalaoa, North Kona, Hawaii.

Your Committee received supporting testimony from the Department of Land and Natural Resources and the Kona Palisades Estates Community Association.

Your Committee finds that the Kalaoa community is growing rapidly and that the residents of this community are in need of a variety of new recreational facilities.

Your Committee has amended the title and body of the resolution to specify that the County of Hawaii is to take the lead in preparing the assessment, with the assistance of the Department of Land and Natural Resources. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 99, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 99, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3131      Tourism, Recreation and Planning on S.C.R. No. 120**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a feasibility study on the establishment of a State Sports Authority.

Your Committee received supporting testimony from the Stadium Authority, the Department of Business and Economic Development, and the Department of Accounting and General Services.

Your Committee finds that Hawaii has the potential of becoming a mecca for national, regional, and international sports competitions, including a center for training professional and amateur athletes and for practice activities. Your Committee also finds that establishment of a State Sports Authority, employing a coordinated, integrated approach to the management, development, and promotion of sports facilities, programs, and competitions, would have tremendous benefits for the State, including spin-off effects in terms of tourism development, business development, employment, and economic growth and diversification. Establishment of a State Sports Authority would also permit the State to meet the demands of its growing population for additional sports facilities and programs and for new recreational and entertainment opportunities. Your Committee expects that the Legislative Reference Bureau, in conducting the study, would consult with appropriate state and county agencies and private organizations.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 120 and recommends its adoption.

Signed by all members of the Committee except Senator Ikeda.

**SCRep. 3132      Tourism, Recreation and Planning on S.R. No. 106**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a feasibility study on the establishment of a State Sports Authority.

Your Committee received supporting testimony from the Stadium Authority, the Department of Business and Economic Development, and the Department of Accounting and General Services.

Your Committee finds that Hawaii has the potential of becoming a mecca for national, regional, and international sports competitions, including a center for training professional and amateur athletes and for practice activities. Your Committee also finds that establishment of a State Sports Authority, employing a coordinated, integrated approach to the management, development, and promotion of sports facilities, programs, and competitions, would have tremendous benefits for the State, including spin-off effects in terms of tourism development, business development, employment, and economic growth and diversification. Establishment of a State Sports Authority would also permit the State to meet the demands of its growing population for additional sports facilities and programs and for new recreational and entertainment opportunities. Your Committee expects that the Legislative Reference Bureau, in conducting the study, would consult with appropriate state and county agencies and private organizations.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 106 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 3133      Tourism, Recreation and Planning on S.C.R. No. 121**

The purpose of this resolution is to request the Department of Land and Natural Resources to implement a permanent Black Powder Hunting season and program.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Sportsmen's Council of Hawaii, and the Koko Head Skeet Club.

Your Committee finds that the recent pilot Black Powder Hunting Program using muzzle loaded rifles was an overwhelming success. Establishment of a permanent program would represent a major step in enhancing the State's limited hunting opportunities.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 121 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3134      Tourism, Recreation and Planning on S.R. No. 107**

The purpose of this resolution is to request the Department of Land and Natural Resources to implement a permanent Black Powder Hunting season and program.

Your Committee received supporting testimony from the Department of Land and Natural Resources, the Sportsmen's Council of Hawaii, and the Koko Head Skeet Club.

Your Committee finds that the recent pilot Black Powder Hunting Program using muzzle loaded rifles was an overwhelming success. Establishment of a permanent program would represent a major step in enhancing the State's limited hunting opportunities.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 107 and recommends its adoption.

Signed by all members of the Committee except Senator Ikeda.

**SCRep. 3135      (Majority) Tourism, Recreation and Planning on S.C.R. No. 122**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a review and examination of its current wildlife, hunting, and fishing programs and organizational structure, in order to determine the advantages of reorganizing and consolidating these programs into a single division or two separate divisions.

Your Committee received supporting testimony from the Sportsmen's Council of Hawaii, the Koko Head Skeet Club, and the Hawaii Chapter of The Wildlife Society. Your Committee received opposing testimony from the Department of Land and Natural Resources, indicating among other things that fisheries and wildlife programs are separate and distinct and there would be no particular advantage to consolidating these programs.

Your Committee finds that the current Division of Forestry and Wildlife has resulted in an inappropriate de-emphasis on hunting and wildlife programs. Resources and staffing available for these programs has remained stagnant, while the division focuses on forestry programs. Establishment of a separate Division of Wildlife would elevate this important resource of the State to its proper status. A Division of Wildlife would also provide for proper study, management, and protection of mammals and birds, many of which are endangered in this State. A separate division would also provide for increased focus on the recreational opportunities afforded by hunting, archery, and target practice.

Your Committee has amended the title and body of the resolution so that the resolution encompasses only the concept of a new Division of Wildlife, rather than a Division of Fish and Wildlife. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 122, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 122, S.D. 1.

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

**SCRep. 3136      (Majority) Tourism, Recreation and Planning on S.R. No. 108**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a review and examination of its current wildlife, hunting, and fishing programs and organizational structure, in order to determine the advantages of reorganizing and consolidating these programs into a single division or two separate divisions.

Your Committee received supporting testimony from the Sportsmen's Council of Hawaii, the Koko Head Skeet Club, and the Hawaii Chapter of The Wildlife Society. Your Committee received opposing testimony from the Department of Land and Natural Resources, indicating among other things that fisheries and wildlife programs are separate and distinct and there would be no particular advantage to consolidating these programs.

Your Committee finds that the current Division of Forestry and Wildlife has resulted in an inappropriate de-emphasis on hunting and wildlife programs. Resources and staffing available for these programs has remained stagnant, while the division focuses on forestry programs. Establishment of a separate Division of Wildlife would elevate this important resource of the State to its proper status. A Division of Wildlife would also provide for proper study, management, and



protection of mammals and birds, many of which are endangered in this State. A separate division would also provide for increased focus on the recreational opportunities afforded by hunting, archery, and target practice.

Your Committee has amended the title and body of the resolution so that the resolution encompasses only the concept of a new Division of Wildlife, rather than a Division of Fish and Wildlife. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 108, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 108, S.D. 1.

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

**SCRep. 3137      Tourism, Recreation and Planning on S.C.R. No. 123**

The purpose of this resolution is to request the Department of Transportation to conduct a feasibility study on the private operation of state small boat harbors and other boating facilities.

Your Committee received supporting testimony from the Department of Transportation, which indicated a need for additional resources to conduct the study.

Your Committee finds that authorizing the Department of Transportation to make private arrangements for the management of small boat harbors and other boating facilities would give the Department the flexibility to achieve more efficient management and control of these facilities. Accordingly, your Committee finds that the feasibility study called for in the resolution is appropriate and timely.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 123 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3138      Tourism, Recreation and Planning on S.R. No. 109**

The purpose of this resolution is to request the Department of Transportation to conduct a feasibility study on the private operation of state small boat harbors and other boating facilities.

Your Committee received supporting testimony from the Department of Transportation, which indicated a need for additional resources to conduct the study.

Your Committee finds that authorizing the Department of Transportation to make private arrangements for the management of small boat harbors and other boating facilities would give the Department the flexibility to achieve more efficient management and control of these facilities. Accordingly, your Committee finds that the feasibility study called for in the resolution is appropriate and timely.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 109 and recommends its adoption.

Signed by all members of the Committee except Senator Ikeda.

**SCRep. 3139      (Majority) Tourism, Recreation and Planning on S.C.R. No. 145**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on legalized cockfighting in the United States and report its findings to the Legislature before the 1991 Regular Session.

Your Committee received supporting testimony from the Big Island Game Breeder's Association and the Hawaii Bow Hunters Association. Your Committee received opposing testimony from the Police Department of the City and County of Honolulu and the Hawaiian Humane Society.

Your Committee understands the concerns of the Honolulu Police Department and the Hawaiian Humane Society. At the same time, your Committee recognizes that the breeding of game cocks is an art and tradition handed down from generation to generation in many cultures, and that cockfighting is viewed as an acceptable sport and social activity by many people throughout the world, including a large segment of the population in Hawaii. The concurrent resolution does not legalize cockfighting, but merely calls for a study and report to the Legislature. Your Committee finds that an examination of all issues involved in legalizing cockfighting is appropriate.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 145 and recommends its adoption.

Signed by all members of the Committee.  
Senators Cobb and George did not concur.

**SCRep. 3140      (Majority) Tourism, Recreation and Planning on S.R. No. 131**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on legalized cockfighting in the United States and report its findings to the Legislature before the 1991 Regular Session.

Your Committee received supporting testimony from the Big Island Game Breeder's Association and the Hawaii Bow Hunters Association. Your Committee received opposing testimony from the Police Department of the City and County of Honolulu and the Hawaiian Humane Society.

Your Committee understands the concerns of the Honolulu Police Department and the Hawaiian Humane Society. At the same time, your Committee recognizes that the breeding of game cocks is an art and tradition handed down from generation to generation in many cultures, and that cockfighting is viewed as an acceptable sport and social activity by many people throughout the world, including a large segment of the population in Hawaii. The resolution does not legalize cockfighting, but merely calls for a study and report to the Legislature. Your Committee finds that an examination of all issues involved in legalizing cockfighting is appropriate.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 131 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.  
Senators Cobb and George did not concur.

**SCRep. 3141      Tourism, Recreation and Planning on S.C.R. No. 146**

The purpose of this Resolution is to request the Office of State Planning to develop a regional recreation plan for the Mahukona coastal area of the North Kohala District.

Your Committee received supporting testimony from the Department of Land and Natural Resources and the Office of State Planning, both of which requested that the Resolution be amended to make the Department the lead agency for preparation of the plan. Your Committee also received supporting testimony from the Department of Transportation, which requested that the Department be included as one of the participants in preparation of the plan.

Your Committee finds that development of a regional recreation plan for this area is appropriate and timely, and that this plan should be supportive of the West Hawaii Regional Plan.

Your Committee has amended the Resolution to incorporate the three departments' suggestions. Your Committee has also made several grammatical and technical amendments to the Resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 146, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 146, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3142      Tourism, Recreation and Planning on S.R. No. 132**

The purpose of this Resolution is to request the Office of State Planning to develop a regional recreation plan for the Mahukona coastal area of the North Kohala District.

Your Committee received supporting testimony from the Department of Land and Natural Resources and the Office of State Planning, both of which requested that the Resolution be amended to make the Department the lead agency for preparation of the plan. Your Committee also received supporting testimony from the Department of Transportation, which requested that the Department be included as one of the participants in preparation of the plan.

Your Committee finds that development of a regional recreation plan for this area is appropriate and timely, and that this plan should be supportive of the West Hawaii Regional Plan.

Your Committee has amended the Resolution to incorporate the three departments' suggestions. Your Committee has also made several grammatical and technical amendments to the Resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 132, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 132, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3143      Tourism, Recreation and Planning on S.C.R. No. 168**

The purpose of this resolution is to request the Department of Land and Natural Resources to develop a strategic plan to restrict the operation of long-line tuna vessels within a twenty mile zone of the State, in order to protect the State's ocean resources for the benefit of all users and uses.

Your Committee received testimony from the Department of Land and Natural Resources, which indicated that the resolution was unnecessary.

Your Committee finds that, while the Department of Land and Natural Resources has implemented a "voluntary" twenty mile zone for long-line tuna vessels, complaints have continued regarding long-line vessels fishing too close to the Leeward coast and around the State's Fish Aggregating Devices (FADS). While your Committee recognizes that enforcement of a twenty mile zone will not be an easy task and would prefer a voluntary compliance approach, steps must be taken to ensure compliance. Otherwise, the State's ocean resources will continue to be threatened and unnecessary conflicts and misunderstandings will eventually arise. Your Committee expects that the study will include an examination of all available enforcement techniques, such as marine and air surveillance, photographic surveillance by citizens, and if

necessary, onboard observers, as well as the availability of economic and other incentives and disincentives to encourage voluntary compliance with the twenty mile zone.

Your Committee has amended the resolution to require the Department of Land and Natural Resources to submit a report on its findings and recommendations to the Legislature before the 1991 Regular Session. Your Committee has also amended the title and made several grammatical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 168, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 168, S.D. 1.

Signed by all members of the Committee.

**S.C.Rep. 3144      Tourism, Recreation and Planning on S.R. No. 153**

The purpose of this resolution is to request the Department of Land and Natural Resources to develop a strategic plan to restrict the operation of long-line tuna vessels within a twenty mile zone of the State, in order to protect the State's ocean resources for the benefit of all users and uses.

Your Committee received testimony from the Department of Land and Natural Resources, which indicated that the resolution was unnecessary.

Your Committee finds that, while the Department of Land and Natural Resources has implemented a "voluntary" twenty mile zone for long-line tuna vessels, complaints have continued regarding long-line vessels fishing too close to the Leeward coast and around the State's Fish Aggregating Devices (FADS). While your Committee recognizes that enforcement of a twenty mile zone will not be an easy task and would prefer a voluntary compliance approach, steps must be taken to ensure compliance. Otherwise, the State's ocean resources will continue to be threatened and unnecessary conflicts and misunderstandings will eventually arise. Your Committee expects that the study will include an examination of all available enforcement techniques, such as marine and air surveillance, photographic surveillance by citizens, and if necessary, onboard observers, as well as the availability of economic and other incentives and disincentives to encourage voluntary compliance with the twenty mile zone.

Your Committee has amended the resolution to require the Department of Land and Natural Resources to submit a report on its findings and recommendations to the Legislature before the 1991 Regular Session. Your Committee has also amended the title and made several grammatical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 153, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 153, S.D. 1.

Signed by all members of the Committee.

**S.C.Rep. 3145      Tourism, Recreation and Planning on S.C.R. No. 216**

The purpose of this resolution is to request the Department of Land and Natural Resources to assess the feasibility of establishing a state park in Makua Valley, Oahu. The resolution would also request the United States Army to prepare a master plan to address the removal of hazardous ordnance and other impediments to establishment of a state park.

Your Committee received opposing testimony from the Department of Land and Natural Resources on the basis that a portion of Makua Valley is leased to the United States Army until the year 2029 and that therefore a feasibility study would be premature.

Your Committee finds that, due to the hazardous ordnance problem and other unique considerations, advance planning for a state park in Makua Valley is appropriate. Also, even though the current lease runs until 2029, there is always the possibility that this land could be declared surplus and returned to the State or that the lease could be terminated earlier than 2029.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 216 and recommends its adoption.

Signed by all members of the Committee.

**S.C.Rep. 3146      Tourism, Recreation and Planning on S.R. No. 199**

The purpose of this resolution is to request the Department of Land and Natural Resources to assess the feasibility of establishing a state park in Makua Valley, Oahu. The resolution would also request the United States Army to prepare a master plan to address the removal of hazardous ordnance and other impediments to establishment of a state park.

Your Committee received opposing testimony from the Department of Land and Natural Resources on the basis that a portion of Makua Valley is leased to the United States Army until the year 2029 and that therefore a feasibility study would be premature.

Your Committee finds that, due to the hazardous ordnance problem and other unique considerations, advance planning for a state park in Makua Valley is appropriate. Also, even though the current lease runs until 2029, there is always the possibility that this land could be declared surplus and returned to the State or that the lease could be terminated earlier than 2029.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 199 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda, Aki and McCartney.

**SCRep. 3147 (Majority) Tourism, Recreation and Planning on S.C.R. No. 240**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility of developing and promoting a pari-mutuel horse racing industry in Hawaii.

Your Committee received supporting testimony from the Hawaii Equine Racing Foundation and one interested citizen. Your Committee received opposing testimony from the Police Department of the City and County of Honolulu.

Your Committee finds that development of a pari-mutuel horse racing industry in Hawaii would result in substantial direct and indirect benefits to the State, including increased recreational, employment, and business opportunities for the citizens of Hawaii, increased tourism, and increased tax revenues. At the same time, your Committee understands the concerns expressed by the Honolulu Police Department. Nevertheless, your Committee finds that the resolution is appropriate, since it merely calls for a study of pari-mutuel horse racing and does not authorize pari-mutuel horse racing at this time. The study will, of course, focus on both the potential benefits and possible disadvantages of permitting pari-mutuel horse racing in Hawaii.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 240 and recommends its adoption.

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

**SCRep. 3148 (Majority) Tourism, Recreation and Planning on S.R. No. 222**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility of developing and promoting a pari-mutuel horse racing industry in Hawaii.

Your Committee received supporting testimony from the Hawaii Equine Racing Foundation and one interested citizen. Your Committee received opposing testimony from the Police Department of the City and County of Honolulu.

Your Committee finds that development of a pari-mutuel horse racing industry in Hawaii would result in substantial direct and indirect benefits to the State, including increased recreational, employment, and business opportunities for the citizens of Hawaii, increased tourism, and increased tax revenues. At the same time, your Committee understands the concerns expressed by the Honolulu Police Department. Nevertheless, your Committee finds that the resolution is appropriate, since it merely calls for a study of pari-mutuel horse racing and does not authorize pari-mutuel horse racing at this time. The study will, of course, focus on both the potential benefits and possible disadvantages of permitting pari-mutuel horse racing in Hawaii.

Your Committee on Tourism Recreation and Planning concurs with the intent and purpose of S.R. No. 222 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 3149 Government Operations on S.C.R. No. 44**

The purpose of this resolution is to request that the counties establish water cistern advisory committees.

These committees would review research, evaluate building materials, revise county codes, develop criteria for rainwater catchment and storage systems, disseminate technical information to the public, and address other water cistern problems.

Your Committee received testimony in support of this resolution from the Department of Health and the University of Hawaii Water Resources Research Center.

The safety of drinking water obtained from roof catchment systems has been the object of legislative inquiries due to the system's inherent susceptibility to contamination. Your Committee finds that the establishment of county committees to research the problems associated with roof catchment systems will provide guidance for persons using such systems, and ensure that the safety and health of the public is maintained.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 44 and recommends its adoption.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3150 Government Operations on S.R. No. 33**

The purpose of this resolution is to request that the counties establish water cistern advisory committees.

These committees would review research, evaluate building materials, revise county codes, develop criteria for rainwater catchment and storage systems, disseminate technical information to the public, and address other water cistern problems.

Your Committee received testimony in support of this resolution from the Department of Health and the University of Hawaii Water Resources Research Center.

The safety of drinking water obtained from roof catchment systems has been the object of legislative inquiries due to the system's inherent susceptibility to contamination. Your Committee finds that the establishment of county committees to research the problems associated with roof catchment systems will provide guidance for persons using such systems, and ensure that the safety and health of the public is maintained.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 33 and recommends its adoption.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3151      Government Operations on S.C.R. No. 77**

The purpose of this resolution is to request the Legislative Auditor to conduct a study on veteran programs, particularly in the areas of health and elderly services provided by the federal and state governments.

According to testimony submitted to your Committee by the Department of Defense, it is estimated that there are currently over 120,000 veterans residing in the State of Hawaii. Of that number, approximately 200 are World War I veterans, 31,200 are World War II veterans, 20,300 are Korean Conflict veterans, and 36,500 are Vietnam era veterans. The balance of the 120,00 veterans are peace time veterans.

Many of these veterans are reaching advanced ages with some requiring special medical and supportive services. Your Committee finds that the extent and types of services needed to assist veterans has not been documented in a systematic manner. In addition, current services offered by state and federal agencies need to be reviewed to determine whether coordination exists between these entities. Your Committee believes that the proposed study will help in the implementation of a coordinated network of services for veterans.

Your Committee has amended this resolution by requiring the Legislative Auditor to: (1) consult with the Executive Office on Aging in conducting the study; and (2) examine the coordination of efforts between state agencies regarding veteran programs.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3152      Government Operations on SR. No. 67**

The purpose of this resolution is to request the Legislative Auditor to conduct a study on veteran programs, particularly in the areas of health and elderly services provided by the federal and state governments.

According to testimony submitted to your Committee by the Department of Defense, it is estimated that there are currently over 120,000 veterans residing in the State of Hawaii. Of that number, approximately 200 are World War I veterans, 31,200 are World War II veterans, 20,300 are Korean Conflict veterans, and 36,500 are Vietnam era veterans. The balance of the 120,00 veterans are peace time veterans.

Many of these veterans are reaching advanced ages with some requiring special medical and supportive services. Your Committee finds that the extent and types of services needed to assist veterans has not been documented in a systematic manner. In addition, current services offered by state and federal agencies need to be reviewed to determine whether coordination exists between these entities. Your Committee believes that the proposed study will help in the implementation of a coordinated network of services for veterans.

Your Committee has amended this resolution by requiring the Legislative Auditor to: (1) consult with the Executive Office on Aging in conducting the study; and (2) examine the coordination of efforts between state agencies regarding veteran programs.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 67, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 67, S.D. 1.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3153      Government Operations on S.C.R. No. 139**

The purpose of this resolution is to urge the City and County of Honolulu and the Hawaiian Telephone Company to upgrade the 911 Emergency Telephone System.

The 911 emergency telephone system provides a uniform method of dispatching emergency services to the public. The system, however, is not without its problems. Your Committee finds that a shutdown of the system may be caused by an auxiliary power failure, or an overload due to too many non-emergency or informational calls.

This resolution urges the City and the Hawaiian Telephone Company to upgrade the 911 system by providing alternate telephone numbers for informational calls, and by educating the public on the use and abuse of the 911 system.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 139 and recommends its adoption.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3154      Government Operations on S.R. No. 125**

The purpose of this resolution is to urge the City and County of Honolulu and the Hawaiian Telephone Company to upgrade the 911 Emergency Telephone System.

The 911 emergency telephone system provides a uniform method of dispatching emergency services to the public. The system, however, is not without its problems. Your Committee finds that a shutdown of the system may be caused by an auxiliary power failure, or an overload due to too many non-emergency or informational calls.

This resolution urges the City and the Hawaiian Telephone Company to upgrade the 911 system by providing alternate telephone numbers for informational calls, and by educating the public on the use and abuse of the 911 system.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 125 and recommends its adoption.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3155      Government Operations on S.C.R. No. 147**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a feasibility study on the possibility of establishing a community center in North Kohala on the Island of Hawaii.

Your Committee finds that the area of North Kohala has one of the fastest growing populations on the Island of Hawaii. The residents often congregate in interest groups but have no facility large enough to accommodate their needs.

Your Committee believes that the development of a community center large enough to accommodate group meetings, social gatherings, and other activities and services would enhance the quality of life for the residents of North Kohala.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 147 and recommends its adoption.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3156      Government Operations on S.R. No. 133**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a feasibility study on the possibility of establishing a community center in North Kohala on the Island of Hawaii.

Your Committee finds that the area of North Kohala has one of the fastest growing populations on the Island of Hawaii. The residents often congregate in interest groups but have no facility large enough to accommodate their needs.

Your Committee believes that the development of a community center large enough to accommodate group meetings, social gatherings, and other activities and services would enhance the quality of life for the residents of North Kohala.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 133 and recommends its adoption.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3157      Government Operations on S.C.R. No. 213**

The purpose of this resolution is to urge Congress to enact legislation to enhance national and community service.

Your Committee received testimony in support of this resolution from the Department of Health.

The U.S. Senate recently passed S.B. No. 1430, a comprehensive proposal to encourage participation and enlistment in service programs, and the measure is now pending in the U.S. House of Representatives. National legislative proposals such as S.B. No. 1430 are intended to enhance the mobilization of a broad cross-section of citizenry to tackle pressing community and human service needs.

Your Committee finds that these legislative efforts will expand opportunities for Americans of all ages to obtain meaningful service experience and increase awareness of the importance of national and community service.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 213 and recommends its adoption.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3158      Government Operations on S.R. No. 195**

The purpose of this resolution is to urge Congress to enact legislation to enhance national and community service.

Your Committee received testimony in support of this resolution from the Department of Health.

The U.S. Senate recently passed S.B. No. 1430, a comprehensive proposal to encourage participation and enlistment in service programs, and the measure is now pending in the U.S. House of Representatives. National legislative proposals such as S.B. No. 1430 are intended to enhance the mobilization of a broad cross-section of citizenry to tackle pressing community and human service needs.

Your Committee finds that these legislative efforts will expand opportunities for Americans of all ages to obtain meaningful service experience and increase awareness of the importance of national and community service.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 195 and recommends its adoption.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3159      (Majority) Government Operations on S.C.R. No. 218**

The purpose of this resolution is to request the City and County of Honolulu to develop a fair and equitable assistance policy for all victims of landslides.

Many communities on Oahu including: Aina Haina, Waiomao, Moanalua, Hawaii Kai, and Kuliouou have sustained damages from landslides. The problem appears to be caused by factors related to zoning, land subdivision, and building code enforcement. Inasmuch as the Legislature is prepared to provide financial assistance as warranted, the City should first prepare an equitable policy for the distribution of such funds.

Your Committee has amended this resolution by requiring that the policy be developed by all of the counties to offer assistance to victims of unanticipated natural disasters.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 218, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 218, S.D. 1.

Signed by all members of the Committee except Senator Menor.  
Senator Blair did not concur.

**SCRep. 3160      (Majority) Government Operations on S.R. No. 201**

The purpose of this resolution is to request the City and County of Honolulu to develop a fair and equitable assistance policy for all victims of landslides.

Many communities on Oahu including: Aina Haina, Waiomao, Moanalua, Hawaii Kai, and Kuliouou have sustained damages from landslides. The problem appears to be caused by factors related to zoning, land subdivision, and building code enforcement. Inasmuch as the Legislature is prepared to provide financial assistance as warranted, the City should first prepare an equitable policy for the distribution of such funds.

Your Committee has amended this resolution by requiring that the policy be developed by all of the counties to offer assistance to victims of unanticipated natural disasters.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 201, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 201, S.D. 1.

Signed by all members of the Committee except Senator Menor.  
Senator Blair did not concur.

**SCRep. 3161      Government Operations on S.C.R. No. 254**

The purpose of this resolution is to request a study on the necessity of enacting enabling legislation relating to community facilities/special tax districts and impact fee assessments for the counties.

The study, conducted by the Hawaii Association of Counties and the Department of the Attorney General, would review the concept of financing infrastructure and improvements through user assessments.

Testimony in support of this resolution was received from the County of Hawaii Department of Finance and the Land Use Research Foundation of Hawaii.

Your Committee has amended this resolution by deleting references to a study and instead, requiring a review of the issue and a report of findings and recommendations by the Attorney General and the Hawaii Association of Counties. Your Committee also made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee finds that this resolution will review the possibility of giving the counties more authority to levy taxes and fees. Your Committee believes that this issue is in line with the concept of home rule, and deserves further review and action by the State.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 254, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 254, S.D. 1.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3162      Government Operations on S.R. No. 232**

The purpose of this resolution is to request a study on the necessity of enacting enabling legislation relating to community facilities/special tax districts and impact fee assessments for the counties.

The study, conducted by the Hawaii Association of Counties and the Department of the Attorney General, would review the concept of financing infrastructure and improvements through user assessments.

Testimony in support of this resolution was received from the County of Hawaii Department of Finance and the Land Use Research Foundation of Hawaii.

Your Committee has amended this resolution by deleting references to a study and instead, requiring a review of the issue and a report of findings and recommendations by the Attorney General and the Hawaii Association of Counties. Your Committee also made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee finds that this resolution will review the possibility of giving the counties more authority to levy taxes and fees. Your Committee believes that this issue is in line with the concept of home rule, and deserves further review and action by the State.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 232, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 232, S.D. 1.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3163      Government Operations on S.C.R. No. 272**

The purpose of this resolution is to endorse the establishment of a United States Decade for Natural Disaster Reduction.

On December 11, 1987, the General Assembly of the United Nations established an International Decade for National Disaster Reduction beginning in 1990, whose goal is to promote cooperative efforts between nations to reduce the ravages of all types of natural hazards. This would be accomplished through the international exchange of data, identification of gaps in knowledge, cooperative research projects, implementation of mitigation measures, preparedness planning and hazard awareness, and the timely and effective transfer of information and knowledge.

Your Committee finds that the establishment of a United States Decade for Natural Disaster Reduction is a means of enhancing existing efforts and promoting new cooperative efforts to reduce the devastating impact of natural hazards in the United States and throughout the world.

Your Committee has amended the resolution by including an endorsement for the establishment of a Hawaii Decade for Natural Disaster Reduction, and by sending certified copies of the resolution to the Department of Defense and the county civil defense agencies.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 272, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 272, S.D. 1.

Signed by all members of the Committee except Senator Menor.

**SCRep. 3164      Government Operations on S.R. No. 254**

The purpose of this resolution is to endorse the establishment of a United States Decade for Natural Disaster Reduction.

On December 11, 1987, the General Assembly of the United Nations established an International Decade for National Disaster Reduction beginning in 1990, whose goal is to promote cooperative efforts between nations to reduce the ravages of all types of natural hazards. This would be accomplished through the international exchange of data, identification of gaps in knowledge, cooperative research projects, implementation of mitigation measures, preparedness planning and hazard awareness, and the timely and effective transfer of information and knowledge.

Your Committee finds that the establishment of a United States Decade for Natural Disaster Reduction is a means of enhancing existing efforts and promoting new cooperative efforts to reduce the devastating impact of natural hazards in the United States and throughout the world.

Your Committee has amended the resolution by including an endorsement for the establishment of a Hawaii Decade for Natural Disaster Reduction, and by sending certified copies of the resolution to the Department of Defense and the county civil defense agencies.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 254, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 254, S.D. 1.



Signed by all members of the Committee except Senator Menor.

**SCRep. 3165      Housing and Hawaiian Programs on S.C.R. No. 61**

The purpose of this resolution is to request the Housing Finance and Development Corporation to determine whether the availability of inexpensive mortgage funds could increase the rate of construction of self-help housing and the extent to which the State can make this financing available.

Your Committee received supporting testimony from the Housing Finance and Development Corporation and the Office of Hawaiian Affairs.

Your Committee finds that self-help housing programs are a viable means of reducing housing costs to affordable levels. Your Committee also finds that provision of low interest financing could remove one of the existing impediments to the construction of self-help housing.

Your Committee has amended the title and body of the resolution to include an examination of low interest land loans and low interest interim construction financing as well as low interest mortgage funds. Your Committee has also made a number of stylistic amendments to the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 61, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 61, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3166      Housing and Hawaiian Programs on S.R. No. 52**

The purpose of this resolution is to request the Housing Finance and Development Corporation to determine whether the availability of inexpensive mortgage funds could increase the rate of construction of self-help housing and the extent to which the State can make this financing available.

Your Committee received supporting testimony from the Housing Finance and Development Corporation and the Office of Hawaiian Affairs.

Your Committee finds that self-help housing programs are a viable means of reducing housing costs to affordable levels. Your Committee also finds that provision of low interest financing could remove one of the existing impediments to the construction of self-help housing.

Your Committee has amended the title and body of the resolution to include an examination of low interest land loans and low interest interim construction financing as well as low interest mortgage funds. Your Committee has also made a number of stylistic amendments to the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 52, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 52, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3167      Housing and Hawaiian Programs on S.C.R. No. 64**

The purpose of this resolution is to request the United States Congress to enact legislation making the United States Government an equal partner with the Hawaiian Homes Commission in building homes for native Hawaiians and in developing viable Hawaiian communities throughout the State.

Your Committee received supporting testimony from the Department of Hawaiian Home Lands.

Your Committee finds that if the vision and potential of the Hawaiian home lands program is to become a reality for native Hawaiians, increased resources need to be contributed to the program by the federal government. Your Committee notes that the Federal-State Task Force on the Hawaiian Homes Commission Act recommended in its 1983 report that the State and the federal government each contribute \$125 million to finance the Department of Hawaiian Home Lands' land development costs over a five-year period. While the State has substantially addressed this recommendation through State appropriations, the federal government's contributions have been quite meager.

In addition to appropriating increased funds for necessary infrastructure improvements on Hawaiian home lands and releasing funds already appropriated, the U.S. Congress should appropriate funds for a federal loan assistance program for native Hawaiians for the purposes of home construction and agricultural development. Also, the U.S. Congress should direct federal agencies to provide available technical assistance and expertise to the Department of Hawaiian Home Lands in the surveying and mapping of Hawaiian home lands, in identifying natural and other resources on Hawaiian home lands, and in undertaking other essential tasks. This technical assistance and expertise should be made available on a non-reimbursable basis.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 64 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3168      Housing and Hawaiian Programs on S.R. No. 55**

The purpose of this resolution is to request the United States Congress to enact legislation making the United States Government an equal partner with the Hawaiian Homes Commission in building homes for native Hawaiians and in developing viable Hawaiian communities throughout the State.

Your Committee received supporting testimony from the Department of Hawaiian Home Lands.

Your Committee finds that if the vision and potential of the Hawaiian home lands program is to become a reality for native Hawaiians, increased resources need to be contributed to the program by the federal government. Your Committee notes that the Federal-State Task Force on the Hawaiian Homes Commission Act recommended in its 1983 report that the State and the federal government each contribute \$125 million to finance the Department of Hawaiian Home Lands' land development costs over a five-year period. While the State has substantially addressed this recommendation through State appropriations, the federal government's contributions have been quite meager.

In addition to appropriating increased funds for necessary infrastructure improvements on Hawaiian home lands and releasing funds already appropriated, the U.S. Congress should appropriate funds for a federal loan assistance program for native Hawaiians for the purposes of home construction and agricultural development. Also, the U.S. Congress should direct federal agencies to provide available technical assistance and expertise to the Department of Hawaiian Home Lands in the surveying and mapping of Hawaiian home lands, in identifying natural and other resources on Hawaiian home lands, and in undertaking other essential tasks. This technical assistance and expertise should be made available on a non-reimbursable basis.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 55 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3169      Housing and Hawaiian Programs on S.C.R. No. 67**

The purpose of this resolution is to request the Hawaii Housing Authority to analyze the feasibility of early participation by the State in the United States Government's HOPE initiative (Homeownership and Opportunity for People Everywhere).

Your Committee received supporting testimony from the Hawaii Housing Authority and one interested citizen.

Your Committee finds that preparations for early participation in the HOPE initiative will ensure that Hawaii receives maximum benefits from the initiative and that Hawaii's unique needs are addressed. Your Committee also finds that creation of incentives and mechanisms to encourage homeownership by renters will tangibly benefit the lives of the renters through the empowerment that ownership provides to people.

Your Committee has amended the resolution to require that the analysis pay particular attention to the efficacy of tenant ownership. Your Committee has also amended the resolution to require the Hawaii Housing Authority to consult with appropriate state and county agencies and private organizations. Your Committee has also made a number of technical amendments to the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 67, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 67, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3170      Housing and Hawaiian Programs on S.R. No. 58**

The purpose of this resolution is to request the Hawaii Housing Authority to analyze the feasibility of early participation by the State in the United States Government's HOPE initiative (Homeownership and Opportunity for People Everywhere).

Your Committee received supporting testimony from the Hawaii Housing Authority and one interested citizen.

Your Committee finds that preparations for early participation in the HOPE initiative will ensure that Hawaii receives maximum benefits from the initiative and that Hawaii's unique needs are addressed. Your Committee also finds that creation of incentives and mechanisms to encourage homeownership by renters will tangibly benefit the lives of the renters through the empowerment that ownership provides to people.

Your Committee has amended the resolution to require that the analysis pay particular attention to the efficacy of tenant ownership. Your Committee has also amended the resolution to require the Hawaii Housing Authority to consult with appropriate state and county agencies and private organizations. Your Committee has also made a number of technical amendments to the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 58, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 58, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3171      Housing and Hawaiian Programs on S.C.R. No. 116**

The purpose of this resolution is to request the Hawaiian Homes Commission and the Department of Hawaiian Home Lands to develop housing projects on Hawaiian home lands to serve elderly native Hawaiians.

Your Committee received supporting testimony from the Hawaiian Homes Commission and the Department of Hawaiian Home Lands, which indicated that a survey of the needs of elderly native Hawaiians was in progress and that the next step would be to formulate more specific plans for elderly housing projects.

Your Committee finds that there is an urgent need for housing opportunities for elderly native Hawaiians. Plans and strategies must be developed to finance and operate suitable housing accommodations.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 116 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3172      Housing and Hawaiian Programs on S.R. No. 102**

The purpose of this resolution is to request the Hawaiian Homes Commission and the Department of Hawaiian Home Lands to develop housing projects on Hawaiian home lands to serve elderly native Hawaiians.

Your Committee received supporting testimony from the Hawaiian Homes Commission and the Department of Hawaiian Home Lands, which indicated that a survey of the needs of elderly native Hawaiians was in progress and that the next step would be to formulate more specific plans for elderly housing projects.

Your Committee finds that there is an urgent need for housing opportunities for elderly native Hawaiians. Plans and strategies must be developed to finance and operate suitable housing accommodations.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 102 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3173      Housing and Hawaiian Programs on S.C.R. No. 234**

The purpose of this resolution is to request the Department of Hawaiian Home Lands to take prompt action to resolve the problem of outstanding long-term leases of Hawaiian home lands to U.S. military departments at nominal rents.

Your Committee received testimony from the Department of Hawaiian Home Lands, which indicated that the Department would present a plan to the Legislature during the 1991 Regular Session addressing this and other problems. Your Committee also received supporting testimony from the American Friends Service Committee.

Your Committee finds that, in many cases, the U.S. military has no legitimate need for the Hawaiian home lands it has acquired by methods of questionable legality. These lands are being held unnecessarily and without just compensation to the detriment of the beneficiaries of the Hawaiian home lands trust. Your Committee finds that this situation must end and the lands must be returned to the trust for the use and benefit of the trust's beneficiaries.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 234 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3174      Housing and Hawaiian Programs on S.R. No. 217**

The purpose of this resolution is to request the Department of Hawaiian Home Lands to take prompt action to resolve the problem of outstanding long-term leases of Hawaiian home lands to U.S. military departments at nominal rents.

Your Committee received testimony from the Department of Hawaiian Home Lands, which indicated that the Department would present a plan to the Legislature during the 1991 Regular Session addressing this and other problems. Your Committee also received supporting testimony from the American Friends Service Committee.

Your Committee finds that, in many cases, the U.S. military has no legitimate need for the Hawaiian home lands it has acquired by methods of questionable legality. These lands are being held unnecessarily and without just compensation to the detriment of the beneficiaries of the Hawaiian home lands trust. Your Committee finds that this situation must end and the lands must be returned to the trust for the use and benefit of the trust's beneficiaries.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 217 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3175      Tourism, Recreation and Planning on S.C.R. No. 112**

The purpose of this resolution is to request the Department of Transportation to work with the County of Hawaii and the Hawaii Visitors Bureau to develop an action plan to resolve traffic safety concerns involving sightseers on certain bridges on the Island of Hawaii.

Your Committee received supporting testimony from the Department of Transportation and the Hawaii Visitors Bureau.

Your Committee finds that steps must be taken to ensure pedestrian safety on certain bridges on the Hamakua and Hilo coasts of the Island of Hawaii, while maximizing opportunities to view the natural beauty in the vicinity of the bridges.

Your Committee has made several grammatical and technical amendments to the resolution, including its title, which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 112, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 112, S.D. 1.

Signed by all members of the Committee except Senators Ikeda, McMurdo and George.

**SCRep. 3176      Tourism, Recreation and Planning on S.R. No. 98**

The purpose of this resolution is to request the Department of Transportation to work with the County of Hawaii and the Hawaii Visitors Bureau to develop an action plan to resolve traffic safety concerns involving sightseers on certain bridges on the Island of Hawaii.

Your Committee received supporting testimony from the Department of Transportation and the Hawaii Visitors Bureau.

Your Committee finds that steps must be taken to ensure pedestrian safety on certain bridges on the Hamakua and Hilo coasts of the Island of Hawaii, while maximizing opportunities to view the natural beauty in the vicinity of the bridges.

Your Committee has made several grammatical and technical amendments to the resolution, including its title, which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 98, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 98, S.D. 1.

Signed by all members of the Committee except Senators Ikeda, McMurdo and George.

**SCRep. 3177      Housing and Hawaiian Programs on S.R. No. 51**

The purpose of this resolution is to request the U.S. Farmers Home Administration to increase the FmHA Section 502 Housing Program loan limits from \$75,000 to \$85,000 for the West Molokai housing project.

Your Committee received supporting testimony from the Housing Finance and Development Corporation and one citizen.

Your Committee finds that, given the estimated costs of dwelling units in the West Molokai housing project, the current FmHA loan limit of \$75,000 is too low for this housing project. Increasing the limit will make low-interest financing available to those low-income families lacking the substantial down payments which would otherwise be required.

Your Committee has made several technical amendments to the title and body of the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 51, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 3178      Housing and Hawaiian Programs on S.C.R. No. 81**

The purpose of this resolution is to express the State's support for the United States Government's HOPE (Homeownership and Opportunity for People Everywhere) initiative.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Hawaii Housing Authority, and one citizen. The Housing Finance and Development Corporation and the Hawaii Housing Authority recommended several amendments to the resolution to address Hawaii's unique economic and housing situations and other concerns.

Your Committee finds that the HOPE initiative will empower the people to take control of their lives, their homes, and their destinies. This federal initiative, if properly developed and implemented, will have a significant beneficial impact on the State.

Your Committee has amended the resolution to incorporate the Housing Finance and Development Corporation's and the Hawaii Housing Authority's recommendations. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 81, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 81, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 3179      Housing and Hawaiian Programs on S.R. No. 71**

The purpose of this resolution is to express the State's support for the United States Government's HOPE (Homeownership and Opportunity for People Everywhere) initiative.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Hawaii Housing Authority, and one citizen. The Housing Finance and Development Corporation and the Hawaii Housing Authority recommended several amendments to the resolution to address Hawaii's unique economic and housing situations and other concerns.

Your Committee finds that the HOPE initiative will empower the people to take control of their lives, their homes, and their destinies. This federal initiative, if properly developed and implemented, will have a significant beneficial impact on the State.

Your Committee has amended the resolution to incorporate the Housing Finance and Development Corporation's and the Hawaii Housing Authority's recommendations. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 71, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 71, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 3180      Housing and Hawaiian Programs on S.C.R. No. 179**

The purpose of this resolution is to request the Housing Finance and Development Corporation to initiate discussions and conduct negotiations with the owners of large private land holdings in this State, with the goal of determining the feasibility of having these lands released, in whole or in part, for affordable housing projects.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, Chalon International of Hawaii, Inc., and the County of Hawaii.

Your Committee finds that the major impediment to the construction of additional affordable housing is the lack of availability of suitable lands. Increased efforts need to be made to convince the owners of large private land holdings of the benefits and viability of developing their lands for affordable housing.

Your Committee has amended the resolution to include the counties in the discussions to be initiated by the Housing Finance and Development Corporation. Your Committee has also made several technical and grammatical amendments to the title and body of the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 179, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 179, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 3181      Housing and Hawaiian Programs on S.R. No. 163**

The purpose of this resolution is to request the Housing Finance and Development Corporation to initiate discussions and conduct negotiations with the owners of large private land holdings in this State, with the goal of determining the feasibility of having these lands released, in whole or in part, for affordable housing projects.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, Chalon International of Hawaii, Inc., and the County of Hawaii.

Your Committee finds that the major impediment to the construction of additional affordable housing is the lack of availability of suitable lands. Increased efforts need to be made to convince the owners of large private land holdings of the benefits and viability of developing their lands for affordable housing.

Your Committee has amended the resolution to include the counties in the discussions to be initiated by the Housing Finance and Development Corporation. Your Committee has also made several technical and grammatical amendments to the title and body of the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 163, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 163, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 3182      Housing and Hawaiian Programs on S.C.R. No. 181**

The purpose of this resolution is to request the Attorney General to determine the legality of electing members of the Board of Trustees of the Office of Hawaiian Affairs by qualified voters residing on each island or in each county. Under the current system, while minimal representation is guaranteed for the islands of Oahu, Kauai, Maui, Molokai, and Hawaii, all members of the Board of Trustees are elected on an at-large basis.

Your Committee received supporting testimony from the Office of Hawaiian Affairs, which identified various issues that need to be addressed in the analysis of this proposal.

Your Committee finds that serious consideration should be given to a change in the system for electing members of the Board of Trustees of the Office of Hawaiian Affairs, so as to ensure proper representation of all of the beneficiaries of the Office. Your Committee expects that the Department of the Attorney General would address the concerns of the Office of Hawaiian Affairs in its analysis of this proposal and that any proposed changes in the election system would be fully discussed with the Hawaiian community before being enacted into law.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 181 and recommends its adoption.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 3183      Housing and Hawaiian Programs on S.R. No. 165**

The purpose of this resolution is to request the Attorney General to determine the legality of electing members of the Board of Trustees of the Office of Hawaiian Affairs by qualified voters residing on each island or in each county. Under the current system, while minimal representation is guaranteed for the islands of Oahu, Kauai, Maui, Molokai, and Hawaii, all members of the Board of Trustees are elected on an at-large basis.

Your Committee received supporting testimony from the Office of Hawaiian Affairs, which identified various issues that need to be addressed in the analysis of this proposal.

Your Committee finds that serious consideration should be given to a change in the system for electing members of the Board of Trustees of the Office of Hawaiian Affairs, so as to ensure proper representation of all of the beneficiaries of the Office. Your Committee expects that the Department of the Attorney General would address the concerns of the Office of Hawaiian Affairs in its analysis of this proposal and that any proposed changes in the election system would be fully discussed with the Hawaiian community before being enacted into law.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 165 and recommends its adoption.

Signed by all members of the Committee except Senator Fernandes Salling.

**SCRep. 3184      Transportation on S.C.R. No. 102**

The purpose of this resolution is to form a committee to designate the new interisland terminal at Honolulu International Airport or a portion thereof in honor of Clarabelle "C.B." Lansing, the first in-flight crewmember of any airline to lose their life in Hawaiian Aviation History.

Your Committee received strong supporting testimony from Captain Tompkins, Mr. Lansing, and the Department of Transportation on this resolution.

Your Committee has amended this resolution to refer to "C.B." as Clarabelle "C.B." Ho Lansing to reflect her maiden name.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 102, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3185      Transportation on S.R. No. 89**

The purpose of this resolution is to form a committee to designate the new interisland terminal at Honolulu International Airport or a portion thereof in honor of Clarabelle "C.B." Lansing, the first in-flight crewmember of any airline to lose their life in Hawaiian Aviation History.

Your Committee received strong supporting testimony from Captain Tompkins, Mr. Lansing, and the Department of Transportation on this resolution.

Your Committee has amended this resolution to refer to "C.B." as Clarabelle "C.B." Ho Lansing to reflect her maiden name.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 89, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 89, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3186      Transportation on S.C.R. No. 167**

The purpose of this resolution is to request that the United States Department of Transportation approve direct airline routes between East Asian countries and Honolulu, Hawaii.

Your Committee finds that a new generation of long range jets such as the Boeing 747-400 and the McDonald-Douglas MD-11 are capable of carrying over 400 passengers and possess a range of 8000 miles. The advent of such long range transportation vehicles opens up the international business realm to Hawaii by offering businesses quick access to new markets. Furthermore, one of the most promising economic options available to Hawaii would be to take advantage of the rapid development of new economic forces in the Asia-Pacific region by facilitating travel between Hawaii and East

Asia for business. Such an expansion of trade in goods and services would further the stated goal of the Legislature and the Governor in diversifying Hawaii's economic base and making it an economic hub of the Pacific.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 167 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3187      Transportation on S.R. No. 152**

The purpose of this resolution is to request that the United States Department of Transportation approve direct airline routes between East Asian countries and Honolulu, Hawaii.

Your Committee finds that a new generation of long range jets such as the Boeing 747-400 and the McDonald-Douglas MD-11 are capable of carrying over 400 passengers and possess a range of 8000 miles. The advent of such long range transportation vehicles opens up the international business realm to Hawaii by offering businesses quick access to new markets. Furthermore, one of the most promising economic options available to Hawaii would be to take advantage of the rapid development of new economic forces in the Asia-Pacific region by facilitating travel between Hawaii and East Asia for business. Such an expansion of trade in goods and services would further the stated goal of the Legislature and the Governor in diversifying Hawaii's economic base and making it an economic hub of the Pacific.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 152 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3188      Transportation on S.C.R. No. 212**

The purpose of this resolution is to urge the Department of Transportation to redesignate and replace two directional signs on Kamehameha Highway in Aiea.

Your Committee finds that the existing directional signs positioned on the Aiea town-bound lane of the Kamehameha Highway exit onto Moanalua Highway create confusion that may lead to accidents. By redesignating these signs, your Committee hopes to alleviate this problem.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 212 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3189      Transportation on S.R. No. 194**

The purpose of this resolution is to urge the Department of Transportation to redesignate and replace two directional signs on Kamehameha Highway in Aiea.

Your Committee finds that the existing directional signs positioned on the Aiea town-bound lane of the Kamehameha Highway exit onto Moanalua Highway create confusion that may lead to accidents. By redesignating these signs, your Committee hopes to alleviate this problem.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 194 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3190      Transportation on S.C.R. No. 214**

The purpose of this resolution is to request the Department of Transportation to consult with the City and County of Honolulu to resolve the traffic congestion problems on the H-1 Freeway between Pearl City and Downtown Honolulu.

Your Committee finds that the traffic flow problems on the H-1 Freeway between Pearl City and Downtown Honolulu is increasing annually. Without cooperation between State and City and County agencies, this escalating problem will never be resolved.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 214 and recommends its adoption.

Signed by all members of the Committee except Senator Nakasato.

**SCRep. 3191      Transportation on S.R. No. 196**

The purpose of this resolution is to request the Department of Transportation to consult with the City and County of Honolulu to resolve the traffic congestion problems on the H-1 Freeway between Pearl City and Downtown Honolulu.

Your Committee finds that the traffic flow problems on the H-1 Freeway between Pearl City and Downtown Honolulu is increasing annually. Without cooperation between State and City and County agencies, this escalating problem will never be resolved.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 196 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3192      Transportation on S.C.R. No. 236**

The purpose of this resolution is to request the United States Congress remove the Highway Trust Fund from the Unified Federal Budget, to protect its funds from being spent on non-transportation programs, and to spend down its surplus funds in a five year period starting in 1992.

Your Committee finds that because the Highway Trust Fund has a significant surplus of funds and is part of the Unified Federal Budget, it is subject to predatory proposals to fund non-transportation projects. By removing the Highway Trust Fund from the Unified Federal Budget, this action would ensure that the moneys in the Trust Fund would be spent on transportation related projects.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 236 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3193      Transportation on S.R. No. 219**

The purpose of this resolution is to request the United States Congress remove the Highway Trust Fund from the Unified Federal Budget, to protect its funds from being spent on non-transportation programs, and to spend down its surplus funds in a five year period starting in 1992.

Your Committee finds that because the Highway Trust Fund has a significant surplus of funds and is part of the Unified Federal Budget, it is subject to predatory proposals to fund non-transportation projects. By removing the Highway Trust Fund from the Unified Federal Budget, this action would ensure that the moneys in the Trust Fund would be spent on transportation related projects.

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.

**SCRep. 3194      Consumer Protection and Commerce on S.C.R. No. 100**

The purpose of this resolution is to request that the Department of Commerce and Consumer Affairs, in cooperation with the Association of Realtors, the Real Estate Commission, and the Institute of Real Estate Managers study the issues and ramifications of implementing mandatory errors and omissions insurance coverage for real estate salespersons, brokers, managers, and agencies.

Your Committee finds that a number of substantial claims are paid out of the Real Estate Recovery Fund because most real estate salespersons, brokers, managers, and agencies do not have the assets or the insurance to cover their errors or omissions. Furthermore, appropriate coverage for such errors or omissions, if available, usually comes at an exorbitant premium and accompanied by outrageous deductibles or coverage limitations.

Your Committee finds that a study is necessary to determine whether the current statute of limitations needs to be amended in order to facilitate a more equitable and functional system of protection from errors and omissions.

Your Committee has amended the resolution by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.C.R. No. 100, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 100, S.D. 1.

Signed by all members of the Committee except Senators McCartney and Nakasato.

**SCRep. 3195      Consumer Protection and Commerce on S.R. No. 87**

The purpose of this resolution is to request that the Department of Commerce and Consumer Affairs, in cooperation with the Association of Realtors, the Real Estate Commission, and the Institute of Real Estate Managers study the issues and ramifications of implementing mandatory errors and omissions insurance coverage for real estate salespersons, brokers, managers, and agencies.

Your Committee finds that a number of substantial claims are paid out of the Real Estate Recovery Fund because most real estate salespersons, brokers, managers, and agencies do not have the assets or the insurance to cover their errors or omissions. Furthermore, appropriate coverage for such errors or omissions, if available, usually comes at an exorbitant premium and accompanied by outrageous deductibles or coverage limitations.

Your Committee finds that a study is necessary to determine whether the current statute of limitations needs to be amended in order to facilitate a more equitable and functional system of protection from errors and omissions.

Your Committee has amended the resolution by making technical, nonsubstantive amendments for the purposes of style and clarity.



Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.R. No. 87, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 87, S.D. 1.

Signed by all members of the Committee except Senators McCartney and Nakasato.

**SCRep. 3196      Consumer Protection and Commerce on S.C.R. No. 137**

The purpose of this resolution is to request the Legislative Reference Bureau to study and report on the need for and the feasibility of adopting a medical fee schedule and treatment guidelines for the payment of motor vehicle no-fault benefits.

The Bureau will also study and review alternatives which might be effective in controlling the rising cost of health care for no-fault benefits, and the Insurance Commissioner and the motor vehicle insurance industry would provide cooperation.

Motor vehicle insurance premium rates are rapidly escalating and are of great concern to your Committee. Apparently, there is a close relationship between rates and higher costs charged by the health care industry for no-fault patients, while workers' compensation costs have stabilized. Your Committee finds that there is a compelling need to control rising health care costs and eliminate abuses in the present system. Adoption of a medical fee schedule and treatment guidelines as possible no-fault insurance cost containment measures are possibilities worthy of deep consideration.

Your Committee has amended this resolution by indicating that a study by the insurance industry indicated that the current no-fault system actually encourages abuse on the part of some patients and their representatives in order to exceed the required threshold for litigation, and by clarifying that the same study indicated that only some health care providers charge more for no-fault cases.

In addition, your Committee has requested the Bureau to consult with other interested parties including the Hawaii Medical Association, the Hawaii Federation of Physicians and Dentists, the Healthcare Association of Hawaii, and the Emergency Medical Services System Branch of the Department of Health.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.C.R. No. 137, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 137, S.D. 1.

Signed by all members of the Committee except Senators McCartney and Nakasato.

**SCRep. 3197      Consumer Protection and Commerce on S.R. No. 119**

The purpose of this resolution is to request the Legislative Reference Bureau to study and report on the need for and the feasibility of adopting a medical fee schedule and treatment guidelines for the payment of motor vehicle no-fault benefits.

The Bureau will also study and review alternatives which might be effective in controlling the rising cost of health care for no-fault benefits, and the Insurance Commissioner and the motor vehicle insurance industry would provide cooperation.

Motor vehicle insurance premium rates are rapidly escalating and are of great concern to your Committee. Apparently, there is a close relationship between rates and higher costs charged by the health care industry for no-fault patients, while workers' compensation costs have stabilized. Your Committee finds that there is a compelling need to control rising health care costs and eliminate abuses in the present system. Adoption of a medical fee schedule and treatment guidelines as possible no-fault insurance cost containment measures are possibilities worthy of deep consideration.

Your Committee has amended this resolution by indicating that a study by the insurance industry indicated that the current no-fault system actually encourages abuse on the part of some patients and their representatives in order to exceed the required threshold for litigation, and by clarifying that the same study indicated that only some health care providers charge more for no-fault cases.

In addition, your Committee has requested the Bureau to consult with other interested parties including the Hawaii Medical Association, the Hawaii Federation of Physicians and Dentists, the Healthcare Association of Hawaii, and the Emergency Medical Services System Branch of the Department of Health.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.R. No. 119, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 119, S.D. 1.

Signed by all members of the Committee except Senators McCartney and Nakasato.

**SCRep. 3198      Education on S.C.R. No. 69**

The purpose of this resolution is to request the Department of Education, in cooperation with the University of Hawaii College of Education and the exclusive bargaining representative for Unit 5, to develop guidelines and procedures to implement an outreach teacher certification program for noncertified special education teachers.

Your Committee received supporting testimony from the HSTA and the State Planning Council on Developmental Disabilities, and finds that there is a significant shortage of qualified special education teachers in Hawaii. In order to deliver quality education programs as mandated by Congress in P.L. 94-142, three hundred new special education teachers will be needed in the next decade. This resolution addresses the problem by allowing noncertified special education teachers who are currently employed by the Department of Education to be appropriately certified under an outreach teacher certification program.

Your Committee has amended the title of this resolution by changing the word "certificated" to "certified."

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 69, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 69, S.D. 1.

Signed by all members of the Committee except Senators Solomon and Koki.

**SCRep. 3199      Education on S.C.R. No. 108**

The purpose of this resolution is to express the Legislature's support of establishment of a pilot Challenger Center affiliate satellite site in Oahu's Leeward School District.

Further, the resolution requests the Challenger Center for Space Science Education to help the Department of Education apply for the project, which will enable the Legislature to consider a funding request by the Department in 1991.

The Challenger Center for Space Science Education was founded by the seven astronaut families as a living memorial to the crew of the Challenger. The Center seeks to equip teachers with new means of teaching science, teach students and prepare them for life in a technological society, promote public and private sector educational partnerships, and raise public awareness of the role of space technology in the nation's future.

Your Committee received a great deal of testimony supporting this bill, much of it from the students who would benefit from establishment of a Center. Your Committee agrees that the future of America and Hawaii will require technological orientation, as witnessed by the efforts of the Legislature and the State to build a full-blown space launch facility on the Big Island. This resolution will benefit many of our young people in ways that otherwise might not be available and is consistent with the Legislature's public policies relating to education and economic development.

Your Committee has amended the title of this resolution to reflect its intent to convey the support of the Legislature for establishment of a Center in Hawaii.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 108, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 108, S.D. 1.

Signed by all members of the Committee Senators Solomon and Koki.

**SCRep. 3200      Education on S.C.R. No. 174**

The purpose of this resolution is to request the Legislative Reference Bureau to study the desirability of amending section 390-2, Hawaii Revised Statutes, relating to employment of minors under eighteen years of age.

The Bureau would consult with the Departments of Labor and Industrial Relations and Education, the HSTA, and the Chamber of Commerce, and make recommendations regarding proposals to prohibit sixteen and seventeen year old students from working after 8:00 p.m. on any evening preceding a school day, to make exceptions for special considerations, and to prohibit suspended students from working during school hours.

Under current law, fourteen and fifteen year old students may not work later than 7:00 p.m. on school nights. However, those age sixteen to eighteen may work without curfew.

Your Committee received supporting testimony from the Superintendent of Education, the Director of Labor and Industrial Relations, and the HSTA, and finds that the many job openings in the current labor market may be tempting older students away from the classroom or into working so late that they are tired or unprepared at school the next day. This resolution would uncover information needed to keep the State current with its unqualified commitment to quality education.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 174 and recommends its adoption.

Signed by all members of the Committee except Senators Solomon and Koki.

**SCRep. 3201      Education on S.C.R. No. 226**

The purpose of this resolution is to request the Department of Education to research and report on various sexual abstinence programs initiated by other jurisdictions in their public schools.

Your Committee is concerned about promiscuity among young teenagers, especially those in school who may contract diseases or be forced to drop out due to pregnancy. If programs which teach or encourage abstinence work, your Committee wishes to know about them.

Your Committee has amended this resolution by requesting the Department to also research teen pregnancy prevention programs and to look into the availability of federal funds to support teen pregnancy prevention programs.

Your Committee has also made a few nonsubstantive language changes for the purposes of clarity and style.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 226, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 226, S.D. 1.

Signed by all members of the Committee except Senators Solomon and Koki.

**SCRep. 3202 Business Development and Pacific Relations on S.C.R. No. 47**

The purpose of this concurrent resolution is to urge the Governor to seek ways in which the State may assist Western and American Samoa in coping with the aftermath of Hurricane Ofa.

Your Committee finds that the people of Western and American Samoa were devastated by the effects of Hurricane Ofa. Infrastructure and necessary agricultural crops were virtually wiped out, leaving Western and American Samoa without food or shelter.

Your Committee has amended the concurrent resolution to reflect that the immediate concerns have been addressed by expedient action of Hawaii and the United States, but what remains are the long term casualties of the hurricane. These casualties include the reconstruction of infrastructure and the replanting and nurturing of important staple crops. Furthermore, your Committee has amended the concurrent resolution to request that all the states of the Western Legislative Conference and the National Conference of State Legislatures cooperate and participate in the revitalization of Western and American Samoa and has amended the title to reflect this amendment.

Your Committee on Business Development and Pacific Relations 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 except Senator Holt.

**SCRep. 3203 Business Development and Pacific Relations on S.C.R. No. 138**

The purpose of this resolution is to request the United States Senate to ratify the articles of the 1976 convention on conservation of nature in the South Pacific ("Apia" Convention).

Your Committee received supporting testimony from the Conservation Council for Hawaii.

Your Committee finds that the articles drafted at the "Apia" Convention encouraged the creation, wise management, and appropriate use of protected areas which together with existing protected areas will safeguard representative samples of the natural ecosystems occurring therein.

Your Committee on Business Development and Pacific Relations concurs with the intent and purpose of S.C.R. No. 138 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

**SCRep. 3204 Business Development and Pacific Relations on S.C.R. No. 73**

The purpose of this resolution is to request the Pacific International Center for High Technology Research (PICHTR) to promote and support international cooperation on novel computing systems.

Your Committee received supporting testimony from the University of Hawaii's College of Engineering.

Your Committee finds that the field of computer technology is changing dynamically and maturing rapidly. Many national and international organizations are looking for novel scientific or technological bases to achieve dramatic improvement or even a breakthrough in the power of computer technology. The University of Hawaii has been conducting such fundamental and applied research in many areas relevant to the establishment of novel computing technologies.

Furthermore, your Committee finds that the State of Hawaii must actively engage in the development of and deployment of new computing technology to enhance its economic future. It is this knowledge-intensive and environmentally clean industry that can assist the State in reaching its potential of leadership in the Pacific.

Your Committee on Business Development and Pacific Relations concurs with the intent and purpose of S.C.R. No. 73 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

**SCRep. 3205 Business Development and Pacific Relations on S.R. No. 64**

The purpose of this resolution is to request the Pacific International Center for High Technology Research (PICHTR) to promote and support international cooperation on novel computing systems.

Your Committee received supporting testimony from the University of Hawaii's College of Engineering.

Your Committee finds that the field of computer technology is changing dynamically and maturing rapidly. Many national and international organizations are looking for novel scientific or technological bases to achieve dramatic improvement or even a breakthrough in the power of computer technology. The University of Hawaii has been conducting such fundamental and applied research in many areas relevant to the establishment of novel computing technologies.

Furthermore, your Committee finds that the State of Hawaii must actively engage in the development of and deployment of new computing technology to enhance its economic future. It is this knowledge-intensive and environmentally clean industry that can assist the State in reaching its potential of leadership in the Pacific.

Your Committee on Business Development and Pacific Relations concurs with the intent and purpose of S.R. No. 64 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

**SCRep. 3206      Agriculture on S.C.R. No. 176**

The purpose of this resolution is to request the Governor's Agriculture Coordinating Committee to review the laws and rules relating to food labeling.

The proper labeling of products made in Hawaii can be an effective marketing tool. The concept, however, is not without its problems. There is confusion regarding the interpretation and enforcement of local labeling laws, and the administrative purview over labeling is divided between two state departments.

This resolution requests a review and if necessary, a clarification of such laws and rules, and a study of the feasibility of placing this area under a single state department or agency.

Your Committee has amended the resolution by requesting the Legislative Reference Bureau, instead of the Governor's Agriculture Coordinating Committee to prepare the report.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 176, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 176, S.D. 1.

Signed by all members of the Committee except Senators Solomon and Fernandes Salling.

**SCRep. 3207      Agriculture on S.R. No. 160**

The purpose of this resolution is to request the Governor's Agriculture Coordinating Committee to review the laws and rules relating to food labeling.

The proper labeling of products made in Hawaii can be an effective marketing tool. The concept, however, is not without its problems. There is confusion regarding the interpretation and enforcement of local labeling laws, and the administrative purview over labeling is divided between two state departments.

This resolution requests a review and if necessary, a clarification of such laws and rules, and a study of the feasibility of placing this area under a single state department or agency.

Your Committee has amended the resolution by requesting the Legislative Reference Bureau, instead of the Governor's Agriculture Coordinating Committee to prepare the report.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 160, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 160, S.D. 1.

Signed by all members of the Committee except Senators Solomon and Fernandes Salling.

**SCRep. 3208      Ways and Means on S.C.R. No. 177**

The purpose of this concurrent resolution is to request the department of taxation to study the feasibility of using one or two page simplified Hawaii income tax return forms designed to incorporate a copy of the taxpayer's federal income tax return.

Your Committee finds that the Hawaii income tax return forms currently in use are largely duplicative of the federal income tax return forms required to be filed by most Hawaii taxpayers. This duplicity of forms has resulted in a substantial and undue burden on Hawaii taxpayers. Your Committee believes that a simplified version of the Hawaii return which incorporates the federal return would help to alleviate the complexity and extra cost of filing the lengthy Hawaii return.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 177 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling, McMurdo, Solomon and Koki.

**SCRep. 3209      Ways and Means on S. R. No. 161**

The purpose of this resolution is to request the department of taxation to study the feasibility of using one or two page simplified Hawaii income tax return forms designed to incorporate a copy of the taxpayer's federal income tax return.

Your Committee finds that the Hawaii income tax return forms currently in use are largely duplicative of the federal income tax return forms required to be filed by most Hawaii taxpayers. This duplicity of forms has resulted in a substantial and undue burden on Hawaii taxpayers. Your Committee believes that a simplified version of the Hawaii return which incorporates the federal return would help to alleviate the complexity and extra cost of filing the lengthy Hawaii return.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 161 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling, McMurdo, Solomon and Koki.

**SCRep. 3210      Ways and Means on S.C.R. No. 78**

The purpose of this concurrent resolution is to request the department of taxation to provide information concerning the amount of general excise tax revenue attributable to:

- (1) Intermediary purchases of goods and services;
- (2) Intermediary positions in multiple-lease transactions;
- (3) Residential real property; and
- (4) Exported and imported services.

Your Committee finds that detailed data relating to the general excise tax would be beneficial in making decisions concerning the imposition of the tax and that the department of taxation may be able to provide some of this data. If the department is unable to develop the data, this measure requests the department to report on changes that must be made to obtain the data.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 78 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling, McMurdo, Solomon and Koki.

**SCRep. 3211      Ways and Means on S.R. No. 69**

The purpose of this resolution is to request the department of taxation to provide information concerning the amount of general excise tax revenue attributable to:

- (1) Intermediary purchases of goods and services;
- (2) Intermediary positions in multiple-lease transactions;
- (3) Residential real property; and
- (4) Exported and imported services.

Your Committee finds that detailed data relating to the general excise tax would be beneficial in making decisions concerning the imposition of the tax and that the department of taxation may be able to provide some of this data. If the department is unable to develop the data, this measure requests the department to report on changes that must be made to obtain the data.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 69 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling, McMurdo, Solomon and Koki.

**SCRep. 3212      Ways and Means on S.C.R. No. 79**

The purpose of this concurrent resolution is to request the department of taxation and the department of business and economic development to investigate whether the taxation of services should be treated similarly to goods with respect to the general excise and use taxes.

Your Committee recognizes that the existing law is inconsistent regarding the taxation of goods versus the taxation of services. The inconsistencies create an apparent advantage to out-of-state providers of services. On the other hand, the tax system's attempts to raise revenues in a fair, reasonable and equitable manner may result in laws that are so difficult to enforce that they create more problems than the original concepts warranted. These issues need to be examined more closely before legislation is considered.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 79 and recommends its adoption.

Signed by all members of the Committee Senators Fernandes Salling, McMurdo, Solomon and Koki.

**SCRep. 3213      Ways and Means on S.R. No. 70**

The purpose of this resolution is to request the department of taxation and the department of business and economic development to investigate whether the taxation of services should be treated similarly to goods with respect to the general excise and use taxes.

Your Committee recognizes that the existing law is inconsistent regarding the taxation of goods versus the taxation of services. The inconsistencies create an apparent advantage to out-of-state providers of services. On the other hand, the tax system's attempts to raise revenues in a fair, reasonable and equitable manner may result in laws that are so difficult to enforce that they create more problems than the original concepts warranted. These issues need to be examined more closely before legislation is considered.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 70 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling, McMurdo, Solomon and Koki.

**SCRep. 3214      Tourism, Recreation and Planning on S.C.R. No. 165**

The purpose of this resolution is to request the Department of Business and Economic Development to: (1) review the West Hawaii Regional Plan; (2) study the land ownership configuration in the area encompassed by the plan and the proposed uses for these lands by the State and other land owners; (3) assess the feasibility of establishing a new State instrumentality for the purpose of coordinating and undertaking the implementation of the West Hawaii Regional Plan; and (4) report on its findings and recommendations to the Legislature.

Your Committee received supporting testimony from the Office of State Planning, the Department of Business and Economic Development, and the Department of Transportation. The Office of State Planning and the Department of Business and Economic Development recommended that the Office of State Planning, rather than the Department, be designated as the lead agency. Your Committee received opposing testimony from the Kohala Coast Resort Association, which felt there was no need for a new instrumentality duplicating responsibilities of existing state agencies.

Your Committee finds that, because of rapidly expanding resort development and other changes in land use patterns in this area, there is a need to review the West Hawaii Regional Plan, particularly the organizational structure and mechanisms for implementing the plan.

Your Committee has amended the resolution to substitute the Office of State Planning as the lead agency for conducting the feasibility study. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 165, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 165, S.D. 1.

Signed by all members of the Committee except Senators Aki and George.

**SCRep. 3215      Tourism, Recreation and Planning on S.C.R. No. 191**

The purpose of this resolution is to request the Stadium Authority to: (1) explore the feasibility of developing a sports complex facility at the Aloha Stadium site, which complex could accommodate a wide variety of major national, regional, and international sporting events and could serve as a sports training center; and (2) develop cost estimates for the facility or facilities.

Your Committee received supporting testimony from the Stadium Authority.

Your Committee finds that the primary impediment to the establishment of Hawaii as an international sports center is the lack of adequate facilities. Your Committee also finds that development of a sports complex would help to meet the demands of the State's growing and active population for new recreational and entertainment opportunities.

Your Committee has amended the title and body of the resolution to expand the requested feasibility study to include other suitable sites.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.C.R. No. 191, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 191, S.D. 1.

Signed by all members of the Committee except Senators Aki and George.

**SCRep. 3216      (Joint) Housing and Hawaiian Programs and Higher Education on S.C.R. No. 99**

The purpose of this resolution is to request the Office of Hawaiian Affairs and the University of Hawaii to work together in assisting Hawaiian students at the University of Hawaii.

Your Committees received supporting testimony from the Office of Hawaiian Affairs and the University of Hawaii.

Your Committees find that Hawaiians are severely underrepresented at the University of Hawaii in relation to their respective population in the public and private schools of Hawaii. Moreover, those Hawaiians who are enrolled at the University of Hawaii have lower cumulative grade point averages, lower graduation rates, higher attrition rates, and are more likely to experience academic difficulties. Your Committees find that cooperation among the Office of Hawaiian Affairs, the University of Hawaii, and the Kamehameha Schools/Bernice Pauahi Bishop Estate and increased education support to Hawaiian students would help to resolve these problems.

Your Committees have amended the title and body of the resolution to include the Kamehameha Schools/Bernice Pauahi Bishop Estate in this cooperative effort to assist Hawaiians in their postsecondary education endeavors. Your Committees have also amended the resolution to include additional findings and to make several grammatical amendments which have no substantive effect.

Your Committees on Housing and Hawaiian Programs and Higher Education concur with the intent and purpose of S.C.R. No. 99, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 99, S.D. 1.

Signed by all members of the Committees except Senators Fernandes Salling, Holt and Koki.

**SCRep. 3217 (Joint) Housing and Hawaiian Programs and Higher Education on S.R. No. 86**

The purpose of this resolution is to request the Office of Hawaiian Affairs and the University of Hawaii to work together in assisting Hawaiian students at the University of Hawaii.

Your Committees received supporting testimony from the Office of Hawaiian Affairs and the University of Hawaii.

Your Committees find that Hawaiians are severely underrepresented at the University of Hawaii in relation to their respective population in the public and private schools of Hawaii. Moreover, those Hawaiians who are enrolled at the University of Hawaii have lower cumulative grade point averages, lower graduation rates, higher attrition rates, and are more likely to experience academic difficulties. Your Committees find that cooperation among the Office of Hawaiian Affairs, the University of Hawaii, and the Kamehameha Schools/Bernice Pauahi Bishop Estate and increased education support to Hawaiian students would help to resolve these problems.

Your Committees have amended the title and body of the resolution to include the Kamehameha Schools/Bernice Pauahi Bishop Estate in this cooperative effort to assist Hawaiians in their postsecondary education endeavors. Your Committees have also amended the resolution to include additional findings and to make several grammatical amendments which have no substantive effect.

Your Committees on Housing and Hawaiian Programs and Higher Education concur with the intent and purpose of S.R. No. 86, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 86, S.D. 1.

Signed by all members of the Committees except Senators Fernandes Salling and Koki.

**SCRep. 3218 (Joint) Housing and Hawaiian Programs and Corrections on S.C.R. No. 210**

The purpose of this resolution is to request the Department of Hawaiian Home Lands and the Department of Public Safety to study the feasibility of utilizing inmate labor on projects undertaken by the Department of Hawaiian Home Lands.

Your Committees received testimony from the Department of Corrections which supported the resolution, subject to the completion of an appropriate needs assessment. The Department of Hawaiian Home Lands indicated that inmate labor could be used in several capacities, but expressed concerns about using inmate labor on the Department's capital improvement projects. The Department was concerned that the projects could be delayed while an appropriate inmate labor program is implemented with the private contractors involved. Your Committees received supporting testimony from The Aged Hawaiians and the Humuula Pastoral Applicants.

Your Committees have amended the title and body of the resolution to make the Office of State Planning the lead agency for purposes of the study. Your Committees have also made numerous grammatical and technical amendments to the resolution which have no substantive effect.

Your Committees on Housing and Hawaiian Programs and Corrections concur with the intent and purpose of S.C.R. No. 210, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 210, S.D. 1.

Signed by all members of the Committees except Senators Fernandes Salling, Aki and Koki.

**SCRep. 3219 (Joint) Housing and Hawaiian Programs and Corrections on S.R. No. 192**

The purpose of this resolution is to request the Department of Hawaiian Home Lands and the Department of Public Safety to study the feasibility of utilizing inmate labor on projects undertaken by the Department of Hawaiian Home Lands.

Your Committees received testimony from the Department of Corrections which supported the resolution, subject to the completion of an appropriate needs assessment. The Department of Hawaiian Home Lands indicated that inmate labor could be used in several capacities, but expressed concerns about using inmate labor on the Department's capital improvement projects. The Department was concerned that the projects could be delayed while an appropriate inmate labor program is implemented with the private contractors involved. Your Committees received supporting testimony from The Aged Hawaiians and the Humuula Pastoral Applicants.

Your Committees have amended the title and body of the resolution to make the Office of State Planning the lead agency for purposes of the study. Your Committees have also made numerous grammatical and technical amendments to the resolution which have no substantive effect.

Your Committees on Housing and Hawaiian Programs and Corrections concur with the intent and purpose of S.R. No. 192, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 192, S.D. 1.

Signed by all members of the Committees except Senators Fernandes Salling, Aki and Koki.

**SCRep. 3220 Business Development and Pacific Relations on S.C.R. No. 119**

The purpose of this resolution is to support the issuance of a certificate of public convenience and necessity to Hawaiian Airlines, Inc., for scheduled air service between Honolulu and Nagoya, Japan and between Honolulu and Fukuoka, Japan, as essential to the development and growth of Hawaii's tourism base.

Hawaiian Airlines Inc., originated air service in Hawaii and has served the State's transportation needs continually for the past sixty years with interisland flights and flights to the mainland United States, the South Pacific, and various other foreign destinations, including chartered flights to Japan.

Your Committee finds that by supporting Hawaiian Airlines' efforts in providing flights from Japan to Hawaii would benefit the economic well-being of the State.

Your Committee on Business Development and Pacific Relations concurs with the intent and purpose of S.C.R. No. 119 and recommends its adoption.

Signed by all members of the Committees except Senators Aki, Holt and George.

**SCRep. 3221 Business Development and Pacific Relations on S.C.R. No. 241**

The purpose of this resolution is to request the High Technology Development Corporation study the feasibility of utilizing optical data storage technology for recording business transactions.

Additionally, the study is to include the issues concerning the legal admissibility of images produced off of optical data storage systems and ascertain which statutes would have to be amended to make the application of this technology consistent.

Your Committee finds that with the advent of electronic funds transfers and electronic data interchange, society has moved into the next generation of paperless data processing. One of these new technologies is optical data storage, the same technology used in manufacturing laser and compact discs.

Your Committee believes that utilization of such a high quality technology would benefit the State immensely by enhancing and streamlining any commercial transactions and operations where accurate records and factual representation are of utmost importance.

Your Committee has amended the resolution by requesting the Legislative Reference Bureau to conduct the study rather than the High Technology Development Corporation and by requesting that the Legislative Reference Bureau consult with the Judiciary, State Bar Association, High Technology Development Corporation, International Business Machines, Wang Corporation, Kodak, Practice Management Services, Inc., and any other interested professional groups.

Your Committee on Business Development and Pacific Relations concurs with the intent and purpose of S.C.R. No. 241, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 241, S.D. 1.

Signed by all members of the Committees except Senators Aki, Holt and George.

**SCRep. 3222 Judiciary on S.C.R. No. 66**

The purpose of this concurrent resolution is to request the legislative auditor to conduct a fiscal and management audit of the sheriff's office operations in Maui county.

Your Committee has amended this concurrent resolution to:

- (1) Require the chief justice of the supreme court of the State of Hawaii to contract with a private accounting firm to conduct a financial audit rather than requiring the legislative auditor to conduct a fiscal and management audit.
- (2) Require the chief justice to appoint a special investigator to conduct an investigation regarding the sexual harassment allegations.
- (3) Change the due date for the report from September 1, 1990 to no later than twenty days prior to the convening of the Regular Session of 1991.
- (4) Make technical, nonsubstantive amendments for purposes of style.

Your Committee on Judiciary is in accord with the intent and purpose of S.C.R. No. 66, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 66, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3223 Judiciary on S.R. No. 57**

The purpose of this resolution is to request the legislative auditor to conduct a fiscal and management audit of the sheriff's office operations in Maui county.

Your Committee has amended this resolution to:

- (1) Require the chief justice of the supreme court of the State of Hawaii to contract with a private accounting firm to conduct a financial audit rather than requiring the legislative auditor to conduct a fiscal and management audit.
- (2) Require the chief justice to appoint a special investigator to conduct an investigation regarding the sexual harassment allegations.



- (3) Change the due date for the report from September 1, 1990 to no later than twenty days prior to the convening of the Regular Session of 1991.
- (4) Make technical, nonsubstantive amendments for purposes of style.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. No. 57, as amended herein, and recommends it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 57, S.D. 1.

Signed by all members of the Committee except Senator Holt.

**SCRep. 3224      Judiciary on S.C.R. No. 206**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study of the civil justice system and the property/casualty insurance system.

The study is supposed to include:

- (1) An evaluation of the total number and monetary value of all tort cases filed in Hawaii for each of the past ten years;
- (2) The total annual amount of all tort judgments and settlements during each of the past ten years;
- (3) The total amount of attorneys fees charged for all tort cases filed in Hawaii for each of the past ten years; and
- (4) A study of comparative national data.

Your Committee finds that the study being requested of the LRB in this concurrent resolution is unworkable for the following reasons:

- (1) While the judiciary does keep data as to the number of tort cases filed by year, it does not keep data as to monetary value, does not keep the records of tort cases separate from the others, and has not computerized the documents filed. Obtaining this data would require the LRB to go through over 150,000 civil cases filed in the past ten years, determine which are tort actions, and try to discover the value of the judgment or settlement. This single aspect of the study alone would be more than could be handled by all of the LRB research staff--even if the LRB did no other studies, drafted no bills, or performed any other research work.

In comparison, the court-annexed arbitration program is planning a more limited review of cases (only those tort cases referred to arbitration during a period of approximately three years, and already subject to the control of that agency), and their project will take three years to complete.

Even if the LRB were to undertake this task, the results would be incomplete--and therefore substantially useless--because the vast majority of cases settle out of court, and most settlements require the amount of the judgment to be confidential.

- (2) Assuming that the data can be found and compiled, it is unclear what value these data will have. If the requirement is to discover the number of cases filed per year and the amount of judgments and settlements paid out during the same year, these figures will bear little relation to each other, as few cases are completed within the same year they are filed. Judgments and settlements paid in 1980, for example, will include cases filed as much as a decade earlier. Thus the number of cases will have little bearing on the amount of judgments and settlement in the same year. If the requirement is to match up cases filed in a given year with their eventual settlement or judgment figure, the amount would also be largely irrelevant, as a 1980 case settled in 1981 would probably differ greatly from a 1980 case litigated and judgment received in 1989. This requirement would also be much more arduous, as it would involve tracking individual cases throughout a decade.
- (3) The total amount of attorneys fees for each of the past ten years is impossible to obtain. A survey of over two dozen law firms in Honolulu regularly involved in tort litigation reveals that firms generally do not even keep their records for more than six years. Even for the years for which records are kept, information is probably not obtainable. While a few firms indicated their desire to cooperate with the legislature, none actually agreed to do so. Most specifically refused to cooperate, giving reasons ranging from the time it would take to review past files, the cost of the review, and the disinclination to let others know their income.
- (4) An additional complicating factor is the inability to neatly label cases as tort or nontort. In today's litigation, attorneys routinely sue under every possible cause of action. Many cases contain these nontort claims, such as contract or breach of warranty claims, as well as tort claims. Unless the courts have specifically apportioned the judgments according to the tort and nontort claims, which is not likely, it is impossible to determine, especially in cases that settle, how much of the plaintiff's recovery is due to the tort, and how much due to the nontort claim. Also, the judiciary categorizes cases based solely on the plaintiff's initial complaint. In many cases, however, counterclaims made by defendants or the addition of third parties to the action, and their respective subsequent claims will change the nature of the action. For example, a plaintiff may sue a defendant to enforce a contract, and the defendant may make a counterclaim alleging emotional distress, which is a tort. A person thus seeking to determine the nature of the suit cannot merely quickly pick up the file and look at the complaint; the person must look through one or more pleadings file to determine what all of the causes of action ultimately were.
- (5) While reasonable amounts of data theoretically might be available through insurance companies, any attempt to conduct this study through data obtained through insurers will ultimately prove unsatisfactory because:

- (A) At most, the study would reflect the tort situation as perceived by insurers, and no one else;
- (B) The data would reflect only those cases which involved insurance coverage;
- (C) Because insurers generally do not pay the plaintiff's attorneys fees, there would be little or no data available on this aspect; and
- (D) In cases involving a variety of causes of action (such as tort and contract), there would be no way to separate the portions attributable to the tort and nontort claims.

Even if the data required for the LRB to undertake this study were to become available, the results will probably be unsatisfactory. Your Committee finds that among the parties interested in the tort system, no consensus exists as to the questions that need to be asked, much less the data that need to be collected in order to evaluate the status of the tort system, on the impact of state tort laws. Accordingly, any conclusions reached--if any could be reached at all, would be challenged on the grounds that they do not accurately portray the reality of the tort system.

Your Committee finds that the public interest will be served much more effectively by establishing the mechanism needed to obtain the data that the interested parties agree are necessary to properly evaluate the tort system.

Your Committee has amended this concurrent resolution to request the LRB to conduct a study to develop the mechanism needed to get the data. In conducting this study, the LRB would:

- (1) Contact the judiciary, the insurance commissioner, plaintiffs and defendants tort attorney organizations, the Chamber of Commerce, and other business organizations to determine what prospective data would be needed to establish an ongoing database of information on our tort system to enable future legislatures to have a consistent source of raw data to use in evaluating the tort system and developing baselines against which the effects of subsequent innovations can be compared;
- (2) Determine what changes, if any, would need to be made in existing laws and agency practices to ensure the proper collection and compilation of data each year; and
- (3) Draft any proposed legislation necessary to implement the recommended changes.

Data on criminal convictions have been maintained routinely for many years. Your Committee finds it no less important to ensure that data on tort cases be maintained on a consistent basis for evaluative purposes. This study is an important step toward obtaining the necessary data. Your Committee finds that the study being requested, while narrower in scope than the original, is still one of substantial magnitude, but one which reasonably can be completed by the LRB staff before the 1991 session.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 206, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 206, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3225      Judiciary on S.R. No. 186**

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to conduct a study of the civil justice system and the property/casualty insurance system.

The study is supposed to include:

- (1) An evaluation of the total number and monetary value of all tort cases filed in Hawaii for each of the past ten years;
- (2) The total annual amount of all tort judgments and settlements during each of the past ten years;
- (3) The total amount of attorneys fees charged for all tort cases filed in Hawaii for each of the past ten years; and
- (4) A study of comparative national data.

Your Committee finds that the study being requested of the LRB in this resolution is unworkable for the following reasons:

- (1) While the judiciary does keep data as to the number of tort cases filed by year, it does not keep data as to monetary value, does not keep the records of tort cases separate from the others, and has not computerized the documents filed. Obtaining this data would require the LRB to go through over 150,000 civil cases filed in the past ten years, determine which are tort actions, and try to discover the value of the judgment or settlement. This single aspect of the study alone would be more than could be handled by all of the LRB research staff--even if the LRB did no other studies, drafted no bills, or performed any other research work.

In comparison, the court-annexed arbitration program is planning a more limited review of cases (only those tort cases referred to arbitration during a period of approximately three years, and already subject to the control of that agency), and their project will take three years to complete.

Even if the LRB were to undertake this task, the results would be incomplete--and therefore substantially useless--because the vast majority of cases settle out of court, and most settlements require the amount of the judgment to be confidential.

- (2) Assuming that the data can be found and compiled, it is unclear what value these data will have. If the requirement is to discover the number of cases filed per year and the amount of judgments and settlements paid out during the same year, these figures will bear little relation to each other, as few cases are completed within the same year they are filed. Judgments and settlements paid in 1980, for example, will include cases filed as much as a decade earlier. Thus the number of cases will have little bearing on the amount of judgments and settlement in the same year. If the requirement is to match up cases filed in a given year with their eventual settlement or judgment figure, the amount would also be largely irrelevant, as a 1980 case settled in 1981 would probably differ greatly from a 1980 case litigated and judgment received in 1989. This requirement would also be much more arduous, as it would involve tracking individual cases throughout a decade.
- (3) The total amount of attorneys fees for each of the past ten years is impossible to obtain. A survey of over two dozen law firms in Honolulu regularly involved in tort litigation reveals that firms generally do not even keep their records for more than six years. Even for the years for which records are kept, information is probably not obtainable. While a few firms indicated their desire to cooperate with the legislature, none actually agreed to do so. Most specifically refused to cooperate, giving reasons ranging from the time it would take to review past files, the cost of the review, and the disinclination to let others know their income.
- (4) An additional complicating factor is the inability to neatly label cases as tort or nontort. In today's litigation, attorneys routinely sue under every possible cause of action. Many cases contain these nontort claims, such as contract or breach of warranty claims, as well as tort claims. Unless the courts have specifically apportioned the judgments according to the tort and nontort claims, which is not likely, it is impossible to determine, especially in cases that settle, how much of the plaintiff's recovery is due to the tort, and how much due to the nontort claim. Also, the judiciary categorizes cases based solely on the plaintiff's initial complaint. In many cases, however, counterclaims made by defendants or the addition of third parties to the action, and their respective subsequent claims will change the nature of the action. For example, a plaintiff may sue a defendant to enforce a contract, and the defendant may make a counterclaim alleging emotional distress, which is a tort. A person thus seeking to determine the nature of the suit cannot merely quickly pick up the file and look at the complaint; the person must look through one or more pleadings file to determine what all of the causes of action ultimately were.
- (5) While reasonable amounts of data theoretically might be available through insurance companies, any attempt to conduct this study through data obtained through insurers will ultimately prove unsatisfactory because:
  - (A) At most, the study would reflect the tort situation as perceived by insurers, and no one else;
  - (B) The data would reflect only those cases which involved insurance coverage;
  - (C) Because insurers generally do not pay the plaintiff's attorneys fees, there would be little or no data available on this aspect; and
  - (D) In cases involving a variety of causes of action (such as tort and contract), there would be no way to separate the portions attributable to the tort and nontort claims.

Even if the data required for the LRB to undertake this study were to become available, the results will probably be unsatisfactory. Your Committee finds that among the parties interested in the tort system, no consensus exists as to the questions that need to be asked, much less the data that need to be collected in order to evaluate the status of the tort system, on the impact of state tort laws. Accordingly, any conclusions reached--if any could be reached at all, would be challenged on the grounds that they do not accurately portray the reality of the tort system.

Your Committee finds that the public interest will be served much more effectively by establishing the mechanism needed to obtain the data that the interested parties agree are necessary to properly evaluate the tort system.

Your Committee has amended this resolution to request the LRB to conduct a study to develop the mechanism needed to get the data. In conducting this study, the LRB would:

- (1) Contact the judiciary, the insurance commissioner, plaintiffs and defendants tort attorney organizations, the Chamber of Commerce, and other business organizations to determine what prospective data would be needed to establish an ongoing database of information on our tort system to enable future legislatures to have a consistent source of raw data to use in evaluating the tort system and developing baselines against which the effects of subsequent innovations can be compared;
- (2) Determine what changes, if any, would need to be made in existing laws and agency practices to ensure the proper collection and compilation of data each year; and
- (3) Draft any proposed legislation necessary to implement the recommended changes.

Data on criminal convictions have been maintained routinely for many years. Your Committee finds it no less important to ensure that data on tort cases be maintained on a consistent basis for evaluative purposes. This study is an important step toward obtaining the necessary data. Your Committee finds that the study being requested, while narrower in scope than the original, is still one of substantial magnitude, but one which reasonably can be completed by the LRB staff before the 1991 session.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 186, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 186, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3226      Judiciary on S.C.R. No. 136**

The purpose of this concurrent resolution is to request the judiciary to conduct a study of the Hawaii rules of evidence (HRE) and propose revisions to update the Rules. The study is to be conducted in consultation with the Hawaii State Bar Association, the prosecutor's office, and the Hawaii defense bar.

The legislature has recently considered various bills to amend the HRE on issues including a victim/counselor privilege, a child witness hearsay exception, a chiropractic privilege, and computer-generated evidence. Your Committee believes that prior to amending the HRE, a comprehensive study should be conducted to provide the legislature with information on these and other issues.

Your Committee has amended the concurrent resolution to request that the judiciary form a committee to conduct the study including representatives from the judiciary, the Hawaii State Bar Association, the prosecutor's office of each county, and the Hawaii defense bar. Your Committee has also amended the concurrent resolution to request that the committee solicit input from the Sex Abuse Treatment Center and from an agency providing counseling to victims of domestic violence on the issues of victim/counselor privilege and a child witness hearsay exception.

Your Committee has amended the title of the concurrent resolution to read: "Requesting the Judiciary to Conduct a Study to Update the Hawaii Rules of Evidence."

Your Committee has made technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.C.R. No. 136, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 136, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3227      Judiciary on S.R. No. 118**

The purpose of this resolution is to request the judiciary to conduct a study of the Hawaii rules of evidence (HRE) and propose revisions to update the Rules. The study is to be conducted in consultation with the Hawaii State Bar Association, the prosecutor's office, and the Hawaii defense bar.

The legislature has recently considered various bills to amend the HRE on issues including a victim/counselor privilege, a child witness hearsay exception, a chiropractic privilege, and computer-generated evidence. Your Committee believes that prior to amending the HRE, a comprehensive study should be conducted to provide the legislature with information on these and other issues.

Your Committee has amended the resolution to request that the judiciary form a committee to conduct the study including representatives from the judiciary, the Hawaii State Bar Association, the prosecutor's office of each county, and the Hawaii defense bar. Your Committee has also amended the resolution to request that the committee solicit input from the Sex Abuse Treatment Center and from an agency providing counseling to victims of domestic violence on the issues of victim/counselor privilege and a child witness hearsay exception.

Your Committee has amended the title of the resolution to read: "Requesting the Judiciary to Conduct a Study to Update the Hawaii Rules of Evidence."

Your Committee has made technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.R. No. 118, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 118, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3228      Judiciary on S.C.R. No. 208**

The purpose of this concurrent resolution is to request the judiciary to form a temporary task force, to be chaired by the administrative director of the courts, to resolve the issues related to administrative revocation of driver's licenses.

Your Committee agrees with the premise of the concurrent resolution that if a law allowing administrative revocation of driver's licenses for drunk driving is enacted this year, it would be necessary to immediately commence planning for the administrative requirements of implementing the law. Your Committee finds that the establishment of a task force, as provided by this concurrent resolution would be an appropriate mechanism to undertake such planning.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 208 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3229      Judiciary on S.C.R. No. 227**

The purpose of this concurrent resolution is to conduct a study to evaluate the effectiveness of a ban on firearms in Hawaii in reducing the incidences of violent crime and accidental shootings.

Your Committee finds that, given the public interest on the issue of gun control, the legislature has an obligation to continue its investigation of the firearms ban issue to determine whether a ban would be effective in reducing violent crimes and accidental shootings in this State.

Your Committee heard testimony from several groups and individuals in favor of this concurrent resolution, including Norman Chung, Edward Masaki, the Hawaii Rifle Association, Patty May, and the Compassionate Friends and Parents of Murdered Children. Your Committee also heard testimony from the legislative reference bureau concerning the feasibility of undertaking the study requested.

Your Committee has amended this concurrent resolution as follows:

- (1) By combining the substance of paragraphs (2) and (3) on page 2;
- (2) By changing the word "determination" to "description" in paragraph (5) and adding the words "based on information provided by the county police departments and the county prosecuting attorneys and the Department of the Attorney General";
- (3) By deleting paragraph (6);
- (4) By changing the language in paragraph (7) to read "An examination of any legislation pending in the United States Congress to ban firearms";
- (5) By combining the substance of paragraphs (8) and (9);
- (6) By renumbering the paragraphs consecutively; and
- (7) By making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 227, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 227, S.D. 1.

Signed by all members of the Committee except Senators Holt and B. Kobayashi.

**SCRep. 3230      Judiciary on S.R. No. 210**

The purpose of this resolution is to conduct a study to evaluate the effectiveness of a ban on firearms in Hawaii in reducing the incidences of violent crime and accidental shootings.

Your Committee finds that, given the public interest on the issue of gun control, the legislature has an obligation to continue its investigation of the firearms ban issue to determine whether a ban would be effective in reducing violent crimes and accidental shootings in this State.

Your Committee heard testimony from several groups and individuals in favor of this resolution, including Norman Chung, Edward Masaki, the Hawaii Rifle Association, Patty May, and the Compassionate Friends and Parents of Murdered Children. Your Committee also heard testimony from the legislative reference bureau concerning the feasibility of undertaking the study requested.

Your Committee has amended this resolution as follows:

- (1) By combining the substance of paragraphs (2) and (3) on page 2;
- (2) By changing the word "determination" to "description" in paragraph (5) and adding the words "based on information provided by the county police departments and the county prosecuting attorneys and the Department of the Attorney General";
- (3) By deleting paragraph (6);
- (4) By changing the language in paragraph (7) to read "An examination of any legislation pending in the United States Congress to ban firearms";
- (5) By combining the substance of paragraphs (8) and (9);
- (6) By renumbering the paragraphs consecutively; and
- (7) By making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 210, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 210, S.D. 1.

Signed by all members of the Committee except Senators Holt and B. Kobayashi.

**SCRep. 3231      Judiciary on S.C.R. No. 243**

The purpose of this concurrent resolution is to increase the awareness of retailers, to stimulate their social conscience, and to assist the government and parents in their attempt to protect children and adults from drug abuse by requesting retailers to refrain from selling cigarette rolling papers where no legitimate use can be supported.

Testimony heard from a broad spectrum of organizations was unanimously in support of the adoption of the measure. Your Committee agrees with all those who testified that drug abuse is an issue that must be dealt with from many sides. Easy access to the means with which to smoke marijuana gives the youth of Hawaii an indirect message that encourages the proliferation of drug abuse. The message that must be sent must be direct. The message must be that the antiquity of rolling one's own tobacco cigarettes has made the use and availability of cigarette rolling papers almost obsolete.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 243 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3232      Judiciary on S.R. No. 225**

The purpose of this resolution is to increase the awareness of retailers, to stimulate their social conscience, and to assist the government and parents in their attempt to protect children and adults from drug abuse by requesting retailers to refrain from selling cigarette rolling papers where no legitimate use can be supported.

Testimony heard from a broad spectrum of organizations was unanimously in support of the adoption of the measure. Your Committee agrees with all those who testified that drug abuse is an issue that must be dealt with from many sides. Easy access to the means with which to smoke marijuana gives the youth of Hawaii an indirect message that encourages the proliferation of drug abuse. The message that must be sent must be direct. The message must be that the antiquity of rolling one's own tobacco cigarettes has made the use and availability of cigarette rolling papers almost obsolete.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 225 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3233      Transportation on S.C.R. No. 6**

The purpose of this resolution is to request the United States Congress to take all necessary actions to designate Hilo International Airport as an incoming port of entry for the acceptance of international flights to the Island of Hawaii.

Your Committee finds that although Honolulu International Airport, Keahole Airport, Lihue Airport, Hilo International Airport, and Kahului Airport all have terminal buildings and are able to accommodate overseas flights, only the Honolulu International Airport presently accepts overseas foreign flights for landing and passenger disembarkment. Over the years, air traffic at the Honolulu International Airport has escalated dramatically and in 1987, thirty-seven percent of all passengers coming into Hawaii were from foreign countries.

Consequently, your Committee finds that utilizing outer island airport facilities such as Hilo International Airport to accept foreign flights would help alleviate the current congestion problem.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 6 and recommends its adoption.

Signed by all members of the Committee except Senators Menor, Mizuguchi and George.

**SCRep. 3234      Judiciary on S.R. No. 188**

The purpose of this resolution is to request the judiciary to form a temporary task force, to be chaired by the administrative director of the courts, to resolve the issues related to administrative revocation of driver's licenses.

Your Committee agrees with the premise of this resolution that if a law allowing administrative revocation of driver's licenses for drunk driving is enacted this year, it would be necessary to immediately commence planning for the administrative requirements of implementing the law. Your Committee finds that the establishment of a task force, as provided by this resolution would be an appropriate mechanism to undertake such planning.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 188 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

**SCRep. 3235      Judiciary on S.C.R. No. 169**

The purpose of this concurrent resolution is to examine the administrative law judge (hearing officer) system in Hawaii, in which each agency has its own group of administrative law judges or hearing officers, to determine whether this model is the optimum. It has been suggested that the creation of a separate office of administrative law judges would promote efficiency and economies of scale, as well as address the concerns of those who find that the practice of having hearing officers come from the agency whose behavior is under review provides an appearance of impropriety.

Your Committee received testimony from the Department of the Attorney General.

Your Committee finds that a review of the administrative law judge system would be appropriate at this time. Your Committee has amended the concurrent resolution to include a review of whether there are other more efficient and less costly measures to promote the efficiency, impartiality, and the fairness of the administrative adjudication process.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 169, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 169, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3236      Government Operations on S.C.R. No. 94**

The purpose of this resolution is to urge Congress to enact legislation to determine when inspection of first class parcels is authorized.

The introduction of illegal plants and animals into the State continues to be a major problem in regulating the balance of the environment and the emigration of foreign pests. A probable entry point for these plants and animals is through the U.S. Postal Service. Although the law prohibits the contents of mail to be inspected, the Postal Service is allowed to inspect mail where the Postal Service has probable cause to believe that a U.S. law has been violated.

This resolution urges Congress to establish standards for the Postal Service to use in determining when first class mail may be inspected.

Your Committee received testimony in support of this measure from the Department of Agriculture. Testimony indicated that currently, the U.S. Department of Agriculture is authorized to inspect all classes of foreign mail, but lacks similar authority for both state and federal agencies to inspect first class mail from domestic sources unless permitted under court order.

Therefore, your Committee has amended this resolution to clarify that the inspection problem exists for domestic mail only. In addition, your Committee has further amended the resolution by eliminating the discretion of the Postal Service to determine whether probable cause exists to inspect mail, and inserted language stating that inspection of mail is to be utilized when there is an overriding government interest in the inspection.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 94, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 94, S.D. 1.

Signed by all members of the Committee except Senators Menor and George.

**SCRep. 3237      Government Operations on S.C.R. No. 36**

The purpose of this resolution is to ratify a proposed amendment to the U. S. Constitution relating to the compensation of congressional members and variations affecting such compensation.

The proposed amendment reads: "No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.

Although the amendment was drafted by the First Congress in 1789, the states may still ratify the amendment pursuant to the U.S. Supreme Court's decision in Coleman v. Miller, 307 U.S. 433 (1939). This resolution represents Hawaii's ratification of the proposed amendment.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 36 and recommends its adoption.

Signed by all members of the Committee except Senators Cobb, Menor and George.

**SCRep. 3238      Government Operations on S.C.R. No. 8**

The purpose of this resolution is to urge Congress to require the U.S. Postal Service to secure a more permanent form of identification from applicants of post office boxes.

Your Committee finds that locating suspected drug-traffickers continues to be a problem for law enforcement agencies. These agencies often depend on the Postal Service to locate such persons whose mailing addresses are post office boxes. When applying for a post office box, applicants are required to list a permanent street address. However, it appears that the addresses listed on the post office box applications are often times temporary or undependable.

This resolution urges Congress to require applicants of post office boxes to provide more reliable sources of identification such as drivers licenses or social security numbers.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 8 and recommends its adoption.

Signed by all members of the Committee except Senators Menor and George.

**SCRep. 3239      Government Operations on S.C.R. No. 158**

The purpose of this resolution is to provide for the job security of the present work force at the Pacific Missile Range Facility (PMRF) at Barking Sands on Kauai.

The PMRF employs workers for security service, fire department, air field and radar support, building maintenance, and trash collection for the base facility, and is Kauai's third major revenue-producing industry.

Your Committee received testimony in support of this resolution from the Economic Development/Human Resources Committee of the Kauai County Council, and the International Brotherhood of Electrical Workers.

Your Committee finds that it is crucial for management, labor, and government officials to work together to resolve the unstable personnel situation at the PMRF. Therefore, your Committee has amended this resolution by requesting that the Department of the Navy take appropriate steps to award all available additional work to the PMRF to ensure job security for the present work force at the facility.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 158, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 158, S.D. 1.

Signed by all members of the Committee except Senators McMurdo, Menor and George.

**SCRep. 3240      Government Operations on S.R. No. 144**

The purpose of this resolution is to provide for the job security of the present work force at the Pacific Missile Range Facility (PMRF) at Barking Sands on Kauai.

The PMRF employs workers for security service, fire department, air field and radar support, building maintenance, and trash collection for the base facility, and is Kauai's third major revenue-producing industry.

Your Committee received testimony in support of this resolution from the Economic Development/Human Resources Committee of the Kauai County Council, and the International Brotherhood of Electrical Workers.

Your Committee finds that it is crucial for management, labor, and government officials to work together to resolve the unstable personnel situation at the PMRF. Therefore, your Committee has amended this resolution by requesting that the Department of the Navy take appropriate steps to award all available additional work to the PMRF to ensure job security for the present work force at the facility.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 144, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 144, S.D. 1.

Signed by all members of the Committee except Senators McMurdo, Menor and George.

**SCRep. 3241      (Majority) Government Operations on S.C.R. No. 45**

The purpose of this resolution is to request the United States Congress to propose an amendment to the United States Constitution to limit the number of terms of service in the United States House of Representatives or the United States Senate.

It was the original intent of the founders of our nation that Congress be a nonpartisan, part-time legislative body whose members would take time from their normal businesses and professions to attend the congressional session for four or five months out of the year. As the nation grew, so did the amount of business before Congress, requiring congressional delegates to make legislation their full-time profession.

Relatedly, the power of incumbency has grown proportionally, making the incumbent nearly unassailable in normal elections. With the present seniority system in Congress, a disproportionate amount of importance has been placed on electoral longevity. Your Committee finds that a limit on the number of terms a person may serve in the United States Congress will bring new, fresh people and ideas to Congress and reduce the emphasis and value placed on seniority and longevity. Your Committee believes that this measure will help reshape the Congress into a more flexible, innovative, and rejuvenated body.

The first "BE IT FURTHER RESOLVED" clause provides that Congress consider this resolution to be a continuing application for the proposal of a constitutional amendment until such amendment is proposed by Congress. Your Committee deleted this clause due to the lack of public discussion and debate on the issue. Although your Committee supports the intent of this resolution, it appears inappropriate to retain language with such long term and significant ramifications.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 45, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 45, S.D. 1.

Signed by all members of the Committee except Senators Menor and George.  
Senator Yamasaki did not concur.

**SCRep. 3242      (Majority) Government Operations on S.R. No. 41**

The purpose of this resolution is to request the United States Congress to propose an amendment to the United States Constitution to limit the number of terms of service in the United States House of Representatives or the United States Senate.

It was the original intent of the founders of our nation that Congress be a nonpartisan, part-time legislative body whose members would take time from their normal businesses and professions to attend the congressional session for four or five months out of the year. As the nation grew, so did the amount of business before Congress, requiring congressional delegates to make legislation their full-time profession.



Relatedly, the power of incumbency has grown proportionally, making the incumbent nearly unassailable in normal elections. With the present seniority system in Congress, a disproportionate amount of importance has been placed on electoral longevity. Your Committee finds that a limit on the number of terms a person may serve in the United States Congress will bring new, fresh people and ideas to Congress and reduce the emphasis and value placed on seniority and longevity. Your Committee believes that this measure will help reshape the Congress into a more flexible, innovative, and rejuvenated body.

The first "BE IT FURTHER RESOLVED" clause provides that Congress consider this resolution to be a continuing application for the proposal of a constitutional amendment until such amendment is proposed by Congress. Your Committee deleted this clause due to the lack of public discussion and debate on the issue. Although your Committee supports the intent of this resolution, it appears inappropriate to retain language with such long term and significant ramifications.

Your Committee on Government Operations 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 except Senators Menor and George.  
Senator Yamasaki did not concur.

**SRep. 3243      Government Operations on S.C.R. No. 57**

The purpose of this resolution is to request that the Department of Accounting and General Services (DAGS) determine a site and approximate cost of constructing and maintaining a large multipurpose center on the Waianae Coast to serve Nanakuli, Maile, Waianae, and Makaha residents.

Residents of the Waianae coast who testified in support of this resolution stated that present facilities in the area are inadequate to support the activities of the growing community. Your Committee finds that the construction of a large multipurpose center would greatly benefit the residents of the Waianae coast by providing a convenient location for a variety of community activities and gatherings.

Your Committee has amended this resolution by inserting language urging the Waianae coast community to provide DAGS with a detailed needs assessment and program plans for the facility. This information will allow DAGS to make an accurate cost estimate and select an appropriate location for the multipurpose center.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 57, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 57, S.D. 1.

Signed by all members of the Committee except Senators Menor and George.

**SRep. 3244      Government Operations on S.R. No. 49**

The purpose of this resolution is to request that the Department of Accounting and General Services (DAGS) determine a site and approximate cost of constructing and maintaining a large multipurpose center on the Waianae Coast to serve Nanakuli, Maile, Waianae, and Makaha residents.

Residents of the Waianae coast who testified in support of this resolution stated that present facilities in the area are inadequate to support the activities of the growing community. Your Committee finds that the construction of a large multipurpose center would greatly benefit the residents of the Waianae coast by providing a convenient location for a variety of community activities and gatherings.

Your Committee has amended this resolution by inserting language urging the Waianae coast community to provide DAGS with a detailed needs assessment and program plans for the facility. This information will allow DAGS to make an accurate cost estimate and select an appropriate location for the multipurpose center.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 49, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 49, S.D. 1.

Signed by all members of the Committee except Senators Menor and George.

**SRep. 3245      Government Operations on S.C.R. No. 209**

The purpose of this resolution is to urge the Governor to appoint an equal number of women to the 104 appointive State boards, commissions, committees, and authorities.

After thorough consideration, your Committee on Government Operations finds that this resolution is long overdue and most appropriate. Less than twenty-eight percent of all current members of these State entities are women. Your Committee finds that a sufficient pool of talent and experience exists among the women in this State that will provide an ample selection for at least half of the seats on the State's boards, committees, commissions, and authorities.

Your Committee has received testimony from the American Association of University Women, Young Women's Christian Association (YWCA) of Oahu, Hawaii Healthy Mothers, Healthy Babies Coalition, and a Public Health Nurse, all strongly in favor of this resolution.

Your Committee has amended this resolution by: (1) incorporating the recommendation of the YWCA to create a task force that would assist the Governor in seeking out women in the community whose presence as appointees would benefit

the various State entities; and (2) clarifying the intent of the resolution by urging the Governor to appoint an equal number of women and men to all State boards, committees, authorities, and commissions.

Your Committee on Government Operations concurs with the intent and purpose of S.C.R. No. 209, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 209, S.D. 1.

Signed by all members of the Committee except Senators Menor and George.

**SCRep. 3246      Government Operations on S.R. No. 189**

The purpose of this resolution is to urge the Governor to appoint an equal number of women to the 104 appointive State boards, commissions, committees, and authorities.

After thorough consideration, your Committee on Government Operations finds that this resolution is long overdue and most appropriate. Less than twenty-eight percent of all current members of these State entities are women. Your Committee finds that a sufficient pool of talent and experience exists among the women in this State that will provide an ample selection for at least half of the seats on the State's boards, committees, commissions, and authorities.

Your Committee has received testimony from the American Association of University Women, Young Women's Christian Association (YWCA) of Oahu, Hawaii Healthy Mothers, Healthy Babies Coalition, and a Public Health Nurse, all strongly in favor of this resolution.

Your Committee has amended this resolution by: (1) incorporating the recommendation of the YWCA to create a task force that would assist the Governor in seeking out women in the community whose presence as appointees would benefit the various State entities; and (2) clarifying the intent of the resolution by urging the Governor to appoint an equal number of women and men to all State boards, committees, authorities, and commissions.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 189, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 189, S.D. 1.

Signed by all members of the Committee except Senators Menor and George.

**SCRep. 3247      (Joint) Health and Human Services on S.C.R. No. 231**

The purpose of this concurrent resolution is to request the Departments of Health and Human Services to study ways to provide Clozaril therapy to eligible patients.

Specifically, the study would investigate ways to provide insurance coverage to patients using Clozaril therapy and determine methods of reducing Clozaril therapy costs.

Your Committees received testimony in support of this concurrent resolution from the Department of Human Services, the Mental Health Association in Hawaii, and the Hawaii Psychiatric Society. Testimony indicated that patients who have not responded to various anti-psychotic medication have demonstrated dramatic improvement with Clozaril therapy, but that the costs associated with the use of Clozaril are prohibitive for most people in need of such treatment. Your Committees find that Clozaril therapy is a viable alternative for chronically mentally ill patients, and every effort must be made to ensure that Clozaril is made available to all eligible persons.

Your Committees on Health and Human Services concur with the intent and purpose of S.C.R. No. 231, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 231, S.D. 1.

Signed by all members of the Committees.

**SCRep. 3248      (Joint) Health and Human Services on S.R. No. 214**

The purpose of this resolution is to request the Departments of Health and Human Services to study ways to provide Clozaril therapy to eligible patients.

Specifically, the study would investigate ways to provide insurance coverage to patients using Clozaril therapy and determine methods of reducing Clozaril therapy costs.

Your Committees received testimony in support of this resolution from the Department of Human Services, the Mental Health Association in Hawaii, and the Hawaii Psychiatric Society. Testimony indicated that patients who have not responded to various anti-psychotic medication have demonstrated dramatic improvement with Clozaril therapy, but that the costs associated with the use of Clozaril are prohibitive for most people in need of such treatment. Your Committees find that Clozaril therapy is a viable alternative for chronically mentally ill patients, and every effort must be made to ensure that Clozaril is made available to all eligible persons.

Your Committees on Health and Human Services concur with the intent and purpose of S.R. No. 214, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 214, S.D. 1.

Signed by all members of the Committees except Senator Menor.

**SCRep. 3249      Health on S.C.R. No. 127**

The purpose of this resolution is to request the Governor to assemble a Blue Ribbon Panel of health care experts to study and report to the Legislature on the status of Hawaii's health care delivery system.

The 1989 Legislature found that the amount of Medicare and Medicaid reimbursements Hawaii's health care providers are receiving versus the actual costs of health care and long term care delivery is unsatisfactory. In response, the Legislature appropriated \$3 million to reimburse institutional medical care providers.

Recognizing that in addition to unsatisfactory reimbursement, factors such as lack of trained personnel in acute care in rural areas, and closure of facilities and overcrowding in those which remain in operation, are contributing to potential system dysfunction, the 1989 Legislature also appointed the Healthcare Association of Hawaii to lead a task force to study inpatient discharge planning services. Several short and long term recommendations resulted from that study; however, it is by now quite clear that a thorough, in-depth study is required to fully comprehend and address the problems besetting the delivery system.

Your Committee received testimony supporting this resolution from the Director of Health, the Director of Human Services, HMSA, SHPDA, the Healthcare System of Hawaii, and St. Francis Medical Center, and finds that it is crucial to the well-being of the people of Hawaii that the public and private health care delivery system operate at maximum efficiency. Every individual in this State has a right to affordable and quality health care, and it is the responsibility of your Committee, the Legislature, and the State to ensure that public policies, decision-making, and programs reflect the State's absolute commitment to providing for the public health. This resolution is a constructive and appropriate approach to resolving some of the more serious problems which presently confront Hawaii's health care delivery system.

Your Committee has amended this resolution as follows:

- (1) Provided for the Blue Ribbon Panel to consist of representatives from state agencies, business, finance, labor, and the health care industry, including but not limited to HMSA, the Healthcare Association of Hawaii, the John A. Burns School of Medicine, the Hawaii Medical Association, Kaiser Foundation Health Plan, Inc., and the Hawaii Long Term Care Association;
- (2) Requested the Governor to appoint the Panel as quickly as possible;
- (3) Specified that the study should encompass inpatient care, individual practitioners, and ancillary services;
- (4) Requested a preliminary report in 1991 and a final report in 1992 if one year is insufficient to carry out a project of this magnitude; and
- (5) Provided for certified copies of the resolution to be transmitted to the Governor, the Hawaii Medical Association, HMSA, and Kaiser Foundation Health Plan, Inc.

Your Committee has also made some nonsubstantive technical and stylistic changes for the purpose of clarity.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 127, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 127, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3250      Health on S.C.R. No. 65**

The purpose of this concurrent resolution is to request the State to provide future matching funds for a private community hospital in North Hawaii at Waimea.

Your Committee finds that North Hawaii's need for an accessible fifty-bed, full-service, acute-care, community hospital capable of medical, surgical, obstetrical and cardiac care, has been well documented. These studies recommend the construction of a third acute-care hospital on the Big Island at Waimea.

The majority of North Hawaii residents and tourists now live fifty or more miles from the hospitals at Hilo and Kona. A hospital in Waimea would appreciably improve medical services to save lives and to keep pace with the growing community.

Due to the efforts of the North Hawaii Community, which has worked with the State Health Planning and Development Agency, the Department of Health, the North Hawaii Community Hospital, Inc., and the Legislature, the planning and design phases of the Waimea hospital has already begun. The next step requires the Governor to release more funds to continue work on the hospital. This concurrent resolution urges his support to make the Waimea Hospital a reality to better serve the medical needs of North Hawaii.

Your Committee has amended the concurrent resolution by requesting the general support of the administration in building Waimea Hospital, which clarifies the intent of the concurrent resolution. Your Committee also made technical nonsubstantive amendments for the purpose of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 65, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 65, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3251      Health on S.R. No. 56**

The purpose of this resolution is to request the State to provide future matching funds for a private community hospital in North Hawaii at Waimea.

Your Committee finds that North Hawaii's need for an accessible fifty-bed, full-service, acute-care, community hospital capable of medical, surgical, obstetrical and cardiac care, has been well documented. These studies recommend the construction of a third acute-care hospital on the Big Island at Waimea.

The majority of North Hawaii residents and tourists now live fifty or more miles from the hospitals at Hilo and Kona. A hospital in Waimea would appreciably improve medical services to save lives and to keep pace with the growing community.

Due to the efforts of the North Hawaii Community, which has worked with the State Health Planning and Development Agency, the Department of Health, the North Hawaii Community Hospital, Inc., and the Legislature, the planning and design phases of the Waimea hospital has already begun. The next step requires the Governor to release more funds to continue work on the hospital. This resolution urges his support to make the Waimea Hospital a reality to better serve the medical needs of North Hawaii.

Your Committee has amended the resolution by requesting the general support of the administration in building Waimea Hospital, which clarifies the intent of the resolution. Your Committee also made technical nonsubstantive amendments for the purpose of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 56, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3252      Health on S.C.R. No. 31**

The purpose of this concurrent resolution is to request the Department of Health to establish a pilot psychiatric skilled nursing facility program at Samuel Mahelona Memorial Hospital.

Many people in the state suffer from both physical and mental ailments. Those who are critically ill can receive help at an acute hospital facility. But for those who are not critically ill, or for those whose condition improves while in an acute hospital, there are no skilled nursing facilities available to treat their combined illnesses.

This concurrent resolution addresses this inadequacy in our community by requesting the Department of Health to establish a psychiatric skilled nursing facility at the Samuel Mahelona Hospital on Kauai. Your Committee finds, however, that this problem warrants legislation that will benefit the entire state. Therefore, your Committee has amended the scope of the concurrent resolution by requesting the Department of Health to establish skilled nursing facilities throughout the state.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 31, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 31, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3253      Health on S.R. No. 29**

The purpose of this resolution is to request the Department of Health to establish a pilot psychiatric skilled nursing facility program at Samuel Mahelona Memorial Hospital.

Many people in the state suffer from both physical and mental ailments. Those who are critically ill can receive help at an acute hospital facility. But for those who are not critically ill, or for those whose condition improves while in an acute hospital, there are no skilled nursing facilities available to treat their combined illnesses.

This resolution addresses this inadequacy in our community by requesting the Department of Health to establish a psychiatric skilled nursing facility at the Samuel Mahelona Hospital on Kauai. Your Committee finds, however, that this problem warrants legislation that will benefit the entire state. Therefore, your Committee has amended the scope of the resolution by requesting the Department of Health to establish skilled nursing facilities throughout the state.

Your Committee on Health concurs with the intent and purpose of S.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 29, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3254      Health on S.C.R. No. 126**

The purpose of this concurrent resolution is to establish a Council on Chemical Dependency and Pregnancy.

The problems associated with alcohol consumption and drug abuse continue to plague our community. A serious problem that deserves more attention concerns the offspring of women who consume alcohol or drugs while pregnant. In-utero exposure to alcohol or drugs has long-term consequences for the unborn infant including learning disabilities, impaired motor skills, and developmental problems such as those associated with fetal alcohol syndrome.

This concurrent resolution requests the establishment of a Council on Chemical Dependency and Pregnancy to act as the lead agency in combatting this problem. With the input of a knowledgeable and dedicated Council, the Legislature can act statutorily to ensure the protection and safety of pregnant mothers and their children.

Your Committee has amended the concurrent resolution by: (1) including "primary prevention" in the fifth WHEREAS clause as a method of reducing the occurrence of drug-exposed newborns; (2) clarifying that the Council, in assessing required services focus on both present and future needs, and allowing the Council to add any factors it deems appropriate in preparing a needs assessment; (3) sending certified copies to all agencies referred to in the concurrent resolution; and (4) making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 126, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 126, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3255      Health on S.R. No. 111**

The purpose of this resolution is to establish a Council on Chemical Dependency and Pregnancy.

The problems associated with alcohol consumption and drug abuse continue to plague our community. A serious problem that deserves more attention concerns the offspring of women who consume alcohol or drugs while pregnant. In-utero exposure to alcohol or drugs has long-term consequences for the unborn infant including learning disabilities, impaired motor skills, and developmental problems such as those associated with fetal alcohol syndrome.

This resolution requests the establishment of a Council on Chemical Dependency and Pregnancy to act as the lead agency in combatting this problem. With the input of a knowledgeable and dedicated Council, the Legislature can act statutorily to ensure the protection and safety of pregnant mothers and their children.

Your Committee has amended the resolution by: (1) including "primary prevention" in the fifth WHEREAS clause as a method of reducing the occurrence of drug-exposed newborns; (2) clarifying that the Council, in assessing required services focus on both present and future needs, and allowing the Council to add any factors it deems appropriate in preparing a needs assessment; (3) sending certified copies to all agencies referred to in the resolution; and (4) making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.R. No. 111, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 111, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3256      Health on S.C.R. No. 155**

The purpose of this resolution is to request the the Department of Health to report to the Legislature on Ciguatera poisoning.

Ciguatera is transmitted through fish and other marine life indigenous to Hawaiian waters and, while incidences are increasing, little is known about it. This resolution requests the Department to compile, study, and summarize information on Ciguatera poisoning so that appropriate strategies may be developed to address the problem.

Your Committee has amended this resolution by requesting the Department to consult with the Legislative Reference Bureau.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 155, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 155, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3257      Health on S.R. No. 141**

The purpose of this resolution is to request the the Department of Health to report to the Legislature on Ciguatera poisoning.

Ciguatera is transmitted through fish and other marine life indigenous to Hawaiian waters and, while incidences are increasing, little is known about it. This resolution requests the Department to compile, study, and summarize information on Ciguatera poisoning so that appropriate strategies may be developed to address the problem.

Your Committee has amended this resolution by requesting the Department to consult with the Legislative Reference Bureau.

Your Committee on Health concurs with the intent and purpose of S.R. No. 141, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 141, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3258      Health on S.C.R. No. 172**

The purpose of this resolution is to request the Department of Health to implement recommendations relating to the shortage of physical and occupational therapists in the public schools.

The recommendations were developed by the Department and the Legislative Reference Bureau and reported to the 1988 Legislature in response to various resolutions.

The recommendations, which your Committee finds are worthy and appropriate, relate to job-sharing, substitute positions, comparable work days, new supervisory positions, higher per diem pay, neighbor island training, paid leave for education, education tuition, relocation payments, temporary housing, higher contractual stipends, conversion of temporary positions to permanent, university training, use of state vehicles, and the Least Restrictive Environment rule.

The Departments of Education, Personnel Services, and Accounting and General Services, and the University of Hawaii, among others, will help with this task.

Your Committee finds that there is a critical need for physical and occupational therapists to help special education students in the public schools. This need will increase as more children with special needs enter the school system. The recommendations enumerated in this resolution will have a beneficial effect on the ability of the State to attract and retain qualified therapists.

Your Committee has amended this resolution by deleting the recommendation relating to the Least Restrictive Environment rule and inserting a recommendation to coordinate a review to determine which department should have jurisdiction over school health services.

Your Committee has further amended this resolution and its title by requesting that the scope of implementation encompass other professionals who help handicapped children, and by providing for certified copies to be transmitted to the Superintendent of Education, the Comptroller, and the President of the University of Hawaii.

In addition, your Committee has made some nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 172, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 172, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3259      Health on S.R. No. 156**

The purpose of this resolution is to request the Department of Health to implement recommendations relating to the shortage of physical and occupational therapists in the public schools.

The recommendations were developed by the Department and the Legislative Reference Bureau and reported to the 1988 Legislature in response to various resolutions.

The recommendations, which your Committee finds are worthy and appropriate, relate to job-sharing, substitute positions, comparable work days, new supervisory positions, higher per diem pay, neighbor island training, paid leave for education, education tuition, relocation payments, temporary housing, higher contractual stipends, conversion of temporary positions to permanent, university training, use of state vehicles, and the Least Restrictive Environment rule.

The Departments of Education, Personnel Services, and Accounting and General Services, and the University of Hawaii, among others, will help with this task.

Your Committee finds that there is a critical need for physical and occupational therapists to help special education students in the public schools. This need will increase as more children with special needs enter the school system. The recommendations enumerated in this resolution will have a beneficial effect on the ability of the State to attract and retain qualified therapists.

Your Committee has amended this resolution by deleting the recommendation relating to the Least Restrictive Environment rule and inserting a recommendation to coordinate a review to determine which department should have jurisdiction over school health services.

Your Committee has further amended this resolution and its title by requesting that the scope of implementation encompass other professionals who help handicapped children, and by providing for certified copies to be transmitted to the Superintendent of Education, the Comptroller, and the President of the University of Hawaii.

In addition, your Committee has made some nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.R. No. 156, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 156, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3260      Health on S.C.R. No. 180**

The purpose of this resolution is as stated in the title.

Your Committee received testimony in support of this resolution from the Department of Health and the Kapiolani Medical Center for Women and Children.

Testimony indicated that the birth of a neurologically impaired infant often leads to a malpractice claim against the attending physician even when there is no evidence of any negligence. Such suits account for about thirty percent of all obstetric claims, and have a lower rate of settlement than other claims.

The threat of these types of law suits and the cost of liability insurance are forcing many family practitioners and obstetricians to terminate their practice. This results in limited access by pregnant women to necessary prenatal care, and increases in health insurance premiums. Florida and Virginia have adopted a no-fault, administrative system to address this situation, with several other states considering similar legislation. Your Committee finds that a thorough evaluation of establishing a similar no-fault system for Hawaii should be investigated.

Your Committee has amended this resolution by requiring the Legislative Reference Bureau (LRB) to conduct the evaluation instead of the Department of Health, and also requiring the LRB to seek input from respective legislative reference bureaus of other states proposing similar legislation. In addition, your Committee has made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 180, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 180, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3261      Health on S.C.R. No. 192**

The purpose of this resolution is to request the implementation of recommendations in the Legislative Auditor's report, "Evaluation of the Quality of Care in Homes Serving People with Developmental Disabilities."

Testimony in support of this resolution was received from the Department of Health and the State Planning Council on Developmental Disabilities.

Your Committee concurs with the testimony stating that the recommendations made in the report offer innovative solutions to improve the quality of care to persons with developmental disabilities. Your Committee finds that a coordinated and proactive approach must be taken by the Department of Health and other appropriate advocacy agencies in order to effectively implement these recommendations.

Your Committee has amended this measure by requesting that the State Planning Council on Developmental Disabilities take part in the review, evaluation, and implementation of the recommendations made in the Legislative Auditor's report.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 192, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 192, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3262      Health on S.R. No. 174**

The purpose of this resolution is to request the implementation of recommendations in the Legislative Auditor's report, "Evaluation of the Quality of Care in Homes Serving People with Developmental Disabilities."

Testimony in support of this resolution was received from the Department of Health and the State Planning Council on Developmental Disabilities.

Your Committee concurs with the testimony stating that the recommendations made in the report offer innovative solutions to improve the quality of care to persons with developmental disabilities. Your Committee finds that a coordinated and proactive approach must be taken by the Department of Health and other appropriate advocacy agencies in order to effectively implement these recommendations.

Your Committee has amended this measure by requesting that the State Planning Council on Developmental Disabilities take part in the review, evaluation, and implementation of the recommendations made in the Legislative Auditor's report.

Your Committee on Health 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 except Senator Blair.

**SCRep. 3263      Health on S.C.R. No. 194**

The purpose of this resolution is as stated in the title.

Project Po'ohala is a statewide coalition of parents, consumers, and professionals established in 1989 to educate State policy makers on the importance of family support. The project is a result of a training and technical assistance grant from the Administration on Developmental Disabilities through the Human Services Research Institute. Hawaii was one of ten states to receive the grant.

Your Committee received testimony in support of this resolution from the Department of Health, State Planning Council on Developmental Disabilities, Project Po'ohala representatives, and the Special Parent Information Network (SPIN).

Project Po'ohala is committed to providing services that will enable families to care for individuals with developmental disabilities at home. Their mission is based on the premise that families can determine their own needs and that service providers can be linked to provide comprehensive support to families in local communities.

Your Committee finds that the development of coordinated, comprehensive, and accessible networks of family support throughout the State based on the mission statement developed by Project Po'ohala can serve as a guide to strengthen families of persons with disabilities.

Technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 194, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 194, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3264      Health on S.R. No. 176**

The purpose of this resolution is as stated in the title.

Project Po'ohala is a statewide coalition of parents, consumers, and professionals established in 1989 to educate State policy makers on the importance of family support. The project is a result of a training and technical assistance grant from the Administration on Developmental Disabilities through the Human Services Research Institute. Hawaii was one of ten states to receive the grant.

Your Committee received testimony in support of this resolution from the Department of Health, State Planning Council on Developmental Disabilities, Project Po'ohala representatives, and the Special Parent Information Network (SPIN).

Project Po'ohala is committed to providing services that will enable families to care for individuals with developmental disabilities at home. Their mission is based on the premise that families can determine their own needs and that service providers can be linked to provide comprehensive support to families in local communities.

Your Committee finds that the development of coordinated, comprehensive, and accessible networks of family support throughout the State based on the mission statement developed by Project Po'ohala can serve as a guide to strengthen families of persons with disabilities.

Technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Health 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.

**SCRep. 3265      Health on S.C.R. No. 195**

The purpose of this concurrent resolution is as stated in the title.

Your Committee received testimony in support of this concurrent resolution from the Department of Health, Department of Education, Governor's Committee on AIDS, Governor's Office of Children & Youth, and the Life Foundation.

Your Committee finds that education is one of the most powerful tools available for preventing the spread of the HIV infection. At the same time, your Committee recognizes that reaching high risk adolescents including runaways, homeless youths, and school drop-outs has been a difficult and frustrating task. Your Committee believes that community-based and outreach programs can play a critical role in accessing children and youths who may not be reached through the school system.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 195, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 195, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3266      Health on S.R. No. 177**

The purpose of this resolution is as stated in the title.

Your Committee received testimony in support of this resolution from the Department of Health, Department of Education, Governor's Committee on AIDS, Governor's Office of Children & Youth, and the Life Foundation.

Your Committee finds that education is one of the most powerful tools available for preventing the spread of the HIV infection. At the same time, your Committee recognizes that reaching high risk adolescents including runaways, homeless youths, and school drop-outs has been a difficult and frustrating task. Your Committee believes that community-based and outreach programs can play a critical role in accessing children and youths who may not be reached through the school system.

Your Committee on Health concurs with the intent and purpose of S.R. No. 177, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 177, S.D. 1.



Signed by all members of the Committee.

**SCRep. 3267      Health on S.C.R. No. 197**

The purpose of this resolution is as stated in the title.

Testimony in support of this resolution was received from the Department of Health, the Steering Committee for the Governor's Conference on Health Promotion and Disease Prevention, and Dr. Arthur Manoharan, an expert in the field of occupational health.

Your Committee recognizes the need to shift the emphasis from compensating injured employees to recognizing the value of preventing and controlling work-related injuries. Your Committee believes that a grant program providing incentives for employers to set up workplace health promotion programs will demonstrate the effectiveness of preventive efforts in reducing accidents and illness at work.

Your Committee has amended this resolution by including language clarifying the objectives of the workplace health promotion programs to: (1) increase the level of awareness of health risks among employees and managers at work; and (2) demonstrate how these risks might be reduced, thereby resulting in potential cost savings to businesses. In addition, your Committee has corrected the title of the resolution for purposes of consistency and clarity.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 197, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 197, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3268      Health on S.R. No. 179**

The purpose of this resolution is as stated in the title.

Testimony in support of this resolution was received from the Department of Health, the Steering Committee for the Governor's Conference on Health Promotion and Disease Prevention, and Dr. Arthur Manoharan, an expert in the field of occupational health.

Your Committee recognizes the need to shift the emphasis from compensating injured employees to recognizing the value of preventing and controlling work-related injuries. Your Committee believes that a grant program providing incentives for employers to set up workplace health promotion programs will demonstrate the effectiveness of preventive efforts in reducing accidents and illness at work.

Your Committee has amended this resolution by including language clarifying the objectives of the workplace health promotion programs to: (1) increase the level of awareness of health risks among employees and managers at work; and (2) demonstrate how these risks might be reduced, thereby resulting in potential cost savings to businesses. In addition, your Committee has corrected the title of the resolution for purposes of consistency and clarity.

Your Committee on Health concurs with the intent and purpose of S.R. No. 179, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 179, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3269      Health on S.C.R. No. 242**

The purpose of this concurrent resolution is to request the Department of Health to study the economic benefits derived from the use of generic drug products, and the risks these drugs pose to persons with high-risk diseases.

Generic drug products provide consumers with a less expensive alternative to brand-name drugs. To consumers who depend on medication on a daily basis, the cost savings from generic drugs can be substantial. These drugs, however, have recently been at the center of controversy. In an attempt to gain Federal Drug Administration approval, some generic drug manufacturers have falsified laboratory test results. Such practices are substantiated by studies that suggest the inferiority of generic drugs to brand-name drugs.

By requesting the Department of Health to study the risks and dangers of using generic drugs, this concurrent resolution will provide the Legislature with the necessary information to statutorily protect consumers who use generic drugs.

Your Committee has amended the concurrent resolution by designating the Legislative Reference Bureau, for administrative purposes, to act as the lead agency in preparing the report. The concurrent resolution was also amended to include in the report, the effect of generic drugs on persons susceptible to allergies, and to clarify in the title and the body of the concurrent resolution, its dual intent of studying the economic benefits and the risks to consumers from generic drugs.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 242, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 242, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3270      Health on S.C.R. No. 261**

The purpose of this concurrent resolution is to request the State Health Planning and Development Agency (SHPDA) to assess the health care services available to Hawaii's AIDS patients.

Your Committee finds that symptomatic HIV-positive persons under medical care is now estimated at over 1,000 and is expected to increase. To prepare for this increase, an assessment of the available health care services for AIDS patients is essential.

This concurrent resolution requests SHPDA to assess the alternatives to in-patient care services for and long-term beds available to AIDS patients. The concurrent resolution also requests the assessment to include a comparison of the projected number of cases in Hawaii in five years, with the projected availability of applicable community-based services, with special attention given to the identification of potential shortages in these services.

Your Committee has amended the concurrent resolution by rephrasing the first WHEREAS clause regarding the number of persons who have tested HIV-positive, and by changing "AIDS/ARC" to "AIDS/HIV" wherever it occurs.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 261, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. 261, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3271      Health on S.R. No. 244**

The purpose of this resolution is to request the State Health Planning and Development Agency (SHPDA) to assess the health care services available to Hawaii's AIDS patients.

Your Committee finds that symptomatic HIV-positive persons under medical care is now estimated at over 1,000 and is expected to increase. To prepare for this increase, an assessment of the available health care services for AIDS patients is essential.

This resolution requests SHPDA to assess the alternatives to in-patient care services for and long-term beds available to AIDS patients. The resolution also requests the assessment to include a comparison of the projected number of cases in Hawaii in five years, with the projected availability of applicable community-based services, with special attention given to the identification of potential shortages in these services.

Your Committee has amended the resolution by rephrasing the first WHEREAS clause regarding the number of persons who have tested HIV-positive, and by changing "AIDS/ARC" to "AIDS/HIV" wherever it occurs.

Your Committee on Health concurs with the intent and purpose of S.R. No. 244, as amended herein, and recommends its adoption in the form attached hereto as S.R. 244, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3272      Health on S.C.R. No. 262**

The purpose of this resolution is as stated in the title.

Statistics show that as many as 20,000 people in Hawaii suffer from some form of mental illness, and unlike many physical maladies which can be treated and cured in a specified period of time, mental illness may take years of protracted treatment before any progress is made.

Your Committee finds that currently, there are eight mental health centers in the State. Of these eight, only Lanakila Center is able to offer rehabilitative programs on a timely basis. The other seven centers maintain a two-month waiting period for rehabilitative programs.

Your Committee received supporting testimony from the Department of Health.

Your Committee has made technical amendments to the resolution for purposes of style and clarity.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 262, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 262, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3273      Health on S.R. No. 245**

The purpose of this resolution is as stated in the title.

Statistics show that as many as 20,000 people in Hawaii suffer from some form of mental illness, and unlike many physical maladies which can be treated and cured in a specified period of time, mental illness may take years of protracted treatment before any progress is made.

Your Committee finds that currently, there are eight mental health centers in the State. Of these eight, only Lanakila Center is able to offer rehabilitative programs on a timely basis. The other seven centers maintain a two month waiting period for rehabilitative programs.

Your Committee received supporting testimony from the Department of Health.

Your Committee has made technical amendments to the resolution for purposes of style and clarity.

Your Committee on Health concurs 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.

**SCRep. 3274      Health on S.C.R. No. 267**

The purpose of this resolution is as stated in the title.

Your Committee finds that the most potent means available to health officials in controlling the spread of communicable human diseases is the power of persuasion. The collection and dissemination of information is vital to enhancing this power and increases the effectiveness of the programs devoted to preventing the spread of infectious diseases throughout the community.

Your Committee firmly believes that by expanding the scope and focus of the Department of Health's reporting and monitoring system, the spread of communicable disease could be successfully curtailed.

Your Committee has amended the resolution by making technical, nonsubstantive amendments for the purpose of clarity.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 267, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 267, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3275      Health on S.R. No. 250**

The purpose of this resolution is as stated in the title.

Your Committee finds that the most potent means available to health officials in controlling the spread of communicable human diseases is the power of persuasion. The collection and dissemination of information is vital to enhancing this power and increases the effectiveness of the programs devoted to preventing the spread of infectious diseases throughout the community.

Your Committee firmly believes that by expanding the scope and focus of the Department of Health's reporting and monitoring system, the spread of communicable disease could be successfully curtailed.

Your Committee has amended the resolution by making technical, nonsubstantive amendments for the purpose of clarity.

Your Committee on Health concurs with the intent and purpose of S.R. No. 250, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 250, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3276      (Joint) Energy and Natural Resources and Government Operations on S.C.R. No. 258**

The purpose of this resolution is to request the U.S. Armed Forces to immediately assist in the eradication of marijuana growing on state and federal lands in Hawaii.

Your Committees find that fighting drugs requires total community effort and considerable energy has been expended in trying to eradicate marijuana cultivation from state lands. Assistance from the U.S. Armed Forces could play an integral part in controlling marijuana cultivation in the State.

The resolution has been amended by adding "closely coordinate" and "cooperate" to the request for assistance. Also, the President of the United States and the U.S. Secretary of Defense have been deleted from the list of persons to whom certified copies of the resolution should be sent.

Your Committees on Energy and Natural Resources and Government Operations concur with the intent and purpose of S.C.R. No. 258, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 258, S.D. 1.

Signed by all members of the Committees.

**SCRep. 3277      (Joint) Energy and Natural Resources and Government Operations on S.R. No. 240**

The purpose of this resolution is to request the U.S. Armed Forces to immediately assist in the eradication of marijuana growing on state and federal lands in Hawaii.

Your Committees find that fighting drugs requires total community effort and considerable energy has been expended in trying to eradicate marijuana cultivation from state lands. Assistance from the U.S. Armed Forces could play an integral part in controlling marijuana cultivation in the State.

The resolution has been amended by adding "closely coordinate" and "cooperate" to the request for assistance. Also, the President of the United States and the U.S. Secretary of Defense have been deleted from the list of persons to whom certified copies of the resolution should be sent.

Your Committees on Energy and Natural Resources and Government Operations concur with the intent and purpose of S.R. No. 240, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 240, S.D. 1.

Signed by all members of the Committees.

**SCRep. 3278      Energy and Natural Resources on S.C.R. No. 96**

The purpose of this resolution is to authorize the lease of certain submerged lands for the redevelopment of the Aloha Tower complex.

This resolution is submitted in compliance with section 171-53(c), Hawaii Revised Statutes, which requires the approval of the Governor and prior authorization of the Legislature by resolution for such a lease.

Testimony in support of the resolution was received from the Department of Transportation, the Aloha Tower Development Corporation, and Aloha Tower Associates.

Your Committee finds that this resolution is necessary to make it possible for the State to proceed with the Aloha Tower redevelopment project.

Your Committee has made several nonsubstantive technical amendments to the resolution in accordance with recommended drafting techniques.

Your Committee has also modified the title of the project description and replaced the original map with a more definitive map, the latter showing the submerged lands upon which no construction will be allowed, the submerged lands upon which temporary construction will be allowed and the submerged lands which may be used in this project.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 96, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 96, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Holt.

**SCRep. 3279      Energy and Natural Resources on S.R. No. 97**

The purpose of this resolution is to support "The Great Waikoloa Solar Challenge," an international race, which will be held from June 26 to 30, 1991, with thirty-two, solar-powered cars developed by university teams and private corporations participating in the event.

Your Committee finds that the fledgling tourism industry in Waikoloa and adjoining areas on the Island of Hawaii will benefit from the publicity generated by the race. Further, the use of a non-polluting energy source would highlight Hawaii's commitment to alternative energy development.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 97 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3280      Energy and Natural Resources on S.R. No. 84**

The purpose of this resolution is to support "The Great Waikoloa Solar Challenge," an international race, which will be held from June 26 to 30, 1991, with thirty-two, solar-powered cars developed by university teams and private corporations participating in the event.

Your Committee finds that the fledgling tourism industry in Waikoloa and adjoining areas on the Island of Hawaii will benefit from the publicity generated by the race. Further, the use of a non-polluting energy source would highlight Hawaii's commitment to alternative energy development.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 84 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3281      Energy and Natural Resources on S.C.R. No. 141**

The purpose of this resolution is to request that the Department of Land and Natural Resources study the feasibility of introducing the Florida subspecies of largemouth bass into Hawaii for sports fishing.

Your Committee finds that the Florida largemouth bass is the southern strain of the northern species that was introduced into Hawaii for sports fishing more than 90 years ago. Experience elsewhere shows that the two subspecies will readily hybridize, resulting in offspring tending to exhibit the larger size of the southern subspecies. Infusion of the larger Florida subspecies is also likely to result in greater predation of tilapia, thereby helping to achieve greater balance in the fish populations.

The Department of Land and Natural Resources (DLNR), working with the Department of Agriculture, is presently reviewing a project proposal by the Westin Kauai Hotel for introduction of the Florida subspecies into its artificial, freshwater lagoon. DLNR can use this project to study the new species for adverse impact, including accidental introduction of fish disease. If the project proves successful, the Westin has agreed to provide bass for stocking without charge to the State.

Your Committee has received testimony in support of the resolution from the Department of Land and Natural Resources, the Association of Freshwater Sport Anglers, Inc., the Hawaii Freshwater Fishing Association, Inc., and a private citizen.

The resolution has been amended by correctly identifying the species as "*Micropterus salmoides salmoides*," and by correcting the number of freshwater fishing licenses issued annually, which is "eight to ten thousand" and not "eighty to ten thousand".

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 141, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 141, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Holt.

**SCRep. 3282      Energy and Natural Resources on S.R. No. 127**

The purpose of this resolution is to request that the Department of Land and Natural Resources study the feasibility of introducing the Florida subspecies of largemouth bass into Hawaii for sports fishing.

Your Committee finds that the Florida largemouth bass is the southern strain of the northern species that was introduced into Hawaii for sports fishing more than 90 years ago. Experience elsewhere shows that the two subspecies will readily hybridize, resulting in offspring tending to exhibit the larger size of the southern subspecies. Infusion of the larger Florida subspecies is also likely to result in greater predation of tilapia, thereby helping to achieve greater balance in the fish populations.

The Department of Land and Natural Resources (DLNR), working with the Department of Agriculture, is presently reviewing a project proposal by the Westin Kauai Hotel for introduction of the Florida subspecies into its artificial, freshwater lagoon. DLNR can use this project to study the new species for adverse impact, including accidental introduction of fish disease. If the project proves successful, the Westin has agreed to provide bass for stocking without charge to the State.

Your Committee has received testimony in support of the resolution from the Department of Land and Natural Resources, the Association of Freshwater Sport Anglers, Inc., the Hawaii Freshwater Fishing Association, Inc., and a private citizen.

The resolution has been amended by correctly identifying the species as "*Micropterus salmoides salmoides*," and by correcting the number of freshwater fishing licenses issued annually, which is "eight to ten thousand" and not "eighty to ten thousand".

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 127, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 127, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Holt.

**SCRep. 3283      Energy and Natural Resources on S.C.R. No. 150**

The purpose of this resolution is to request an audit of all rules relating to the construction of residential buildings in state conservation districts to determine whether they violate or are inconsistent with statutory law and whether nonconforming use permits are being granted in violation of the rules themselves.

Your Committee finds that because of the size, number of buildings, and configuration of single-family residences proposed to be built on conservation land at Hawea Point on Maui and Olomana on Oahu, questions have been raised as to their intended use. Charges have been made that because single-family residences are exempt from the requirements of environmental impact statements, owners have disguised intended illegal construction as single-family residences to circumvent procedures that might otherwise lead to their rejection. Other concerns were raised on the adequacy of the rules themselves. A legislative audit should resolve the issues and charges that have been raised.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 150 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3284      Energy and Natural Resources on S.R. No. 136**

The purpose of this resolution is to request an audit of all rules relating to the construction of residential buildings in state conservation districts to determine whether they violate or are inconsistent with statutory law and whether nonconforming use permits are being granted in violation of the rules themselves.

Your Committee finds that because of the size, number of buildings, and configuration of single-family residences proposed to be built on conservation land at Hawea Point on Maui and Olomana on Oahu, questions have been raised as to their intended use. Charges have been made that because single-family residences are exempt from the requirements of

environmental impact statements, owners have disguised intended illegal construction as single-family residences to circumvent procedures that might otherwise lead to their rejection. Other concerns were raised on the adequacy of the rules themselves. A legislative audit should resolve the issues and charges that have been raised.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 136 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 3285      Energy and Natural Resources on S.C.R. No. 159**

The purpose of this resolution is to have the State of Hawaii join distinguished members of the international community at the Twenty-Fourth Annual Conference of the Law of the Sea Institute in honoring U.S. Senator Spark Matsunaga for his many contributions to the development of a rational and peaceful international community.

Your Committee finds that the Law of the Sea Institute conferences have always been significant international events and the twenty-fourth annual conference is scheduled to be held in Tokyo, Japan, from July 24 to July 27, 1990. The theme of the conference will be "The Law of the Sea in the 1990s -- A Framework for Further International Cooperation" and a number of distinguished persons from throughout the world have determined that it would be an appropriate occasion for the international community to honor Senator Spark Matsunaga.

Your Committee believes it would be appropriate for Hawaii's citizens, agencies, institutions, and academic entities to support and participate in the Twenty-Fourth Annual Conference of the Law of the Sea Institute to join leaders of the international community in honoring U.S. Senator Spark Matsunaga.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 159 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3286      Energy and Natural Resources on S.R. No. 145**

The purpose of this resolution is to have the State of Hawaii join distinguished members of the international community at the Twenty-Fourth Annual Conference of the Law of the Sea Institute in honoring U.S. Senator Spark Matsunaga for his many contributions to the development of a rational and peaceful international community.

Your Committee finds that the Law of the Sea Institute conferences have always been significant international events and the twenty-fourth annual conference is scheduled to be held in Tokyo, Japan, from July 24 to July 27, 1990. The theme of the conference will be "The Law of the Sea in the 1990s -- A Framework for Further International Cooperation" and a number of distinguished persons from throughout the world have determined that it would be an appropriate occasion for the international community to honor Senator Spark Matsunaga.

Your Committee believes it would be appropriate for Hawaii's citizens, agencies, institutions, and academic entities to support and participate in the Twenty-Fourth Annual Conference of the Law of the Sea Institute to join leaders of the international community in honoring U.S. Senator Spark Matsunaga.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 145 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3287      Energy and Natural Resources on S.C.R. No. 164**

The purpose of this resolution is to request that the Board of Land and Natural Resources approve of and recommend that the Governor issue an executive order to place portions of state land at Lalamilo, South Kohala, under the jurisdiction of the Department of Health for use as a hospital site.

Your Committee finds that construction of a new acute care hospital at Waimea, Hawaii, is necessary to provide the North Hawaii community with adequate access to medical facilities. Travel times from North Hawaii to hospitals in Hilo or Kona are outside the critical maximum time between the occurrence of a serious accident and arrival at an adequately equipped and staffed hospital thereby jeopardizing survival.

In 1989, the Waimea and Honokaa communities agreed on preliminary plans for a hospital at Waimea. As a consequence, the Department of Health and the North Hawaii Community Hospital, Inc., are seeking to enter into a joint venture to build the needed facility on a matching funds basis.

Planning for the facility is well under way and site acquisition is presently being worked out. The preferred site is adjacent to the Lucy Henriques Medical Center. Use of this site is pending a May 1990 State Probate Court judgment, which would allow the Lucy Henriques Trust to lease the property to the hospital. If for unforeseen reasons the Court does not allow the leasing of the property, the venture would likely shift the planning process to the state owned alternate site. Notwithstanding major delays, the hospital is projected to be operational by March 1993.

Your Committee believes that the critical health care needs of the North Hawaii community cannot be delayed and the alternative state owned site must be readily available should the preferred site become unavailable.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 164 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3288      Energy and Natural Resources on S.R. No. 149**

The purpose of this resolution is to request that the Board of Land and Natural Resources approve of and recommend that the Governor issue an executive order to place portions of state land at Lalamilo, South Kohala, under the jurisdiction of the Department of Health for use as a hospital site.

Your Committee finds that construction of a new acute care hospital at Waimea, Hawaii, is necessary to provide the North Hawaii community with adequate access to medical facilities. Travel times from North Hawaii to hospitals in Hilo or Kona are outside the critical maximum time between the occurrence of a serious accident and arrival at an adequately equipped and staffed hospital thereby jeopardizing survival.

In 1989, the Waimea and Honokaa communities agreed on preliminary plans for a hospital at Waimea. As a consequence, the Department of Health and the North Hawaii Community Hospital, Inc., are seeking to enter into a joint venture to build the needed facility on a matching funds basis.

Planning for the facility is well under way and site acquisition is presently being worked out. The preferred site is adjacent to the Lucy Henriques Medical Center. Use of this site is pending a May 1990 State Probate Court judgment, which would allow the Lucy Henriques Trust to lease the property to the hospital. If for unforeseen reasons the Court does not allow the leasing of the property, the venture would likely shift the planning process to the state owned alternate site. Notwithstanding major delays, the hospital is projected to be operational by March 1993.

Your Committee believes that the critical health care needs of the North Hawaii community cannot be delayed and the alternative state owned site must be readily available should the preferred site become unavailable.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 149 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3289      Energy and Natural Resources on S.C.R. No. 190**

The purpose of this resolution is to request the Office of State Planning to conduct a two-year study of existing ocean-related programs and functions of involved state agencies.

Your Committee finds that, because the Hawaii Ocean and Marine Resources Council was created by the Legislature in 1988 and given the task of submitting a proposed Hawaii ocean resources management plan to the Regular Session of the 1991 State Legislature, any other study in this area will necessarily have to be coordinated with the work being done by the Council. If the study is done by the Office of State Planning, coordination will be easily effected as the representative of the Office of State Planning is the vice-chairperson of the Council. Your Committee believes that an analysis of the overall picture by an agency with the expertise of the Office of State Planning will be useful in resolving the complex matters which the Legislature must address in formulating an effective ocean resources management plan.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 190 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3290      Energy and Natural Resources on S.R. No. 172**

The purpose of this resolution is to request the Office of State Planning to conduct a two-year study of existing ocean-related programs and functions of involved state agencies.

Your Committee finds that, because the Hawaii Ocean and Marine Resources Council was created by the Legislature in 1988 and given the task of submitting a proposed Hawaii ocean resources management plan to the Regular Session of the 1991 State Legislature, any other study in this area will necessarily have to be coordinated with the work being done by the Council. If the study is done by the Office of State Planning, coordination will be easily effected as the representative of the Office of State Planning is the vice-chairperson of the Council. Your Committee believes that an analysis of the overall picture by an agency with the expertise of the Office of State Planning will be useful in resolving the complex matters which the Legislature must address in formulating an effective ocean resources management plan.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 172 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3291      Energy and Natural Resources on S.C.R. No. 228**

The purpose of this resolution is to request that the Department of Land and Natural Resources determine the feasibility of granting long-term leases to persons holding revocable permits on certain state lands on Oahu.

Your Committee finds that several identified parcels of state land presently held under revocable permits are being used as residences. The residents living on these parcels have found themselves unable to negotiate bank loans for home improvements because of their uncertain land tenure, and, as a result, their homes are deteriorating and becoming less habitable. The Department of Land and Natural Resources testified that several of the parcels have no public use and therefore the department has no plans to revoke those permits. Hence, many residents can justifiably expect to remain on the land but lack the means to allow them to safely reside there.

Your Committee finds it appropriate that legislation be introduced in 1991 to assist in resolving the above problem. In the meantime, however, it is appropriate that a study is conducted to assess the feasibility of granting long-term leases.

Your Committee has amended the resolution by expanding the scope of the study to include all residential permittees statewide. Your Committee has also amended the title of the resolution accordingly.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 228, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 228, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3292      Energy and Natural Resources on S.R. No. 211**

The purpose of this resolution is to request that the Department of Land and Natural Resources determine the feasibility of granting long-term leases to persons holding revocable permits on certain state lands on Oahu.

Your Committee finds that several identified parcels of state land presently held under revocable permits are being used as residences. The residents living on these parcels have found themselves unable to negotiate bank loans for home improvements because of their uncertain land tenure, and, as a result, their homes are deteriorating and becoming less habitable. The Department of Land and Natural Resources testified that several of the parcels have no public use and therefore the department has no plans to revoke those permits. Hence, many residents can justifiably expect to remain on the land but lack the means to allow them to safely reside there.

Your Committee finds it appropriate that legislation be introduced in 1991 to assist in resolving the above problem. In the meantime, however, it is appropriate that a study is conducted to assess the feasibility of granting long-term leases.

Your Committee has amended the resolution by expanding the scope of the study to include all residential permittees statewide. Your Committee has also amended the title of the resolution accordingly.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 211, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 211, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3293      Energy and Natural Resources on S.C.R. No. 237**

The purpose of this resolution is to promote the inclusion of a public education component in the independent, privately developed U-Sea Submerged Undersea Observatory planned for Paradise Cove at West Beach on the leeward coast of Oahu.

Your Committee finds that implementing a statewide network of public and private ocean-related programs and facilities and encouraging cooperative arrangements between the State and private developers will promote public education opportunities to the benefit of all of our people.

The Office of State Planning testified in support of the resolution.

Your Committee has amended the resolution by adding the Department of Education and the University of Hawaii to its request for coordination with the U-Sea Submerged Undersea Observatory project developer in establishing the public education component. Other technical, nonsubstantive amendments have also been made.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 237, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 237, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3294      Energy and Natural Resources on S.R. No. 270**

The purpose of this resolution is to promote the inclusion of a public education component in the independent, privately developed U-Sea Submerged Undersea Observatory planned for Paradise Cove at West Beach on the leeward coast of Oahu.

Your Committee finds that implementing a statewide network of public and private ocean-related programs and facilities and encouraging cooperative arrangements between the State and private developers will promote public education opportunities to the benefit of all of our people.

The Office of State Planning testified in support of the resolution.



Your Committee has amended the resolution by adding the Department of Education and the University of Hawaii to its request for coordination with the U-Sea Submerged Undersea Observatory project developer in establishing the public education component. Other technical, nonsubstantive amendments have also been made.

Your Committee on Energy and Natural Resources 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.

**SCRep. 3295      Energy and Natural Resources on S.C.R. No. 245**

The purpose of this resolution is to request the Department of Land and Natural Resources and the Attorney General to investigate and determine the appropriateness and legality of proposed major renovations at Paradise Park.

Testimony in support of the resolution was received from the Manoa Neighborhood Board. Testimony opposed to the resolution was received from the Department of Land and Natural Resources and from Paradise Park, Inc.

Paradise Park is a privately-owned zoological and botanical garden located in the rain forest of upper Manoa Valley, Oahu. It is situated on lands classified as Conservation District. Paradise Park currently has a Conservation District Use Permit which was issued by the Department of Land and Natural Resources under its regulations on March 11, 1966. Paradise Park, Inc. is currently proceeding with a \$5,000,000 renovation that will include the installation of a "permanent dinosaur exhibition." The renovation project is planned to create "the model of the theme park of the future for the millions of local people and visitors who will come to take part in the unique attraction."

Concerns have been expressed that the proposed renovation will introduce new and significant changes in the uses of the property and that these changes are inconsistent with the allowable uses under the Conservation District Use Permit. In January, 1990, the Department of Land and Natural Resources concluded that the proposed renovations were consistent with the Park's Conceptual Master Plan approved in 1966, and thus no new conservation use permit nor public hearings on the appropriateness of the Park's renovation were required. Additionally major concerns regarding the appropriateness of allowing an exhibit that will generate increased traffic on the narrow, dangerous, and already over-crowded roadways of Manoa Valley have been raised by the Manoa Neighborhood Board.

Your Committee finds that there has been a serious curtailment of the public's opportunity to submit comments and concerns on the whole issue of Paradise Park's use of conservation lands. Your Committee also finds that the concerns expressed by residents of Manoa Valley are legitimate and need to be addressed.

Your Committee has amended the resolution to add language requesting the Board of Land and Natural Resources to conduct a public informational meeting on Paradise Park's planned renovation project, and pending the outcome of the meeting, to reconsider the Department's findings that a public hearing on this matter is not necessary. Your Committee has also made several grammatical amendments to the resolution which have no substantive effect.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 245, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 245, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Holt.

**SCRep. 3296      Energy and Natural Resources on S.R. No. 227**

The purpose of this resolution is to request the Department of Land and Natural Resources and the Attorney General to investigate and determine the appropriateness and legality of proposed major renovations at Paradise Park.

Testimony in support of the resolution was received from the Manoa Neighborhood Board. Testimony opposed to the resolution was received from the Department of Land and Natural Resources and from Paradise Park, Inc.

Paradise Park is a privately-owned zoological and botanical garden located in the rain forest of upper Manoa Valley, Oahu. It is situated on lands classified as Conservation District. Paradise Park currently has a Conservation District Use Permit which was issued by the Department of Land and Natural Resources under its regulations on March 11, 1966. Paradise Park, Inc. is currently proceeding with a \$5,000,000 renovation that will include the installation of a "permanent dinosaur exhibition." The renovation project is planned to create "the model of the theme park of the future for the millions of local people and visitors who will come to take part in the unique attraction."

Concerns have been expressed that the proposed renovation will introduce new and significant changes in the uses of the property and that these changes are inconsistent with the allowable uses under the Conservation District Use Permit. In January, 1990, the Department of Land and Natural Resources concluded that the proposed renovations were consistent with the Park's Conceptual Master Plan approved in 1966, and thus no new conservation use permit nor public hearings on the appropriateness of the Park's renovation were required. Additionally major concerns regarding the appropriateness of allowing an exhibit that will generate increased traffic on the narrow, dangerous, and already over-crowded roadways of Manoa Valley have been raised by the Manoa Neighborhood Board.

Your Committee finds that there has been a serious curtailment of the public's opportunity to submit comments and concerns on the whole issue of Paradise Park's use of conservation lands. Your Committee also finds that the concerns expressed by residents of Manoa Valley are legitimate and need to be addressed.

Your Committee has amended the resolution to add language requesting the Board of Land and Natural Resources to conduct a public informational meeting on Paradise Park's planned renovation project, and pending the outcome of the

meeting, to reconsider the Department's findings that a public hearing on this matter is not necessary. Your Committee has also made several grammatical amendments to the resolution which have no substantive effect.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 227, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 227, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Holt.

**SCRep. 3297      Energy and Natural Resources on S.C.R. No. 269**

The purpose of this resolution is to request that the Department of Business and Economic Development identify and assess the economic impact of the development of geothermal resources as a source of electricity.

Your Committee finds that although the State is committed to energy self-sufficiency, there appears to be some disagreement as to the economics of geothermal development. An assessment should be conducted to resolve these questions.

The resolution has been amended to request that the Public Utilities Commission work with the Department of Business and Economic Development on the assessment study.

The resolution has been further amended by adding three new WHEREAS paragraphs which discuss the Power Purchase Agreement which Hawaiian Electric Company, Inc., is in the process of negotiating, the requirement for Public Utilities Commission approval of it, and the economic information which should be generated as a result of this process.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.C.R. No. 269, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 269, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3298      Energy and Natural Resources on S.R. No. 251**

The purpose of this resolution is to request that the Department of Business and Economic Development identify and assess the economic impact of the development of geothermal resources as a source of electricity.

Your Committee finds that although the State is committed to energy self-sufficiency, there appears to be some disagreement as to the economics of geothermal development. An assessment should be conducted to resolve these questions.

The resolution has been amended to request that the Public Utilities Commission work with the Department of Business and Economic Development on the assessment study.

The resolution has been further amended by adding three new WHEREAS paragraphs which discuss the Power Purchase Agreement which Hawaiian Electric Company, Inc., is in the process of negotiating, the requirement for Public Utilities Commission approval of it, and the economic information which should be generated as a result of this process.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of S.R. No. 251, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 251, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3299      Education on S.C.R. No. 134**

The purpose of this resolution is to urge the Superintendent of Education to investigate the "Dropouts Don't Drive" policy which has been adopted in two other jurisdictions.

The "Dropouts Don't Drive" policy has reportedly been shown effective in keeping teenagers in school by denying them drivers' licenses if they drop out. Since your Committee is constantly looking for effective means to reduce Hawaii's deplorable dropout rate, it is appropriate to obtain information which would indicate if the policy under question is appropriate for Hawaii.

Your Committee has amended this resolution by requesting the Legislative Reference Bureau to do the study, rather than the Superintendent of Education, and by specifying that the study should include a review of relative advantages and disadvantages of the policy; other effective means to reduce the dropout rate and absenteeism; the experiences of the jurisdictions which have adopted the policy and any exemptions which they may have included; and input from the National Conference of State Legislatures.

In addition, your Committee has clarified both in the title and the corpus that this resolution is a request for a study. Your Committee has also made several nonsubstantive changes for the purposes of style and clarity.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 134, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 134, S.D. 1.

Signed by all members of the Committee except Senators Blair, Levin, Solomon, Tungpalan and Koki.

**SCRep. 3300      Education on S.C.R. No. 153**

The purpose of this resolution is to request the Legislative Auditor to review and evaluate Hawaii's method of electing members to the Board of Education.

The Auditor is requested to make recommendations for (1) amending chapter 13, Hawaii Revised Statutes, to make the Board truly representative of each county and more responsive to their needs, and (2) increasing participation in Board elections, with emphasis on establishing a primary election to select nominees.

The current Board consists of thirteen members elected by registered voters of two at-large school board districts, with ten members being elected from Oahu and three from the Neighbor Islands. All candidates in the appropriate school board districts are placed on the ballot at a special election held in conjunction with the general election, with voters entitled to vote for the number of seats available.

Your Committee finds that in view of changes in the educational system and rapid population growth in areas which used to be primarily rural, the current Board election procedure may not be truly representative of the electorate. Further, participation in Board elections is characteristically lower than in the general elections, giving rise to speculation that the people do not feel that they have much of a stake, or input, in the chief educational policy making body in the State. This resolution should help to sort out the real or perceived problems with the system and provide a basis for legislative action, if warranted.

Your Committee has amended this resolution by requesting the Auditor to focus on the feasibility of implementing a voter information program and some form of redistricting which would decrease the number of at-large seats. Additionally, your Committee has requested the Auditor to develop recommendations on electing the Board at a different time or place than the general election, compensating members, and hiring an independent staff of employees for them. Your Committee has amended the title of this resolution to reflect the latter two of these subjects.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 153, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 153, S.D. 1.

Signed by all members of the Committee except Senators Blair, Solomon, Tungpalan and Koki.

**SCRep. 3301      Education on S.C.R. No. 188**

The purpose of this resolution is to request the Legislative Auditor to examine and evaluate Hawaii's School District Advisory Councils to determine whether they are responsive to current educational conditions and changes and suitable to the partnership needs of individual schools, educators, parents, students, and communities in relation to school/community-based management.

The Auditor would focus on the immediate and anticipated need for parent/community partnerships with the Board and Department of Education above the school level, models, and possible or probable effects and desired outcomes for such partnerships. In doing the study, the Auditor would consult with past and present advisory council members, the Board, PSTA's, school community councils and parent/community networking centers, the Department, the Chamber of Commerce, the Hawaii Community Education Association, and other appropriate groups or individuals from both the public and private sectors.

The resolution also requests a report to the 1991 Legislature, including findings, recommendations, and draft legislation, if appropriate.

School District Advisory Councils were established in 1966 to advise the Board of Education and act as liaisons between each of the seven school districts and the Board. Now, in 1990, school/community-based management is in place and being implemented, and there are serious efforts being made to restructure the Board and redistrict the school system. Your Committee is aware of these and other rapid changes and finds that there is good cause to investigate the continued suitability of the School District Advisory Boards, as constituted in 1966, and research different, more modern approaches to accomplishing the tasks they were designed to do.

Your Committee has amended this resolution by requesting the Auditor to contract or make an agreement with a consultant to do this study if money is available for that purpose.

Your Committee has also amended this resolution by requesting the Auditor to study options for reconstituting the Councils, including variation on the Neighborhood Board structure and formalization of network groupings.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 188, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 188, S.D. 1.

Signed by all members of the Committee except Senators Blair, Solomon, Tungpalan and Koki.

**SCRep. 3302      Education on S.C.R. No. 189**

The purpose of this resolution is to request the formation of a task force to study and report on the educational needs of Hawaii's school age autistic children.

Participants would convene during the 1991 interim under the aegis of the joint Committees on Education and would include representatives of the Department of Education, the State Planning Council on Developmental Disabilities, and the Department of Health, from the public sector, and parents of autistic children, support groups, and resources such as the Autistic Vocational Educational Center from the private sector.

The task force will look at factors such as the number and location of autistic school age children in Hawaii; public and private educational resources currently serving them; the roles of the family, the State, and the private sector in ensuring appropriate enforcement of PL 94-142; reasons why autistic children are not enrolled in school; features of PL 94-142, 30 CFR Part 300, state laws, rules, or policies which relate to education of autistic children; and other information which would help the Department of Education provide the best possible educational opportunities for Hawaii's autistic children.

Once the task force is formed, has elected its own officers, and set its agenda, the legislative committees will withdraw and from then on serve in an advisory capacity and furnish meeting space and materials, if they are requested.

Federal law requires public school systems to provide appropriate public education for children with disabilities; however, educating autistic children is recognized as requiring special motivation and training unlike that which is required in special education. Parents and support groups play a prominent role, and this resolution will bring together the leading experts in the State, including parents, to study and make recommendations. Your Committee believes that when this work is done, and appropriate proposals, policies, or recommendations are developed and in place, Hawaii and her public education system will have earned a reputation for being leaders in comprehensive educational services for autistic children.

Your Committee has amended this resolution by requesting the task force to also examine the appropriate placement of autistic school children and the need to clarify and coordinate the roles of the Department of Health and the Department of Education in providing services.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 189, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 189, S.D. 1.

Signed by all members of the Committee except Senators Blair, Solomon, Tungpalan and Koki.

**SCRep. 3303      Education on S.C.R. No. 207**

The purpose of this resolution is to request the State Librarian to consider including planning for community/school libraries in the State's Library System Master Plan.

The resolution also requests the State Librarian, in consultation with the Department of Education, to determine the feasibility of including funds for a community/school library for Helemano School in the 1991-1993 executive budget request.

Your Committee supports the establishment of libraries wherever and whenever budgetary constraints allow. It is apparent from testimony that Helemano Elementary School needs a library to serve the students and adult community surrounding Whitmore Village. Therefore, it is appropriate to request the State Librarian to consider including funds for this school and other schools and communities in need of a library in his next executive budget request, as it is also appropriate to consider adding community/school library planning to the Library System Master Plan.

Your Committee has amended this resolution by requesting the State Librarian to establish guidelines for developing community/school libraries, including one at Helemano Elementary, and include other library development projects in the budget request, schedule permitting.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 207, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 207, S.D. 1.

Signed by all members of the Committee except Senators Blair, Solomon, Tungpalan and Koki.

**SCRep. 3304      Housing and Hawaiian Programs on S.C.R. No. 225**

The purpose of this resolution is to request the Housing Finance and Development Corporation, in cooperation with the Hawaii Housing Authority and the Department of the Attorney General, to conduct a feasibility study on the State's acquisition of Queen Emma Gardens and other similar apartment complexes for rental to low and moderate income families and individuals. The resolution expresses the intention of the Legislature that Queen Emma Gardens, if acquired, would be managed by the Hawaii Housing Authority and would be subject to standard state housing policies for rental of dwelling units to low and moderate income families and individuals, with first priority being given to existing tenants. Finally, the resolution would request the Attorney General to maintain the status quo of Queen Emma Gardens, during the study period, by initiating negotiations to purchase the property or instituting condemnation proceedings if necessary.

Your Committee held hearings on H.B. No. 690, H.D. 2, which has a purpose similar to this resolution. Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Hawaii Housing Authority, the Affordable Housing Alliance, a representative of Councilperson Gary Gill, and the Queen Emma Gardens Tenants' Association and several tenants. Your Committee received opposing testimony from the Hawaiian Trust Company, Ltd., which manages the apartment complex as trustee for the benefit of The Hawaii Community Foundation.

Your Committee held a separate hearing on this resolution and received opposing testimony from the Housing Finance and Development Corporation, which expresses reservations about various provisions of the resolution. Your Committee also received testimony from the Hawaii Housing Authority.

Your Committee finds that the acquisition of Queen Emma Gardens apartment complex would serve a public purpose and would be in the public interest by preventing the potential displacement of persons of low or moderate income, especially the elderly on fixed incomes, as the Hawaiian Trust Company, Ltd. implements its plan to increase rents to market rates, and by eliminating the potential that this apartment complex will be removed from the inventory of affordable rental housing either through these rent increases or a sale of the complex. Your Committee also finds that, if

this apartment complex is acquired by the State, tenancy should be limited to those families and individuals of low or moderate income, with first priority being given to existing tenants of the complex who have low or moderate incomes. Your Committee does recognize that the present owners of the complex are entitled to a fair return on their investment and does not condone any misuse of the Urban Renewal Act to limit their return in this case, where there would be an involuntary disposition of the property before the time period set in the Urban Renewal Act. Nevertheless, your Committee believes that the present owners will be fully protected during the negotiations or condemnation proceedings if these proceedings are necessary.

Your Committee has not addressed the specific concerns raised by the Housing Finance and Development Corporation, but notes that these concerns can be fully assessed during the feasibility study and addressed in the Corporation's report to the Legislature. Your Committee has amended the resolution to make it clear that the Housing Finance and Development Corporation, in conducting the feasibility study, is to work cooperatively with the City and County of Honolulu and that the scope of the study is not limited by the tenancy requirements specified in the resolution. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 225, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 225, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Blair and Solomon.

**SCRep. 3305      Housing and Hawaiian Programs on S.R. No. 208**

The purpose of this resolution is to request the Housing Finance and Development Corporation, in cooperation with the Hawaii Housing Authority and the Department of the Attorney General, to conduct a feasibility study on the State's acquisition of Queen Emma Gardens and other similar apartment complexes for rental to low and moderate income families and individuals. The resolution expresses the intention of the Legislature that Queen Emma Gardens, if acquired, would be managed by the Hawaii Housing Authority and would be subject to standard state housing policies for rental of dwelling units to low and moderate income families and individuals, with first priority being given to existing tenants. Finally, the resolution would request the Attorney General to maintain the status quo of Queen Emma Gardens, during the study period, by initiating negotiations to purchase the property or instituting condemnation proceedings if necessary.

Your Committee held hearings on H.B. No. 690, H.D. 2, which has a purpose similar to this resolution. Your Committee received supporting testimony from the Housing Finance and Development Corporation, the Hawaii Housing Authority, the Affordable Housing Alliance, a representative of Councilperson Gary Gill, and the Queen Emma Gardens Tenants' Association and several tenants. Your Committee received opposing testimony from the Hawaiian Trust Company, Ltd., which manages the apartment complex as trustee for the benefit of The Hawaii Community Foundation.

Your Committee held a separate hearing on this resolution and received opposing testimony from the Housing Finance and Development Corporation, which expresses reservations about various provisions of the resolution. Your Committee also received testimony from the Hawaii Housing Authority.

Your Committee finds that the acquisition of Queen Emma Gardens apartment complex would serve a public purpose and would be in the public interest by preventing the potential displacement of persons of low or moderate income, especially the elderly on fixed incomes, as the Hawaiian Trust Company, Ltd. implements its plan to increase rents to market rates, and by eliminating the potential that this apartment complex will be removed from the inventory of affordable rental housing either through these rent increases or a sale of the complex. Your Committee also finds that, if this apartment complex is acquired by the State, tenancy should be limited to those families and individuals of low or moderate income, with first priority being given to existing tenants of the complex who have low or moderate incomes. Your Committee does recognize that the present owners of the complex are entitled to a fair return on their investment and does not condone any misuse of the Urban Renewal Act to limit their return in this case, where there would be an involuntary disposition of the property before the time period set in the Urban Renewal Act. Nevertheless, your Committee believes that the present owners will be fully protected during the negotiations or condemnation proceedings if these proceedings are necessary.

Your Committee has not addressed the specific concerns raised by the Housing Finance and Development Corporation, but notes that these concerns can be fully assessed during the feasibility study and addressed in the Corporation's report to the Legislature. Your Committee has amended the resolution to make it clear that the Housing Finance and Development Corporation, in conducting the feasibility study, is to work cooperatively with the City and County of Honolulu and that the scope of the study is not limited by the tenancy requirements specified in the resolution. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 208, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 208, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Blair and Solomon.

**SCRep. 3306      Health on S.R. No. 164**

The purpose of this resolution is as stated in the title.

Your Committee received testimony in support of this resolution from the Department of Health and the Kapiolani Medical Center for Women and Children.

Testimony indicated that the birth of a neurologically impaired infant often leads to a malpractice claim against the attending physician even when there is no evidence of any negligence. Such suits account for about thirty percent of all obstetric claims, and have a lower rate of settlement than other claims.

The threat of these types of law suits and the cost of liability insurance are forcing many family practitioners and obstetricians to terminate their practice. This results in limited access by pregnant women to necessary prenatal care, and increases in health insurance premiums. Florida and Virginia have adopted a no-fault, administrative system to address this situation, with several other states considering similar legislation. Your Committee finds that a thorough evaluation of establishing a similar no-fault system for Hawaii should be investigated.

Your Committee has amended this resolution by requiring the Legislative Reference Bureau (LRB) to conduct the evaluation instead of the Department of Health, and also requiring the LRB to seek input from respective legislative reference bureaus of other states proposing similar legislation. In addition, your Committee has made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.R. No. 164, as amended herein, and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 3307      Health on S.R. No. 224**

The purpose of this resolution is to request the Department of Health to study the economic benefits derived from the use of generic drug products, and the risks these drugs pose to persons with high-risk diseases.

Generic drug products provide consumers with a less expensive alternative to brand-name drugs. To consumers who depend on medication on a daily basis, the cost savings from generic drugs can be substantial. These drugs, however, have recently been at the center of controversy. In an attempt to gain Federal Drug Administration approval, some generic drug manufacturers have falsified laboratory test results. Such practices are substantiated by studies that suggest the inferiority of generic drugs to brand-name drugs.

By requesting the Department of Health to study the risks and dangers of using generic drugs, this resolution will provide the Legislature with the necessary information to statutorily protect consumers who use generic drugs.

Your Committee has amended the resolution by designating the Legislative Reference Bureau, for administrative purposes, to act as the lead agency in preparing the report. The resolution was also amended to include in the report, the effect of generic drugs on persons susceptible to allergies, and to clarify in the title and the body of the resolution, its dual intent of studying the economic benefits and the risks to consumers from generic drugs.

Your Committee on Health concurs with the intent and purpose of S.R. No. 224, as amended herein, and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 3308      Labor and Employment on H.C.R. No. 22**

The purpose of this concurrent resolution is to request the Department of Personnel Services to submit a report twenty days prior to the convening of the 1991 Legislative Session on employee and employment data for positions which are filled by a temporary or emergency hire employee.

The concurrent resolution requests the Department of Personnel Services work with the Hawaii Public Employees Health Fund, and the Department of Budget and Finance and other appropriate departments to calculate the cost implications of providing medical coverage and vacation pay for temporary employees and emergency hires.

Many state agencies rely upon the use of temporary or emergency hires when an employee unexpectedly leaves the workplace due to an illness or departure; or there is an unanticipated increase in workload. Temporary employees or emergency hires, however, often continue over an extended period of time and concerns have been expressed because these employees do not receive the same salaries and benefits as permanent employees.

Your Committee received favorable testimony from the Department of Personnel Services and the Hawaii Government Employees' Association.

Your Committee has amended the concurrent resolution by including "exempt" employees in this study, and by including a request that the Department of Personnel Services submit its findings and recommendations to the Legislature before the next session.

Your Committee on Labor and Employment concurs with the intent and purpose of H.C.R. No. 22, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 22, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3309      Labor and Employment on Gov. Msg. No. 175**

Recommending that the Senate advise and consent to the nomination of RALSTON H. NAGATA, to the Board of Trustees, Deferred Compensation Plan, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3310      Human Services on Gov. Msg. No. 235**

Recommending that the Senate advise and consent to the nominations to the Advisory Council for Children and Youth of the following:

JERILYN G. O'BANION and VAL T. IWASHITA, Ed.D., terms to expire June 30, 1993; and

MARIAN D. RAUCH, Ph.D., ERNEST Y. MARTIN and GODFREY "KAIPO" KEALALIO II, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3311      Human Services on Gov. Msg. No. 236**

Recommending that the Senate advise and consent to the nominations to the Advisory Council for Community Services of the following:

VICKY G. RAMIL, term to expire June 30, 1991, and

FRANK DeCOSTA SR., term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3312      Human Services on Gov. Msg. No. 237**

Recommending that the Senate advise and consent to the nominations to the Board of Human Services, the nominations of ROSE MARIE H. DUEY, ANDRE' S. WOOTEN and ASAKO T. IWAMOTO, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3313      Tourism, Recreation and Planning on S.R. No. 150**

The purpose of this resolution is to request the Department of Business and Economic Development to: (1) review the West Hawaii Regional Plan; (2) study the land ownership configuration in the area encompassed by the plan and the proposed uses for these lands by the State and other land owners; (3) assess the feasibility of establishing a new State instrumentality for the purpose of coordinating and undertaking the implementation of the West Hawaii Regional Plan; and (4) report on its findings and recommendations to the Legislature.

Your Committee received supporting testimony from the Office of State Planning, the Department of Business and Economic Development, and the Department of Transportation. The Office of State Planning and the Department of Business and Economic Development recommended that the Office of State Planning, rather than the Department, be designated as the lead agency. Your Committee received opposing testimony from the Kohala Coast Resort Association, which felt there was no need for a new instrumentality duplicating responsibilities of existing state agencies.

Your Committee finds that, because of rapidly expanding resort development and other changes in land use patterns in this area, there is a need to review the West Hawaii Regional Plan, particularly the organizational structure and mechanisms for implementing the plan.

Your Committee has amended the resolution to substitute the Office of State Planning as the lead agency for conducting the feasibility study. Your Committee has also made several technical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 150, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 150, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3314      Tourism, Recreation and Planning on S.R. No. 173**

The purpose of this resolution is to request the Stadium Authority to: (1) explore the feasibility of developing a sports complex facility at the Aloha Stadium site, which complex could accommodate a wide variety of major national, regional, and international sporting events and could serve as a sports training center; and (2) develop cost estimates for the facility or facilities.

Your Committee received supporting testimony from the Stadium Authority.

Your Committee finds that the primary impediment to the establishment of Hawaii as an international sports center is the lack of adequate facilities. Your Committee also finds that development of a sports complex would help to meet the demands of the State's growing and active population for new recreational and entertainment opportunities.

Your Committee has amended the title and body of the resolution to expand the requested flexibility study to include other suitable sites.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of S.R. No. 173, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 173, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3315      Energy and Natural Resources on Gov. Msg. No. 269**

Recommending that the Senate advise and consent to the nomination of SHARON R. HIMENO to the Board of Land and Natural Resources, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3316      Energy and Natural Resources on Gov. Msg. No. 270**

Recommending that the Senate advise and consent to the nominations KAREN S. AHN, JOANN NAMIE MATTSON and DELMOND J.H. WON, to the Land Use Commission, terms to expire June 30, 1994,

Signed by all members of the Committee.

**SCRep. 3317      Energy and Natural Resources on H.C.R. No. 9**

The purpose of this resolution is to urge the establishment of a compact of Pacific States (Alaska, Washington, Oregon, California, Idaho and Hawaii) and the Canadian Province of British Columbia to foster cooperative planning and management of common renewable resources in the Pacific Ocean.

Your Committee received supporting testimony from the Office of State Planning and the Department of Land and Natural Resources.

The Province of British Columbia has already undertaken efforts to cooperate with the Pacific States regarding oil spill responses and the prohibition of drift gill nets on the high seas. Your Committee finds that the further sharing of information and management practices on a regional basis will foster a unified approach to coastal and ocean management for Pacific Ocean renewable resources and will be in the best interests of all parties concerned.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.C.R. 9 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3318      Energy and Natural Resources on H.C.R. No. 21**

The purpose of this resolution is to request that the Department of Transportation establish an advisory committee to develop a plan utilizing pin technology in moorings to mitigate damage to corals and reefs caused by boat anchors and chains.

Your Committee received supporting testimony from the Department of Transportation, the Department of Land and Natural Resources, the University of Hawaii, the Hawaii Sea Grant College Program, the Hawaii Institute of Geophysics, The Ocean Recreation Council of Hawaii (TORCH), the Chair of the SEAGRANT Research Advisory Council, and the University of Hawaii Environmental Center.

Your Committee finds that an effective, environmentally sound technique for installing mooring system pins or bolts in solid undersea lava has been developed and successfully placed in use at several sites throughout the State. Despite the progress made in solving the technical aspects of the problem, the State has yet to finalize the administrative aspects of developing a plan which could be readily implemented. Your Committee notes that the Department of Transportation has already established an Advisory Committee to develop a plan for West Hawaii.

Your Committee has amended the resolution to request a statewide plan, instead of one just for West Hawaii.

Other technical, nonsubstantive amendments were made to the resolution.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 21, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 21, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3319      Consumer Protection and Commerce on Gov. Msg. Nos. 203, 204, 205, 206, 207, 208, 209, 210, 211, 212 and 213**

Recommending that the Senate advise and consent to the nominations of the following:

GARY N. SUZUKAWA and KIKUE YAMAGUCHI to the Board of Barbers, terms to expire June 30, 1994;

MARTHA H. LUNA GOO, MARY SHIGEKO MONDEN, RICHARD H. OSHIRO, GEORGE RAINEY JR. and BARRY UTSUMI to the Consumer Advisory Council, terms to expire June 30, 1994;

RAYMOND SHOGO NAGATA, HOWARD H. TASAKA and ROBERT M. YAMADA II to the Contractors License Board, terms to expire June 30, 1994;

LANE H. SHIBATA to the Credit Union Review Board, term to expire June 30, 1994;

THAD KAWAKAMI-WONG, D.D.S., to the Board of Dental Examiners, term to expire June 30, 1992;



CARLINA T. BARTOLOME, ANGELA M.A. CHIN, D.M.D., and ALAN T. MIYAMOTO, D.D.S., to the Board of Dental Examiners, terms to expire June 30, 1994;

MIKE Y. MIURA and WESLEY MARK TERUYA, to the Board of Electricians and Plumbers, terms to expire June 30, 1994;

THADDEUS R. TOMEI and DANIEL J. TUCKER to the Elevator Mechanics Licensing Board, terms to expire June 30, 1994;

GEORGE K. NISHIMURA, ELMER D. PHILLIPS, CRYSTAL K. ROSE and STANLEY J. SHIGEMURA to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, terms to expire June 30, 1994;

TSUNEKO APAKA and DALE CHIKUAMI HAHN to the Board of Examiners of Nursing Home Administrators, terms to expire June 30, 1994;

SHANNON Y. CHING, KENNEAL Y.C. CHUN, M.D., and DEBRA ANN K. OHTA to the Board of Speech Pathology and Audiology, terms to expire June 30, 1993; and

JANET MARIE EVERETT-O'GARA and BJARNE N. FOLLING, D.V.M., to the Board of Veterinary Examiners, terms to expire June 30, 1994.

Signed by all members of the Committee except Senators McCartney and Tungpalan.

**SCRep. 3320 Education on Gov. Msg. No. 215**

Recommending that the Senate advise and consent to the nominations to the Hawaii Education Council of the following:

RON HARRIS-WHITE, term to expire June 30, 1993; and

BARBARA J. FURSTENBERG, Ph.D., VIVIAN S.P. ING, DARLENE E. MARTIN and ANDY Y. NII, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3321 Education on Gov. Msg. No. 216**

Recommending that the Senate advise and consent to the nomination of DORIS M. CHING, Ph.D., to the Education Commission of the States, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3322 Education on Gov. Msg. Nos. 217, 218, 219 and 220**

Recommending that the Senate advise and consent to the nominations of the following:

PHILIP SOLIVEN ADAO to the Library Advisory Commission, City and County of Honolulu, term to expire June 30, 1993;

DOROTHY M. BOBILIN, SALLY ANN HARPER and HAZEL K. KAUAHIKAUA to the Library Advisory Commission, City and County of Honolulu, terms to expire June 30, 1994;

FRANK G. NELSON and FUMIYO YAMANAKA to the Library Advisory Commission, County of Hawaii, terms to expire June 30, 1994;

JANE H. TAURA to the Library Advisory Commission, County of Maui, term to expire June 30, 1992;

JANICE S. ESPIRITU to the Library Advisory Commission, County of Maui, term to expire June 30, 1993;

ROBERT BUCHANAN and TATIANA TRAILOV to the Library Advisory Commission, County of Maui, terms to expire June 30, 1994;

FREDERICO R. CUARESMA to the Library Advisory Commission, County of Kauai, term to expire June 30, 1991; and

PEGGY T. CHA, PRISCILLA T. LEONG, VIRGINIA A. RAPOZO, JEAN E. SATO and JAY ANTHONY TAYLOR to the Library Advisory Commission, County of Kauai, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3323 Education on S.R. No. 123**

The purpose of this resolution is to request the Department of Education to study and report on the cost and effect of designing, constructing, and installing walls or other types of room dividers in large classrooms which simultaneously house more than one class.

In the 1970's, the Department converted several smaller, individual classrooms into large single rooms to accommodate "3 on 2" teaching, whereby three teachers were assigned to teach two sections of students in the same room. The "3 on 2" approach was phased out a decade ago, but the large, open classrooms were never restored to their separate configurations. As a result, many classrooms currently house more than one class divided only by chalkboards or filing cabinets, making it hard for teachers and students in one class to concentrate amid the distracting sounds emanating from the other class.

Your Committee received supporting testimony from the Superintendent of Education and the Hawaii State Teachers Association and finds that some of the open classrooms were not outfitted with dividers because of potential ventilation problems or because the school chose to retain the open classrooms. The study requested by this resolution would incorporate these concerns and provide the information needed to resolve the problem.

Your Committee has amended this resolution by requesting that the study contain a timeline for funding and implementing the construction, taking into account the fact that many of the classrooms in question are currently being used and construction will probably have to be limited to the summer months.

Your Committee has also made some minor nonsubstantive language changes for the purpose of style.

Your Committee on Education concurs with the intent and purpose of S.R. No. 123, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 123, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3324      Education on H.C.R. No. 162**

The purpose of this resolution is to request the Department of Education, in consultation with Hawaii County, to study the feasibility of establishing a public high school in Keaau, Hawaii.

The study will include recommended locations and cost estimates for land acquisition, design, and construction. A report will be submitted to the 1991 Legislature.

Your Committee finds that the significant population growth of the Big Island in recent years requires a reevaluation of the serviceability of public facilities there, especially schools. A new high school at Keaau may be necessary to ensure that the educational needs of the community are met.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 162, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3325      Education on H.C.R. No. 154**

The purpose of this resolution is to request the Department of Education to establish a student exchange program with Hawaii's sister state - Okinawa.

Your Committee finds that Hawaii's Superintendent of Education and the Superintendent of the Okinawan educational system have indicated interest in establishing such a program, which would provide students with the opportunity to learn first hand about the culture, history, and traditions of the host country.

Your Committee has amended this resolution by indicating that student exchanges should be encouraged at the school and school district level, but only to the extent that public and private funding is available for such purposes.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 154, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 154, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3326      Education on H.C.R. No. 109**

The purpose of this resolution is to request the Department of Accounting and General Services to prepare a detailed plan for the repair and maintenance of all state library facilities.

The plan will include short and long range goals, a feasible mode of implementation and an estimated timetable, standards for determining whether a facility needs repair or maintenance, definitions of cyclical and systematic approaches to repair and maintenance, and detailed funding requirements.

The resolution also requests a status report on the pilot repair and maintenance program. Both the plan and the report will be submitted to the 1991 Legislature.

Your Committee received supporting testimony from the Department of Accounting and General Services and finds that a comprehensive repair and maintenance program for state library facilities will facilitate equitable distribution of library services throughout the State, assure minimal disruption of library activities, and enable each library to determine its own priorities while reducing administrative chores.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 109, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3327      Government Operations on Gov Msg. No. 173**

Recommending that the Senate advise and consent to the nominations of FRANK T.S. KIM and ALFRED O. SOUZA to the Civil Defense Advisory Council, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3328      Energy and Natural Resources on H.C.R. No. 8**

The purpose of this resolution is to urge the United States State Department to press for the elimination of high seas drift gill nets through its international negotiations, particularly with Japan, Taiwan and Korea.

Your Committee received supporting testimony from the Office of State Planning and from the Department of Land and Natural Resources.

Your Committee finds that the use of drift gill nets on the high seas is causing unwarranted and indiscriminate destruction of living marine resources. Long gill nets, usually set adrift for 24 to 48 hours at a time, are non-selective of the species they catch and often ensnare fish with little or no commercial value that are then discarded in a dead or weakened condition. Marine mammals and turtles also often become entangled in these nets and are killed. Perhaps the most serious environmental problem associated with drift nets results when they are lost. In these cases they "ghost fish" for indefinite periods and continue to trap fish and other marine life with absolutely no beneficial purpose.

Your Committee has amended the resolution to urge the "complete" elimination of drift gill fishing and that negotiations include the means to enforce such complete elimination.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 8, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 8, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3329      Energy and Natural Resources on H.C.R. No. 10**

The purpose of this concurrent resolution is to urge the Congress of the United States to clarify the legal status under domestic law of the newly expanded territorial sea and to extend the territorial limits of the United States and coastal states from three to twelve miles offshore.

Your Committee received supporting testimony from the Office of State Planning.

Your Committee finds that on December 27, 1988, President Reagan issued Presidential Proclamation 5928 extending the territorial sea of the United States from three to twelve miles. Although the Presidential Proclamation is consistent with sovereignty and jurisdictional issues at the international level, there is still a need for Congress to clarify domestic law.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 10, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3330      Energy and Natural Resources on H.C.R. No. 28**

The purpose of this resolution is to urge the Congress of the United States to reauthorize the Coastal Zone Management Act (CZMA) and to enact a federal oil spill law.

Your Committee received supporting testimony from the Office of State Planning and from the University of Hawaii Environmental Center.

Your Committee finds that the CZMA, enacted in 1972, has proved to be a model of intergovernmental relations, encouraging participating coastal states to carry out national policies through state and local initiatives with federal program and fiscal support. Reauthorization and amendment of the CZMA would allow for the continuation and implementation of the federal-state partnership in coastal management and would provide for an extension of management responsibilities throughout the extended territorial sea area.

Your Committee further finds that there is a need for a federal oil spill law that would not preempt state oil spill programs which may be similar or more stringent and would set simple negligence as the standard for damages.

Your Committee has amended the resolution by adding three new whereas paragraphs and a be it resolved paragraph to include information about Hawaii's unique situation and to request that Congress establish an oil spill regional response team for this State.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 28, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 28, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3331 Education on S.R. No. 60**

The purpose of this resolution is to request the Department of Education, in cooperation with the University of Hawaii College of Education and the exclusive bargaining representative for Unit 5, to develop guidelines and procedures to implement an outreach teacher certification program for noncertified special education teachers.

Your Committee received supporting testimony from the HSTA and the State Planning Council on Developmental Disabilities, and finds that there is a significant shortage of qualified special education teachers in Hawaii. In order to deliver quality education programs as mandated by Congress in P.L. 94-142, three hundred new special education teachers will be needed in the next decade. This resolution addresses the problem by allowing noncertified special education teachers who are currently employed by the Department of Education to be appropriately certified under an outreach teacher certification program.

Your Committee has amended the title of this resolution by changing in the word "certificated" to "certified."

Your Committee on Education concurs with the intent and purpose of S.R. No. 60, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 60, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3332 Education on S.R. No. 94**

The purpose of this resolution is to express the Legislature's support of establishment of a pilot Challenger Center affiliate satellite site in Oahu's Leeward School District.

Further, the resolution requests the Challenger Center for Space Science Education to help the Department of Education apply for the project, which will enable the Legislature to consider a funding request by the Department in 1991.

The Challenger Center for Space Science Education was founded by the seven astronaut families as a living memorial to the crew of the Challenger. The Center seeks to equip teachers with new means of teaching science, teach students and prepare them for life in a technological society, promote public and private sector educational partnerships, and raise public awareness of the role of space technology in the nation's future.

Your Committee received a great deal of testimony supporting this bill, much of it from the students who would benefit from establishment of a Center. Your Committee agrees that the future of America and Hawaii will require technological orientation, as witnessed by the efforts of the Legislature and the State to build a full-blown space launch facility on the Big Island. This resolution will benefit many of our young people in ways that otherwise might not be available and is consistent with the Legislature's public policies relating to education and economic development.

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

Signed by all members of the Committee.

**SCRep. 3333 Education on S.R. No. 117**

The purpose of this resolution is to urge the Superintendent of Education to investigate the "Dropouts Don't Drive" policy which has been adopted in two other jurisdictions.

The "Dropouts Don't Drive" policy has reportedly been shown effective in keeping teenagers in school by denying them drivers' licenses if they drop out. Since your Committee is constantly looking for effective means to reduce Hawaii's deplorable dropout rate, it is appropriate to obtain information which would indicate if the policy under question is appropriate for Hawaii.

Your Committee has amended this resolution by requesting the Legislative Reference Bureau to do the study, rather than the Superintendent of Education, and by specifying that the study should include a review of relative advantages and disadvantages of the policy; other effective means to reduce the dropout rate and absenteeism; the experiences of the jurisdictions which have adopted the policy and any exemptions which they may have included; and input from the National Conference of State Legislatures.

In addition, your Committee has clarified both in the title and the corpus that this resolution is a request for a study. Your Committee has also made several nonsubstantive changes for the purposes of style and clarity.

Your Committee on Education concurs with the intent and purpose of S.R. No. 117, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 117, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3334 Education on S.R. No. 126**

The purpose of this resolution is to request the Legislative Auditor to do a financial and management audit of the Department of Education.

The audit would include a report on progress made in implementing recommendations stemming from the 1973 audit, and other information relating to the functions of the Board of Education, Department programs, State functions, personnel deployment, administrative positions, resource teachers, instructional time, and school funds.

The resolution also requests the Legislative Auditor to update the budget review and analysis of the special education program (Report No. 89-6).

The last complete Department Audit, conducted in 1973, revealed deficiencies in management regarding roles and responsibilities of the state office, district offices, and schools, implementation of new programs or program changes, and lack of standards which affect performance. Since the Legislature has put school/community-based management in place and implementation has begun, it is necessary and appropriate that the Department be reviewed so that provision may be made for factors which might affect the success of Department and public education reformation.

Your Committee has amended this resolution by clarifying that the request is for a program and management audit as proclaimed in the title, and by further requesting the Legislative Auditor to review alternatives to the decentralization of state and district level personnel and programs down to the school level.

Your Committee has also deleted the request to update the budget review and analysis of the special education program, which your Committee finds is already underway.

In addition, your Committee has made some nonsubstantive technical changes for the purpose of style.

Your Committee on Education 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.

**SCRep. 3335      Education on S.R. No. 139**

The purpose of this resolution is to request the Legislative Auditor to review and evaluate Hawaii's method of electing members to the Board of Education.

The Auditor is requested to make recommendations for (1) amending chapter 13, Hawaii Revised Statutes, to make the Board truly representative of each county and more responsive to their needs, and (2) increasing participation in Board elections, with emphasis on establishing a primary election to select nominees.

The current Board consists of thirteen members elected by registered voters of two at-large school board districts, with ten members being elected from Oahu and three from the Neighbor Islands. All candidates in the appropriate school board districts are placed on the ballot at a special election held in conjunction with the general election, with voters entitled to vote for the number of seats available.

Your Committee finds that in view of changes in the educational system and rapid population growth in areas which used to be primarily rural, the current Board election procedure may not be truly representative of the electorate. Further, participation in Board elections is characteristically lower than in the general elections, giving rise to speculation that the people do not feel that they have much of a stake, or input, in the chief educational policy making body in the State. This resolution should help to sort out the real or perceived problems with the system and provide a basis for legislative action, if warranted.

Your Committee has amended this resolution by requesting the Auditor to focus on the feasibility of implementing a voter information program and some form of redistricting which would decrease the number of at-large seats. Additionally, your Committee has requested the Auditor to develop recommendations on electing the Board at a different time or place than the general election, compensating members, and hiring an independent staff of employees for them. Your Committee has amended the title of this resolution to reflect the latter two of these subjects.

Your Committee on Education concurs with the intent and purpose of S.R. No. 139, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 139, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3336      Education on S.R. No. 158**

The purpose of this resolution is to request the Legislative Reference Bureau to study the desirability of amending section 390-2, Hawaii Revised Statutes, relating to employment of minors under eighteen years of age.

The Bureau would consult with the Departments of Labor and Industrial Relations and Education, the HSTA, and the Chamber of Commerce, and make recommendations regarding proposals to prohibit sixteen and seventeen year old students from working after 8:00 p.m. on any evening preceding a school day, to make exceptions for special considerations, and to prohibit suspended students from working during school hours.

Under current law, fourteen and fifteen year old students may not work later than 7:00 p.m. on school nights. However, those age sixteen to eighteen may work without curfew.

Your Committee received supporting testimony from the Superintendent of Education, the Director of Labor and Industrial Relations, and the HSTA, and finds that the many job openings in the current labor market may be tempting older students away from the classroom or into working so late that they are tired or unprepared at school the next day. This resolution would uncover information needed to keep the State current with its unqualified commitment to quality education.

Your Committee on Education concurs with the intent and purpose of S.R. No. 158 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 3337 Education on S.R. No. 187**

The purpose of this resolution is to request the State Librarian to consider including planning for community/school libraries in the State's Library System Master Plan.

The resolution also requests the State Librarian, in consultation with the Department of Education, to determine the feasibility of including funds for a community/school library for Heleman School in the 1991-1993 executive budget request.

Your Committee supports the establishment of libraries wherever and whenever budgetary constraints allow. It is apparent from testimony that Heleman Elementary School needs a library to serve the students and adult community surrounding Whitmore Village. Therefore, it is appropriate to request the State Librarian to consider including funds for this school and other schools and communities in need of a library in his next executive budget request, as it is also appropriate to consider adding community/school library planning to the Library System Master Plan.

Your Committee has amended this resolution by requesting the State Librarian to establish guidelines for developing community/school libraries, including one at Heleman Elementary, and include other library development projects in the budget request, schedule permitting.

Your Committee on Education concurs with the intent and purpose of S.R. No. 187, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 187, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3338 Education on S.R. No. 209**

The purpose of this resolution is to request the Department of Education to research and report on various sexual abstinence programs initiated by other jurisdictions in their public schools.

Your Committee is concerned about promiscuity among young teenagers, especially those in school who may contract diseases or be forced to drop out due to pregnancy. If programs which teach or encourage abstinence work, your Committee wishes to know about them.

Your Committee has amended this resolution by requesting the Department to also research teen pregnancy prevention programs and to look into the availability of federal funds to support teen pregnancy prevention programs.

Your Committee has also made a few nonsubstantive language changes for the purposes of clarity and style.

Your Committee on Education concurs with the intent and purpose of S.R. No. 209, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 209, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3339 Transportation on Gov. Msg. No. 280**

Recommending that the Senate advise and consent to the nominations to the Commission on Transportation of the following:

JAN M.L.Y. AMII, term to expire June 30, 1993; and

MARK H. HASTERT, DENNIS S. HOKAMA, AH LEONG KAM and WADSWORTH Y.H. YEE, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3340 Transportation on Gov. Msg. No. 281**

Recommending that the Senate advise and consent to the nominations to the State Highway Safety Council of the following:

JOAQUIN P. FREITAS, term to expire June 30, 1992;

DAVID KEKOA AKANA, RUDOLPH EMBERNATE and ROBERT K. MOLE, terms to expire June 30, 1993; and

ANTONE BASQUE, HENRY CHO, ERNEST 'CASEY' MONIZ, ROSE T. OHASHI, LANCE TERAYAMA and LENORA N. WEE, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3341 Transportation on Gov. Msg. No. 282**

Recommending that the Senate advise and consent to the nominations to the Medical Advisory Board of the following:

VIRGINIA FRANCES BARESCH, R.N., term to expire June 30, 1992; and

WILLIAM M. DANG JR., M.D., WAYNE MATSUYAMA, O.D., and GEORGE PLECHATY, M.D., terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3342 Higher Education on Gov. Msg. No. 273**

Recommending that the Senate advise and consent to the nomination of LAWRENCE WAKUI, Ph.D., to the Western Interstate Commission for Higher Education (WICHE), term to expire June 30, 1994.

Signed by all members of the Committee except Senator Koki.

**SCRep. 3343 Tourism, Recreation and Planning on Gov. Msg. No. 246**

Recommending that the Senate advise and consent to the nominations of PHILIA L. LAU, EBERHARD LINKE, and WINONA WHITMAN to the Tourism Training Council, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3344 Tourism, Recreation and Planning on Gov. Msg. No. 279**

Recommending that the Senate advise and consent to the nominations of LARRY L. CUNDIFF, HERBERT S.K. KAOPUA SR., and EDDIE E. LAPA to the Stadium Authority, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3345 Higher Education on Gov. Msg. No. 272**

Recommending that the Senate advise and consent to the nominations of BONNIE A. HILTON, Ph.D., WILLIAM YUEN and JANICE P. KIM to the Board of Directors of the Research Corporation, University of Hawaii, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3346 Judiciary on Gov. Msg. No. 254**

Recommending that the Senate consent to the nomination of MELVIN K. SOONG as Eleventh Judge, Circuit Court of the First Circuit, for a term of ten years, in accordance with the provisions of Article VI, Section 3, of the Hawaii State Constitution.

Signed by all members of the Committee.

**SCRep. 3347 Housing and Hawaiian Programs on Gov. Msg. No. 274**

Recommending that the Senate advise and consent to the nomination of CALVIN S. NEMOTO to the Board of Directors of the Housing Finance and Development Corporation, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3348 Government Operations on H.B. No. 2862**

The purpose of this bill is to amend section 46-1.5, Hawaii Revised Statutes, relating to the general powers of the counties.

Specifically, this bill allows each county to impose fines and penalties for violation of any county ordinance or rule, after reasonable notice and request to correct or cease the violation. The bill allows the counties to impose civil fines after the violator has had an opportunity for a hearing pursuant to chapter 91, Hawaii Revised Statutes, but also provides that the hearing process is not a prerequisite for any civil fine or injunctive relief ordered by the circuit court.

Your Committee finds that under the current law, it has been difficult for the counties to deal with unauthorized encroachments and commercial uses in City parks. The counties have relied either on the respective Prosecuting Attorneys to file a criminal misdemeanor complaint or the Corporation Counsel to seek a civil injunction. Neither option brings timely or desired results.

Your Committee believes that authorizing the counties to impose administrative fines will increase their efficiency in enforcing county ordinances and rules.

Your Committee on Government Operations is in accord with the intent and purpose of H.B. No. 2862 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3349      Tourism, Recreation and Planning on H.C.R. No. 73**

The purpose of this resolution is to request the Office of State Planning, in cooperation with the Department of Business and Economic Development, the Department of Labor and Industrial Relations, and the Land Use Commission, to prepare a report on state plans to implement the Governor's policy requiring creation of one non-tourism related job for every hotel room in resort developments approved in the future. This policy was set forth in the Governor's 1990 State of the State address.

Your Committee received supporting testimony on this resolution from the Office of State Planning, the Department of Business and Economic Development, and the Hawaii Hotel Association.

Your Committee finds that planning for economic development and diversification must include a complete assessment of the human resource needs of the State and the strategies necessary to meet those needs. The report requested by this resolution would contribute to the preparation of the needed assessment and strategies.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of H.C.R. No. 73, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3350      Tourism, Recreation and Planning on H.C.R. No. 74**

The purpose of this resolution is to ensure that the State of Hawaii receives adequate recognition and exposure as a United States tourism destination. The resolution would request Hawaii's congressional delegation to take steps to have Hawaii included on all maps displayed by U.S. organizations in foreign countries, particularly U.S. organizations which provide travel information on destinations in the United States such as the U.S. Travel and Tourism Administration (USTTA).

Your Committee received supporting testimony from the Hawaii Hotel Association.

Your Committee finds that Hawaii's status as an international tourism destination requires that Hawaii be included on all maps of the United States, especially on maps displayed by the USTTA.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of H.C.R. No. 74 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3351      Tourism, Recreation and Planning on H.C.R. No. 87**

The purpose of this resolution is to request the Department of Transportation to permanently designate the area on the west side of and adjacent to the berm at Keehi Lagoon as an official water ski area. The resolution also requests that future development plans for this water area and adjacent land parcels include improvements necessary to make this area a world class ski site.

Your Committee received supporting testimony on this resolution from the Department of Transportation, the Oahu Water Ski Club, and members of the Committee on Water Skiers for a New Keehi Lagoon and the Na Alii Water Ski Club.

Your Committee finds that water skiing is a healthy, safe, spectacular, and well organized and regulated sport, attracting millions of participants and spectators worldwide. Moreover, professional, amateur, and intercollegiate competitions are increasing. Your Committee also finds that the west side of and adjacent to the berm in Keehi Lagoon, with waters sheltered from disturbing wind and wave conditions, is one of the few places in Hawaii suitable for recreational water skiing and for water ski competitions, including training for competitions. Your Committee finds that designation and improvement of a permanent water ski area in Keehi Lagoon is necessary to accommodate the demands of local skiers, ski clubs, and the University of Hawaii ski team, and will serve to attract regional, national, and international competitions, both professional and amateur.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of H.C.R. No. 87 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3352      Human Services on H.C.R. No. 11**

The purpose of this resolution is to support the development of a Silver Legislature in Hawaii.

Your Committee finds that educating citizens to better understand the legislative system should result in their continued interest and involvement in the democratic process. Your Committee also finds that an excellent way of accomplishing this is through the development of a Silver Legislature for senior citizens.

A companion concurrent resolution, S.C.R. No. 18, was heard by your Committee on April 4, 1990, and testimony in support of it was received from the Executive Office on Aging, the National Association of Retired Federal Employees, the Founders' Group of the Kokua Council for Senior Citizens, and a private citizen.



Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 11 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Yamasaki and A. Kobayashi.

**SCRep. 3353 Human Services on H.C.R. No. 138**

The purpose of this resolution is to urge the Hawaii congressional delegation to support federal legislation that would allow social security and supplemental security income cost of living allowances received by persons on public assistance, medicaid, food stamps, and federally funded housing programs to be passed through without affecting their eligibility for these benefits.

Your Committee finds that because the federal programs for medicaid, food stamps and housing assistance require that cost-of-living allowances (COLA) be addressed as income in determining eligibility and benefits, it can have a disastrous effect on Hawaii's poor, disabled, or marginal income residents. Although the purpose of COLA is to help maintain people at the same standard of living from year to year, it will continue to have a negative impact on many public assistance recipients unless federal legislation exempts it from the eligibility criteria of the above programs.

A companion resolution, S.C.R. No. 128, was heard by your Committee on April 4, 1990, and among the many who testified in support of it were the Department of Human Services, the State Planning Council on Developmental Disabilities, the Honolulu Community Action Program, Alu Like, the Hawaii Centers for Independent Living, the Hawaii Chapter of the National Association of Social Workers, the Committee on Welfare Concerns, and the Life Foundation.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 138 and recommends its adoption.

Signed by all members of the Committee except Senators Yamasaki and A. Kobayashi.

**IORep. 3354 (Joint) Tourism, Recreation and Planning and Transportation on H.C.R. No. 91**

The purpose of this resolution is to support Hawaiian Airlines, Inc.'s application for a certificate of public convenience and necessity from the United States Department of Transportation to authorize daily scheduled nonstop air service for passengers, property, and mail between Honolulu and Nagoya, Japan or, in the alternative, Honolulu and Fukuoka, Japan.

Your Committees received supporting testimony from the Hawaii Hotel Association and other interested parties.

Your Committees find that Hawaiian Airlines, Inc. has served the State's transportation needs continually for the past sixty years with interisland flights and flights to the mainland United States, the South Pacific, and various other foreign destinations, including chartered flights between Hawaii and Japan. Your Committees further find that Hawaiian Airlines, Inc.'s expansive route system as well as its expertise in developing and promoting vacation travel to and within Hawaii has increased the attractiveness of Hawaii for many foreign visitors, especially those visitors from Japan. Furthermore, Hawaiian Airlines, Inc. has developed a strong identity in the Japan travel market, with direct experience in marketing and providing Hawaii-Japan air travel services and having an office in Tokyo and a special Japanese sales department in Honolulu. Your Committees find that continued development and growth of this State's tourism base is essential to maintaining Hawaii's economic vitality. Millions of dollars in public and private funds are being spent on or committed to the development of new resorts and other tourism-related facilities and the development of public infrastructure and support services required for these resorts and facilities. The financial success of these resorts and facilities will depend substantially on increased visitor travel to Hawaii, particularly from Japan and other Asian destinations. Accordingly, your Committees find that support of Hawaiian Airlines, Inc.'s application is both appropriate and essential to the future of Hawaii's economy.

Your Committees have amended the resolution to clarify that the State supports Hawaiian Airlines, Inc.'s application for air service between both Honolulu and Nagoya, Japan and Honolulu and Fukuoka, Japan, rather than Fukuoka as an alternative only. Your Committees have also amended the title and body of the resolution to use Hawaiian Airlines, Inc.'s official corporate name. Your Committees have also amended the resolution to request that the resolution be incorporated into the docket of the 1990 U.S.-Japan Gateway Proceeding, and to ensure that the requisite number of copies of the resolution are transmitted to the United States Department of Transportation and served on the parties to the proceeding in accordance with the requirements of 14 CFR 302.

Your Committees on Tourism, Recreation and Planning and Transportation concur with the intent and purpose of H.C.R. No. 91, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 91, S.D. 1.

Signed by all members of the Committees.

**SCRep. 3355 Labor and Employment on Gov. Msg. No. 245**

Recommending that the Senate advise and consent to the nominations to the Advisory Commission on Employment and Human Resources of the following:

ETHEL AIKO ODA, Ph.D., term to expire June 30, 1991; and

FELY IGNE LIBRE, CATHERINE E. OUYE and JO-ALYCE PETERSON, Ed.D., terms to expire June 30, 1993.

Signed by all members of the Committee.

**SCRep. 3356 Labor and Employment on Gov. Msg. No. 277**

Recommending that the Senate advise and consent to the nominations to the Civil Service Commission of the following:

CLARENCE M. TAKASHIMA, term to expire June 30, 1993; and

JOAN M.A. BICKSON, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3357 Human Services on Gov. Msg. Nos. 238 and 293**

Recommending that the Senate advise and consent to the nominations the Board of Vocational Rehabilitation of the following:

PAUL TAKEHIRO, term to expire June 30, 1994; and

FLORENCE M.F. LAU, term to expire June 30, 1994.

Signed by all members of the Committee except Senators Yamasaki and Aki.

**SCRep. 3358 Human Services on Gov. Msg. No. 276**

Recommending that the Senate advise and consent to the nominations of IRIS K. IKEDA CATALANI, HOLLY CHUN-MING, BARBARA DAHL, RICHARD DAVI, ROBERT TIMOTHY GUARD, MARSHA R. JOYNER and JEFFREY PORTNOY to the Commission on the Status of Women, terms to expire June 30, 1994.

Signed by all members of the Committee except Senators Yamasaki and Aki.

**SCRep. 3359 Human Services on H.C.R. No. 135**

The purpose of this resolution is to request that the Office of Children and Youth evaluate the condition of children and youth programs and services in Hawaii.

Your Committee finds that an evaluation of the State's current children and youth programs will provide vital information for any modification thereof and for the planning of future programs.

The Office of Children and Youth testified in favor of the resolution.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 135 and recommends its adoption.

Signed by all members of the Committee except Senators Yamasaki and Aki.

**SCRep. 3360 Human Services on H.C.R. No. 136**

The purpose of this resolution is to request the Department of Human Services to compare the reimbursement rates and services between Medicaid and other health insurance plans in the State.

Your Committee finds that there are differences between the rates and types of medical procedures and services covered under the Medicaid programs and those covered by private health insurance plans. It would not only be prudent to examine where and why these differences exist, but also helpful in assessing the cost effectiveness of the Medicaid program.

The Department of Human Services testified in support of the resolution.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 136, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senators Yamasaki and Aki.

**SCRep. 3361 Human Services on H.C.R. No. 152**

The purpose of this concurrent resolution is to request that the Office of Youth Services, in consultation with the Juvenile Crime Prevention Division of the Honolulu Police Department, evaluate and make recommendations on present and projected programs and services for runaway youth and their parents.

Your Committee finds that although there are existing programs and services for runaway youth and their parents, questions have arisen as to their effectiveness and possible need for improvement, as well as what additional programs and services are required.

The Office of Youth Services testified in support of the concurrent resolution.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 152 and recommends its adoption.

Signed by all members of the Committee except Senators Yamasaki and Aki.

**SCRep. 3362      Government Operations on S.R. No. 239**

The purpose of this resolution is to urge the President of the United States and members of the United States Congress to join U.S. Representative Dan Rostenkowski in a concerted effort to eliminate the national debt.

Representative Rostenkowski has proposed a five-year plan that will ensure a reduction of the \$2.2 trillion national debt. The proposals include placing a one-year freeze on program spending and inflation adjustments to the tax code, adding a new individual tax bracket, reducing defense spending, increasing certain taxes, and rejecting all tax cut proposals.

Your Committee finds that Representative Rostenkowski's plan is a conscientious attempt to address a serious problem facing our nation, and your Committee supports his efforts to resolve this critical issue.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 239 and recommends its adoption.

Signed by all members of the Committee except Senator Yamasaki.

**SCRep. 3363      Energy and Natural Resources on H.C.R. No. 40**

The purpose of this resolution is to request the Governor to transfer by executive order the jurisdiction over public lands currently occupied by the tenants of the Keehi Industrial Park Association at Keehi Lagoon, Oahu, from the Department of Transportation to the Department of Land and Natural Resources for the purpose of establishing an industrial park.

Testimony in support of this measure was received from the Department of Land and Natural Resources, the Department of Transportation, the Office of State Planning, the Keehi Industrial Park Association and from several businesses at Keehi Lagoon.

Your Committee finds that Honolulu suffers from a lack of affordable, attractive and functional industrial property in its urban area. Many of the existing industrial parcels at Keehi Lagoon and other areas at the Honolulu Waterfront are subject to under-improved and substandard conditions.

The Keehi Industrial Park Association, an organization of Keehi industrial park tenants, is seeking the development of an industrial park in that area. Most of these tenants are presently holding revocable permits under the Department of Transportation. As the development of industrial parks falls under the jurisdiction of the Department of Land and Natural Resources and the area is adjacent to property that will be developed as part of the Honolulu Waterfront Master Plan, coordination in the development of it as an industrial area is necessary.

Your Committee finds that the cooperative effort among the existing tenants and the State at the Keehi industrial area to improve and upgrade its facilities should be fostered and encouraged.

Your Committee has amended the resolution by amending the first BE IT RESOLVED paragraph to include tax map keys of the Keehi industrial area to clearly delineate the area that should be transferred to the Department of Land and Natural Resources. Additionally, the second BE IT RESOLVED paragraph has been amended to clarify that the intent of the right of first refusal of the existing tenants is for leases in the proposed industrial park. Finally, your Committee has added three new BE IT RESOLVED paragraphs requesting: (1) the Board of Land and Natural Resources to designate the Keehi land as an industrial park pursuant to section 171-132, Hawaii Revised Statutes, once the transfer has been accomplished; (2) that both the transfer and designation of the land be completed before the convening of the 1991 session; and (3) that the Board of Land and Natural Resources submit an activity and progress report prior to that session.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 40, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 40, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3364      Housing and Hawaiian Programs on Gov. Msg. No. 275**

Recommending that the Senate advise and consent to the nominations to the Hawaiian Homes Commission of the following:

ANN K. NATHANIEL, term to expire June 30, 1993; and

KILIKIUA ALVINA PARK, term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3365      Ways and Means on Gov. Msg. Nos. 247, 248, 249 and 250**

Recommending that the Senate advise and consent to the nominations of the following:

ROBERT F. MAYNARD to the Board of Taxation Review, First Taxation District (Oahu), term to expire June 30, 1994;

ALBERT "BENNY" RODERO to the Board of Taxation Review, Third Taxation District (Hawaii), term to expire June 30, 1994;

GEORGE Y. KONDO to the Board of Taxation Review, Second Taxation District (Maui), term to expire June 30, 1994;

FILEMON M. NANOD to the Board of Taxation Review, Second Taxation District (Maui), term to expire June 30 1993; and

BELMA A. BARIS to the Board of Taxation Review, Fourth Taxation District (Kauai), term to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3366      Tourism, Recreation and Planning on H.C.R. No. 105**

The purpose of this resolution is to provide for the development of strategies to persuade the Pacific Asia Travel Association (PATA) to relocate its principal business office from San Francisco to Hawaii. The resolution requests the Department of Business and Economic Development to make recommendations to the Legislature on this matter before the 1991 Regular Session.

Your Committee received supporting testimony from the Department of Business and Economic Development and the Hawaii Hotel Association.

Your Committee finds that PATA's relocation to Hawaii would greatly benefit both the State and PATA. Hawaii has an unique geographic location as the hub of the Pacific Basin, with air service linkages to the United States mainland and a wide variety of Pacific, Asian, and other countries by twenty-nine major airlines with approximately 250 daily flights worldwide. It also has a strong visitor industry and cultural ties to the Pacific-Asia region. Hawaii's advantageous characteristics would better serve the needs of PATA, while at the same time the presence of PATA in Hawaii would enhance the State's reputation as a world class tourist destination.

Your Committee has made minor grammatical and technical amendments to the resolution which have no substantive effect.

Your Committee on Tourism, Recreation and Planning concurs with the intent and purpose of H.C.R. No. 105, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 105, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3367      Culture, Arts and Historic Preservation on Gov. Msg. No. 268**

Recommending that the Senate advise and consent to the nominations of ELROY J. CHUN, NEIL JACOB KAHO'OKELE HANNAHS and CANDICE E. LUSK to the Board of Public Broadcasting, terms to expire June 30, 1996.

Signed by all members of the Committee.

**SCRep. 3368      Energy and Natural Resources on H.C.R. No. 69**

The purpose of this concurrent resolution is to urge the Federal Government to honor the right of western states and island governments to plan for and develop their own water resources, or, in the alternative, provide federal funding for the development of local water supplies.

Your Committee finds that in the past the Federal Government generally recognized states' water rights and participated in water projects primarily through grants and subsidies. However, with the increase in Federal budget constraints, financial support for water development and protection has decreased. Further, there has been an increase in efforts by the Federal Government to expand its regulatory power. This has led to a stifling of state and local government initiatives in water projects, and Hawaii and other states are now seeking relief from over regulation by the Federal Government.

The Department of Land and Natural Resources testified in favor of the concurrent resolution.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 69 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3369      Energy and Natural Resources on H.C.R. No. 96**

The purpose of this resolution is to request that the Hawaii Ocean Marine Resources Council consider and make recommendations to the Legislature on the following: (1) the need for establishing a Department of Ocean and Marine Resources and (2) the appropriateness of transferring certain enforcement responsibilities from the Boating Branch of the Department of Transportation to the Department of Land and Natural Resources.

Your Committee finds that given the diverse nature of ocean activities in Hawaii, a Department of Ocean and Marine Resources is an option which should be considered to improve the management of ocean resources and ocean-related activities.

Given that the Hawaii Ocean and Marine Resources Council is already charged with completing a complex set of tasks and analyses around the same time that this resolution is requesting a report, your Committee has amended the resolution to request that the Council ascertain "to the extent possible" what functions and agencies should be consolidated should a new department be deemed necessary. This is in recognition of the possibility that the Council may be unable to complete an exhaustive report on the above matter given its present timetable.

Your Committee has further amended the resolution to request an evaluation of the appropriateness of transferring the entire Boating Branch of the Department of Transportation to the Department of Land and Natural Resources, instead of just some of its enforcement responsibilities, because studies already conducted indicate that it is impractical to transfer just some of the branch's functions to another department.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 96, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 96, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 3370      Energy and Natural Resources on H.C.R. No. 158**

The purpose of this resolution is to authorize the lease of certain submerged lands for the redevelopment of the Aloha Tower complex.

This resolution is submitted in compliance with section 171-53(c), Hawaii Revised Statutes, which requires the approval of the Governor and prior authorization of the Legislature by resolution for such a lease.

Testimony in support of the resolution was received from the Department of Transportation, the Aloha Tower Development Corporation, and Aloha Tower Associates.

Your Committee notes that project plans identify the submerged lands in the project upon which no construction will be allowed, the submerged lands upon which temporary construction will be allowed, and the submerged lands which may be used in this project.

Your Committee finds that this resolution is necessary to make it possible for the State to proceed with the Aloha Tower redevelopment project.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 158, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3371      Energy and Natural Resources on H.C.R. No. 241**

The purpose of this resolution is to request that the Office of State Planning establish a task force to study methods for streamlining the land use development permit process at the state and county levels.

Your Committee finds that the approval and permit process is too time-consuming and involved, resulting in delays and escalating project costs. The need for a timely and efficient permitting process is particularly critical with regard to affordable housing developments. Your Committee believes that streamlining the land use approval and permit process to reduce the amount of time and cost involved, while maintaining adequate public input, is appropriate.

As your Committee believes it is appropriate to include all interested parties in the study, the resolution has been amended to include representatives from the private sector as members of the task force.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of H.C.R. No. 241, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 241, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3372      Agriculture on H.C.R. No. 253**

The purpose of this resolution is to request the Department of Agriculture (DOA) to improve the overall sanitation of the Animal Quarantine Station. More specifically, the Interim Task Force to Study the State's Animal Quarantine System recommended that a full sanitation program be developed for:

- (1) Disinfecting the food preparation area, grooming area, veterinary clinic, and transportation carts;
- (2) Developing an appropriate waste disposal process; and
- (3) Using sealable containers for food storage in the kennel and food preparation areas.

Your Committee understands that the facility is over twenty years old, but every effort must be made to maintain a healthy environment for pets forced into the isolation of quarantine.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 253, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3373      Agriculture on H.C.R. No. 254**

The purpose of this resolution is to request the Department of Agriculture (DOA) to support the reactivation of the Quarantine Station's Advisory Committee and encourage it to become more involved with the operations of the Animal Quarantine Station by:

- (1) Conducting semi-annual reviews of the overall condition of the Animal Quarantine Station's physical plant; and
- (2) Submitting its recommendations to the Board of Agriculture.

Furthermore, the resolution requests that the DOA consider expanding the membership of the committee by including the handicapped community, the veterinary profession, and a representative from the neighbor islands.

At one time, the Animal Quarantine Station's Advisory Committee (established in 1973) provided advice to the Station on consumer-related issues, but it has not met in the last couple of years. Its most recent membership consisted of representatives from the Hawaii Humane Society, the military, cat clubs, dog clubs, and the community-at-large.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 254, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3374      Agriculture on H.C.R. No. 255**

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA) to devise a system to provide timely notifications to pet owners when their quarantined pets require medical attention.

The need for devising such a system is based on the findings of Interim Task Force to Study the State's Animal Quarantine System. On their site visit to the Quarantine Station, the Task Force subcommittee members found the "red tag" notification system (hanging a red tag on the pet owner's kennel door requesting that the owner contact the front office or dispensary) was deficient in providing timely notification to the pet owners to ensure the health of their quarantined pets.

Your Committee finds that if the State requires certain animals be quarantined for 120 days, a resulting responsibility is that adequate medical care must also be provided. The DOA agreed that pet owners should be promptly informed whenever their pets experience medical difficulties and stated it will make every effort to improve the current system of notification.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 255 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3375      Agriculture on H.C.R. No. 256**

The purpose of this resolution is to request the Department of Agriculture (DOA) to study the feasibility of improving the visitor and staff facilities at the Animal Quarantine Station.

When the Facilities and Operations of the Animal Quarantine Station Subcommittee of the Interim Task Force to Study the State's Animal Quarantine System made its site visit to the State Animal Quarantine Station, the members perceived a need to create a more pleasant environment at the Station for both pet owners as well as staff. More specifically, the Subcommittee members recommended that DOA consider:

- (1) Creating personal work stations for employees;
- (2) Constructing a consultation room for veterinarians and pet owners; and
- (3) Upgrading the visitor entry area as well as restrooms.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 256 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3376      Agriculture on H.C.R. No. 257**

The purpose of this resolution is to request the Department of Agriculture (DOA) to revise its requirements pertaining to the licensing and certification of satellite quarantine facilities so that such a facility can be operated by licensed private veterinary care facilities.

Your Committee finds that under the existing rules, the licensing and certification requirements are so stringent that no private operator is able to operate a satellite facility in a financially profitable or administratively responsible manner.

Furthermore, your Committee finds that there is a need for satellite animal quarantine facilities on the neighbor islands to minimize the trauma and ordeal of separation suffered by both pets and pet owners and to alleviate the inconveniences and costs incurred by neighbor island pet owners when they visit their pets quarantined at the Halawa Station.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 257, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3377      Health on H.C.R. No. 314**

The purpose of this resolution is as stated in the title.

Project Po'ohala is a statewide coalition of parents, consumers, and professionals established in 1989 to educate State policy makers on the importance of family support. The project is a result of a training and technical assistance grant from the Administration on Developmental Disabilities through the Human Services Research Institute. Hawaii was one of ten states to receive the grant.

Project Po'ohala is committed to providing services that will enable families to care for individuals with developmental disabilities at home. Its mission is based on the premise that families can determine their own needs and that service providers can be linked to provide comprehensive support to families in local communities.

Your Committee finds that the development of coordinated, comprehensive, and accessible networks of family support throughout the State based on the mission statement developed by Project Po'ohala can serve as a guide to strengthen families of persons with disabilities.

Your Committee believes that this resolution could be improved with certain technical amendments for purposes of clarity and style, but the changes would not be significant, and in the interest of time, are not being recommended.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 314 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3378      Health on H.C.R. No. 317**

The purpose of this resolution is to request the Gay and Lesbian Teen Task Force to assess the demographics and needs of gay and lesbian youth in Hawaii.

Adolescence is an extremely dynamic and confusing period of life. The challenges and difficulties of adolescence are magnified exponentially for the gay or lesbian teen. It is estimated that between three to ten percent of the teenage population in Hawaii is homosexual. At a time when young adults are trying to discover their identity, there is a lack of support and guidance for them.

Studies show that alienation experienced by gay and lesbian youth often result in attempted or successful suicide, with one study reporting the success rate as high as twenty to twenty-five percent. Societal taboos surrounding free and open discussion of lesbian and male homosexuality and the problems faced by these youth often create problems in adequately addressing this situation.

Although the lifestyle of these youths are not supported by their peers or the general public, and is not necessarily endorsed by your Committee, it is of grave importance to recognize the problems inherent to this lifestyle, and promote activities to reduce barriers that limit supportive and accessible efforts directed to the gay community and its subgroups.

Your Committee has amended this resolution by specifying additional agencies and departments to be represented on the task force, and making several technical amendments for purposes of style and clarity.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 317, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 317, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Blair and Menor.

**SCRep. 3379      Health on H.C.R. No. 335**

The purpose of this resolution is as stated in the title.

Your Committee finds that education is one of the most powerful tools available for preventing the spread of the HIV infection. At the same time, your Committee recognizes that reaching high risk adolescents including runaways, homeless youths, and school drop-outs has been a difficult and frustrating task. Your Committee believes that community-based and outreach programs can play a critical role in accessing children and youths who may not be reached through the school system.

Your Committee believes that this resolution could be improved with certain technical amendments for purposes of clarity and style, but the changes would not be significant, and in the interest of time, are not being recommended.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 335, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3380      Consumer Protection and Commerce on H.C.R. No. 76**

The purpose of this resolution is to request the Hawaii Real Estate and Education Center of the University of Hawaii to examine the social and economic effects of the rapidly escalating costs of commercial property leases in Hawaii.

The affordability of commercial ground lease rents is critical to Hawaii's economy. This study will provide information on the number of affected leases, financial implications, estimates of foreclosures and lease terminations, the impact of renegotiations at ten-year intervals, and a summary of lease rent increases negotiated in the past ten years. Your Committee finds that these kinds of information are necessary to enable the Legislature to develop policies or develop measures to mitigate the problem, if it is determined that such intervention is warranted.

Your Committee has amended this resolution by requesting the Center to submit a report of findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 1991.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 76, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 76, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3381      Consumer Protection and Commerce on H.C.R. No. 120**

The purpose of this resolution is to request the Hawaii Association of Realtors, in coordination with the Department of Commerce and Consumer Affairs, the Real Estate Commission, and the Institute of Real Estate Managers, to study implementation of mandatory errors and omissions insurance coverage for real estate brokers and salespersons.

The study would include budgetary, administrative, and staffing concerns.

Your Committee finds that such coverage would relieve the Real Estate Recovery Fund of many claims which are currently placed there because of lack of errors and omissions insurance for real estate personnel. The availability of this kind of insurance is an issue in determining whether such coverage should be mandatory, as is the statute of limitations on claims against real estate personnel. This resolution requests the examination of these and other issues and a report of findings and recommendations to the 1991 Legislature. The information contained therein should enable the Legislature to make appropriate decisions regarding instituting mandatory errors and omissions insurance and modifying the current statute of limitations.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 120 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3382      Consumer Protection and Commerce on H.C.R. No. 163**

The purpose of this resolution is to urge the Honolulu Board of Realtors, the Hawaii Association of Realtors, and the Real Estate Commission to take whatever steps are necessary to ensure that enough copies of a leasehold information brochure are printed to reach every client shopping for property in Hawaii.

The Housing Finance and Development Corporation is preparing the brochure with money appropriated by the Legislature. This resolution is intended to express the intent of the Legislature that sufficient copies are generated to fully carry out its purpose.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 163, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3383      Consumer Protection and Commerce on H.C.R. No. 164**

The purpose of this resolution is to request the Legislative Auditor to examine the need to establish regulation and licensing of rental referral agents and rent finders.

After consulting with the Attorney General, the Office of Consumer Protection, and the Real Estate Commission, the Auditor will submit a report of findings and recommendation to the 1991 Legislature.

The statutes regulating rental agencies were repealed in 1977; however, since then there have been substantial changes in the rental market, including dramatic reductions in statewide rental vacancy rates. In response to these conditions, rental referral agencies and rent finders have set themselves up in business to match landlords with prospective renters, but since they are no longer regulated, complaints against them cannot be answered by the Office of Consumer Protection or the Attorney General.

Your Committee finds that there is a potential for abuse in this area and that it may be necessary to regulate rental referral agencies and rent finders in order to protect the consuming public. The information requested pursuant to this resolution will enable the Legislature to make informed policy decisions on the subject and enact legislation, if needed.

Your Committee has amended this resolution by making several nonsubstantive language and technical changes for the purposes of clarity and style.



Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 164, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto has H.C.R. No. 164, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3384 Consumer Protection and Commerce on H.C.R. No. 239**

The purpose of this resolution is to request the Center for Alternative Dispute Resolution to convene a roundtable discussion to determine the feasibility of a statewide computer system to collect and disseminate information regarding automobile owner and operator registration and driving safety.

The roundtable will include representatives from the Department of Commerce and Consumer Affairs, the Insurance Division, the State Traffic Violations Bureau, various county motor vehicle divisions, the Hawaii Insurers Council, and other appropriate parties, who will discuss their individual technological and computer capabilities, the potential for combining their resources to establish the statewide system, and other factors such as costs, organization, implementation, and priorities which would determine the feasibility of the project.

Your Committee finds that significant numbers of uninsured motorists in Hawaii and the absence of ready access to information which insurance companies need for rate making purposes adversely affect motor vehicle insurance rates. Therefore, it is appropriate to review and assess the potential for establishing a coordinated driver insurance and safety information data base utilizing the technological resources of interested organizations in the private and public sectors.

Your Committee has amended this resolution by making some nonsubstantive language changes for the purposes of clarification and style.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 239, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 239, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3385 Consumer Protection and Commerce on H.C.R. No. 339**

The purpose of this resolution is to urge health insurance providers to include in their policies complete coverage for the costs of appropriate immunizations.

The resolution also requests the Department of Health to set an example by including coverage for comprehensive immunizations in the State Health Insurance Program.

Your Committee finds that many diseases and illnesses can be prevented by immunization; however, many persons do not protect themselves in this manner because of factors such as the cost of vaccines and vaccinations. As a matter of public health policy, it would seem that coverage for immunizations should be included in any basic health insurance package provided to the people of this State, and your Committee considers it appropriate to strongly urge the health insurance industry to adopt this policy.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 339, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3386 Housing and Hawaiian Programs on H.C.R. No. 133**

The purpose of this resolution is to request the Housing Finance and Development Corporation to examine the feasibility of constructing affordable housing on State-owned land within Honolulu's primary urban center.

Your Committee received supporting testimony from the Housing Finance and Development Corporation. Your Committee also received testimony from the Downtown Neighborhood Board which expressed reservations regarding the resolution. The Downtown Neighborhood Board was concerned that, while market-rate and affordable housing is being constructed or planned for the downtown and other urban areas, inadequate plans are being made for schools, recreational parks, and other community facilities.

Your Committee finds that it is appropriate to examine the feasibility of using State-owned land within the primary urban center for affordable housing, including some of the sites identified in the resolution as examples. At the same time, your Committee finds that the examination must include the current uses and plans for State-owned lands as well as alternative uses designed to meet community needs.

Your Committee has amended the resolution to delete the former Pohukaina School as an example of State-owned land that should be examined as a potential affordable housing site. This land is currently the subject of discussions between the State Administration and the Office of Hawaiian Affairs. Your Committee has also amended the title and body of the resolution to make the title and first resolving clause consistent. Your Committee has also made minor technical and grammatical amendments to the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 133, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 133, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3387      Ways and Means on H.B. No. 1631**

The purpose of this bill is to increase from \$500 to \$1,750 the amount of compensation excluded under the state income tax law on income received by members of the Hawaii National Guard and other reserve components of the armed forces and Coast Guard.

Your Committee finds that excluding from state income taxation the first \$500 received by a military reservist has benefited the State by serving as a valuable tool in recruiting and retaining qualified personnel. This income tax benefit has served as the State of Hawaii's way of recognizing the value of reserve military service to our State and Nation. The exclusion has additionally served as an incentive for the recruiting and retention of quality personnel. However, there has been no increase in the \$500 amount since the exclusion was first established in 1970.

Based on testimony received from the state Department of Defense, the Hawaii National Guard Enlisted Association, the Reserve Officers Association of the United States (Hawaii Department), and individual members of the Hawaii Air National Guard and the Hawaii Army National Guard, your Committee finds that increasing the exclusion to \$1,750 is needed to ameliorate the effects of inflation and to preserve the value and meaning of this important benefit.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1631, 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. 3388      Ways and Means on H.B. No. 2477**

The purpose of this bill is to reduce the dollar amount below which a payment must be made from petty cash from \$100 to \$25.

Your Committee finds the operation of petty cash funds have significantly increased some agencies' workload because the number of transactions under \$100 make up approximately thirty to forty per cent of their total payments. As a result, agencies are incurring additional costs.

Your Committee finds that the lowering of the threshold from \$100 to \$25 would drastically reduce the number of payments made through the petty cash fund, to about eight per cent of total payments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2477, 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. 3389      Ways and Means on H.B. No. 2459**

The purpose of this bill is to increase the maximum loan amounts made available in times of state-declared disasters.

Presently, the disaster commercial loan program provides \$25,000 for business loans and \$5,000 for personal loans. This bill increases these amounts to \$50,000 for business loans and \$25,000 for personal loans.

Your Committee believes that the present limits on commercial and personal loans are generally insufficient and that the proposed increases are in line with the increased cost of doing business in Hawaii as well as the general increase in the cost of living.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2459 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3390      Ways and Means on H.B. No. 2869**

The purpose of this bill is to establish a storeroom for supplies in the department of education and a revolving fund to operate the storeroom.

Your Committee agrees with the findings of the Committee on Education as stated in Senate Standing Committee Report No. 2734 that the department of education's storeroom has been used to purchase supplies for the public school system which reduces costs of operations through consolidation of purchases for the entire system. However, because of quarterly and annual lapsing of funds, money can not be accumulated to make larger purchases where cost benefits are increased. Currently funds received from charges to schools for supplies are deposited directly into the general fund.

Your Committee finds that creating a storeroom revolving fund that is funded by charges to schools for supplies will allow the department to make more economical purchases by providing the means to accumulate funds. The bill requires a ceiling on the fund where balances in excess of \$400,000 at the end of each fiscal year must be returned to the general fund.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2869 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3391      Ways and Means on H.B. No. 2889**

The purpose of this bill is to provide a vehicle for state and county public employer contributions to the health plans of retirees with less than ten years of service who enroll in the health fund's new prescription drug, vision care, and adult dental plans.

Your Committee finds that, although retirees with less than ten years of service are eligible to enroll in the health fund's new benefit plans, they are required to pay the entire amount of the monthly premium for the coverage because no public employer contribution has been established. Your Committee believes that it is fair and equitable for public employers to pay one-half of these retirees' monthly premiums based on active employee rates.

Further, your Committee finds that this bill is identical to S.B. No. 3097, S.D. 1, which was passed by this Committee on March 2, 1990.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2889, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3392      Ways and Means on H.B. No. 2899**

The purpose of this bill is to authorize the department of health to establish and administer special funds for Title XIX funds collected for community program services for the developmentally disabled.

Your Committee concurs with the findings of the Committee on Health as stated in Senate Standing Committee Report No. 2788 and agrees that this measure is necessary to expedite implementation of community-based programs for the developmentally disabled by the department of health.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2899 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3393      Ways and Means on H.B. No. 2905**

The purpose of this bill is to repeal the June 30, 1993 sunset date for the law relating to dependent adult protective services.

Your Committee, after consideration of the concerns expressed by the department of human services as noted by the Judiciary Committee in Senate Standing Committee Report No. 2705, agrees that it is in the public interest to maintain the provisions relating to protection of dependent adults on a permanent basis.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2905 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3394      Ways and Means on H.B. No. 2939**

The purpose of this bill is to amend section 235-55.7, Hawaii Revised Statutes, to allow resident individuals who have no income or no taxable income to claim the renter's income tax credit, as long as they meet the other eligibility requirements for the credit.

Current law provides that the taxpayer must have income which is taxable by the State to qualify the renter's credit. This requirement prevents a small group of resident individuals from qualifying for the credit.

This bill would allow individuals such as senior citizens living on social security or pension benefits, which are tax exempt, to apply for the tax credit. Allowing individuals having no income taxable by the State to claim the renter's credit will eliminate the above problem and better reflect the original intent of the law to provide tax relief for low-income taxpayers.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2939 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3395      Ways and Means on H.B. No. 2941**

The purpose of this bill is to amend section 235-5.5, Hawaii Revised Statutes, to modify the procedures for recapture of taxes on distributions from individual housing accounts (IHA) used to purchase residential real property.

Current law requires that, upon sale of the property, the entire amount of the distribution is to be included as gross income for individual income tax purposes in the year of the sale and that the taxpayer pay a penalty equal to ten per cent of the distribution.

The bill would provide that:

- (1) For residential real property purchased after December 31, 1989 with a distribution from an IHA, the individual must include one-tenth of the total distribution as gross income for individual income tax purposes in the year of the distribution and one-tenth in each of the nine taxable years thereafter;
- (2) If the individual sells the property before the end of the ten-year recapture period, an amount equal to the amount of the distribution from the IHA not previously reported must be included as gross income for income tax purposes in the year of the sale and that the taxpayer pay a penalty equal to ten per cent of the total distribution;
- (3) An individual who purchased residential real property before January 1, 1990 with a distribution from an IHA may make an election by January 1, 1991 to use the new recapture procedures, rather than follow the procedures in current law;
- (4) Properties "transferred by will or by operation of law" in addition to properties "sold due to death or total disability" as provided in current law would be exempt from the tax recapture provisions; and
- (5) The new provisions would be effective for taxable years beginning after December 31, 1989.

Your Committee believes that modifications to the current individual housing account program to reduce the tax burden on individuals wishing to sell their properties are appropriate and consistent with other policies in effect regarding state-assisted housing purchases.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2941, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3396      Ways and Means on H.B. No. 2956**

The purpose of this bill is to allow the department of transportation to pay airports division employees in the same manner as other airport personnel for their participation in and training for aircraft emergencies.

Your Committee finds that non-rescue and non-fire fighting airports division employees are presently receiving a \$25 per month pay differential regardless of whether they attend a drill or perform rescue services, while other airport employees are paid for each drill and each response to an aircraft emergency attended. In addition to rectifying this inconsistency, this bill provides incentives for employees to attend training drills, to thereby elevate the level of competence of personnel engaged in performing these services.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2956 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3397      Ways and Means on H.B. No. 2602**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds and refunding of special purpose revenue bonds by the department of budget and finance, to be used for the financing or refinancing of St. Francis Medical Center and St. Francis Medical Center-West.

The issuance of tax-exempt, low-interest special purpose revenue bonds has proven to be a popular method of financing health care facilities since it provides significant cost savings which have benefitted providers, consumers, and third-party payers of health care services.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2602 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3398      Ways and Means on H.B. No. 2890**

The purpose of this bill is to authorize the housing finance and development corporation to issue up to \$100,000,000 in revenue bonds to finance or refinance the development or acquisition of for-sale housing projects.

Your Committee finds that the corporation's revolving funds are likely to be insufficient to meet anticipated demand because of the corporation's accelerated development schedule. Moreover, developers are also likely to seek state assistance in the form of low-interest interim construction financing. Since the bonds would be issued in the name of the corporation, the State's debt ceiling would not be affected.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2890, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3399      Ways and Means on H.B. No. 3239**

The purpose of this bill is to authorize the department of budget and finance to issue special purpose revenue bonds to Elexs, Ltd. for the purpose of assisting Elexs, Ltd. in generating new capital for the manufacture of electric vehicles and related products in Hawaii.

Your Committee finds that the manufacturing of electric vehicles in Hawaii will diversify the State's economic base, create employment opportunities, generate new capital and additional tax revenues, and decrease our dependence on the use of imported petroleum for transportation fuel. Manufacturing of electric vehicles is therefore clearly in the public interest and should be pursued.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3239, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3400      Ways and Means on H.B. No. 3349**

The purpose of this bill is to amend section 172 of Act 316, Session Laws of Hawaii 1989, relating to the appropriations for the Honolulu Symphony Trust.

Your Committee finds that it is in the best interest of the State of Hawaii to release the appropriations to the Honolulu Symphony Trust at the beginning of the fiscal year so that the trust may use the interest on the funds to assist in covering operating costs incurred including fund-raising to match the appropriated funds as required by law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3349, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 3401      Higher Education on H.C.R. No. 197**

The purpose of this concurrent resolution is to request a review of the Equal Employment Opportunity and Affirmative Action Office at the University of Hawaii and a study on the feasibility of establishing an independent office to assist victims of discrimination at the University of Hawaii.

Your Committee finds that a number of University faculty members and students have expressed a desire to see the establishment of an independent office to serve as an advocate for victims of discrimination. Your Committee believes that it would be prudent and timely to review the functions and mission of the Equal Employment Opportunity and Affirmative Action Office for possible restructuring, as well as study the feasibility of establishing an independent office.

The concurrent resolution has been amended by replacing the Legislative Reference Bureau with the Legislative Auditor as the office that will conduct the study.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 197, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 197, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3402      Higher Education on H.C.R. No. 223**

The purpose of this concurrent resolution is to request a study to determine the feasibility of establishing a foreign service training program for Hawaii residents.

Your Committee finds that at present careers in international service based in Hawaii must be filled by students from mainland universities because the University of Hawaii lacks a program in international studies. As the State foresees itself in an expanded international role, it would be prudent to seek ways in which it could expand the educational opportunities it provides in international studies.

Your Committee has replaced "foreign service training programs" and "foreign service careers" with "international service training programs" and "international service careers" in the title and throughout the concurrent resolution.

Further, the phrase in the sixth whereas paragraph describing Hawaii's role as "a center of international service and facilitator of people, goods, and cultures..." has been amended to read "a center of international service and cross-cultural communication and a meeting place for people, goods, and cultures...."

Other nonsubstantive, technical amendments have been made for style and clarity.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 223, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 223, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3403      Higher Education on H.C.R. No. 224**

The purpose of this concurrent resolution is to request a study on the feasibility of establishing an international service training program at the University of Hawaii for students from Pacific countries.

Your Committee finds that Hawaii's emerging leadership role in the Pacific region requires the State to assist its neighbors in Asia and the Pacific in the development of international expertise. One program that the University of Hawaii lacks which would be beneficial to both our neighbors and the State is training in international studies. Such a program would promote improved diplomatic relations and goodwill, as well as enhance the State's emerging role as an international center for commerce and information exchange.

Your Committee has amended the concurrent resolution by adding "international service careers" to the phrase in the fifth whereas paragraph which describes the types of career positions students are currently unable to pursue at the University of Hawaii.

Further, the phrase in the seventh whereas paragraph describing Hawaii's role as "a center of international service and facilitator of people, goods and cultures..." has been amended to read "a center of international service and cross-cultural communication and a meeting place for people, goods, and cultures...."

Your Committee has also amended the concurrent resolution by adding "cross-cultural communication" to the purpose for the feasibility study in the first be it resolved paragraph.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 224, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 224, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3404 Human Services on H.C.R. No. 140**

The purpose of this resolution is to request that the Department of Human Services, in conjunction with the Department of Health, report to the Legislature on their efforts to maximize federal medicaid funds and to implement the strategic plan and other recommendations contained in the Legislative Auditor's report.

Your Committee finds that by maximizing federal medicaid funds, more health care services will be provided to those in need in the low income gap group. It will also provide cost effective alternatives for enhancing and expanding the scope of services to high risk populations served by the Department of Health.

The Department of Health, the Department of Human Services, the State Planning Council on Developmental Disabilities, the Honolulu Action Program, Inc., the Hawaii Centers for Independent Living, the Hawaii Public Health Association, the Committee on Welfare Concern and the Hawaii Healthy Mothers, Healthy Babies Coalition testified in support of the resolution.

Your Committee has amended the resolution by deleting two BE IT RESOLVED paragraphs and inserting two new ones in their place. Deleted were the paragraphs which requested (1) that the Department of Human Services examine its policy of requiring the State to provide up front funding to cover total projected costs of medicaid and (2) that the Departments of Human Services and Health report back to the 1991 Legislature. In their place were inserted paragraphs requesting (1) that the Departments of Health and Human Services submit progress reports to the Legislative Auditor by October 31, 1990, and (2) that the Legislative Auditor review the reports and submit comments on them to the 1991 Legislature.

The resolution was also amended to provide that a certified copy of the resolution be sent to the Legislative Auditor.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 140, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 140, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3405 Human Services on H.C.R. No. 148**

The purpose of this concurrent resolution is to request that the Department of Human Services shorten the medicaid application form and design a separate food stamp application form.

Your Committee finds that because a 44-page generic form is used for all applications from financial assistance to food stamps to medical assistance, many qualified persons may be intimidated or overwhelmed and not apply for needed services. Your Committee believes that unnecessary and cumbersome paperwork should not be an obstacle to applicants seeking medicaid or food stamps.

The State Planning Council on Developmental Disabilities, the Honolulu Community Action program, Inc., and the Committee on Welfare Concerns testified in support of the concurrent resolution.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 148, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3406 Human Services on H.C.R. No. 151**

The purpose of this concurrent resolution is to request the formation of an interagency task force to monitor and address the social worker shortage problem in the State.

Your Committee finds that the chronic shortage of social workers has strained the State's ability to provide the level of services required in a modern health-conscious society. Your Committee believes that the formation of an interagency task force will help to guide, direct and coordinate overall efforts to address the problem.

The Department of Health, the Department of Personnel Services, the School of Social Work at the University of Hawaii at Manoa, the Department of Corrections, and the Department of Human Services testified in favor of the concurrent resolution.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 151, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3407      Health on Gov. Msg. Nos. 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234 and 271**

Recommending that the Senate advise and consent to the nominations of the following:

STANLEY H. RAYMOND II to the Statewide Health Coordinating Council, term to expire June 30, 1992;

MERRIE KIM AIPOALANI and NORMAN J. N. HOLT SR. to the Statewide Health Coordinating Council, terms to expire June 30, 1993;

JEAN MARY WEAVER to the Honolulu Subarea Health Planning Council, term to expire June 30, 1991;

T. SAMUEL LEE, LEONARD P. PARESA JR. and MARK H. YAMAKAWA to the Honolulu Subarea Health Planning Council, terms to expire June 30, 1994;

CARL T. HAMADA and DAVID SAKATA to the Central Oahu Subarea Health Planning Council, terms to expire June 30, 1992;

DORIS AHANA, SHARON H.S. OTA and KEVIN C. ZURLAGE to the Central Oahu Subarea Health Planning Council, terms to expire June 30, 1994;

ISABEL "BELLA" BURDETT-OCLINARIA to the Waianae Coast Subarea Health Planning Council, term to expire June 30, 1992;

SARAH K. CORDEIRO, TYLETTE L. HUN, HELEN O'CONNOR and SHARLETTE K. POE to the Waianae Coast Subarea Health Planning Council, terms to expire June 30, 1993;

PATRICIA C. DESOTO, MARION GLUSHENKO, CHRISTINE S. JACKSON, TERRY ANN JONES and JOYCE M. O'BRIEN to the Waianae Coast Subarea Health Planning Council, terms to expire June 30, 1994;

SUSAN DE SENA HEWITT to the Windward Oahu Subarea Health Planning Council, term to expire June 30, 1991;

ANTHONY C. ORNELLAS to the Windward Oahu Subarea Health Planning Council, term to expire June 30, 1992;

ELAINE KEKULALEIMANU ANDRADE, ANN M. DITZLER and ANTHONY LENZER to the Windward Oahu Subarea Health Planning Council, terms to expire June 30, 1994;

BOB T. KITA, CAROL LESTINA-MATTES and SHELDON C.N. SPENCER to the Hawaii County Subarea Health Planning Council, terms to expire June 30, 1991;

GUY H. NAGAI to the Hawaii County Subarea Health Planning Council, term to expire June 30, 1992;

SHIRLEY ANN YAMAOKA-GREIG to the Hawaii County Subarea Health Planning Council, term to expire June 30, 1993;

SHIRLEY K. TAKAHASHI, R.N., to the Maui County Subarea Health Planning Council, term to expire June 30, 1990;

GERALD G. RABAINO to the Maui County Subarea Health Planning Council, term to expire June 30, 1991;

MARY M. HEW, ROBERT L. JOHNSON, Ph.D. and TERRY LEE NOELANI POAIPUNI to the Maui County Subarea Health Planning Council, terms to expire June 30, 1994;

ABEL MEDEIROS to the Kauai County Subarea Health Planning Council, term to expire June 30, 1992;

CHARLOTTE SMITH KAUI and SETSUO USHIO, gubernatorial nominees to the Kauai County Subarea Health Planning Council, terms to expire June 30, 1994;

MIYONO KUNIOKA and FRED A. PRITCHARD to the County Public Health Facility Management Advisory Committee, City and County of Honolulu, terms to expire June 30, 1991;

JEAN L.J. LUM, Ph.D., and NEAL N. TAMURA, D.D.S., to the County Public Health Facility Management Advisory Committee, City and County of Honolulu, terms to expire June 30, 1992;

SHARON E. OGAWA and DOROTHY K. ONO to the County Public Health Facility Management Advisory Committee, City and County of Honolulu, terms to expire June 30, 1993;

CLIFF K. CISCO, RODOLFO V. RAMOS and ELIZABETH ANNE TAGA to the County Public Health Facility Management Advisory Committee, City and County of Honolulu, terms to expire June 30, 1994;

JITSUO KOTAKE and CLIFTON K. TSUJI to the County Public Health Facility Management Advisory Committee, County of Hawaii, terms to expire June 30, 1991;

CLYDE T. IMADA and VIOLA M. WATSON to the County Public Health Facility Management Advisory Committee, County of Hawaii, terms to expire June 30, 1992;

RALPH C. BOYEA and NELSON H. KINOSHITA to the County Public Health Facility Management Advisory Committee, County of Hawaii, terms to expire June 30, 1993;

CHARLES SAKAMOTO, JUNE YOSHIKO TANOUE and DEEN L. WONG, M.D., to the County Public Health Facility Management Advisory Committee, County of Hawaii, terms to expire June 30, 1994;

PEPITO RAGASA and HERBERT SAKAKIHARA to the County Public Health Facility Management Advisory Committee, County of Maui, terms to expire June 30, 1991;

KIMIE LANE and DONALD K. MATSUI to the County Public Health Facility Management Advisory Committee, County of Maui, terms to expire June 30, 1992;

WAYNE M.T. LU and MARY E. PURDY to the County Public Health Facility Management Advisory Committee, County of Maui, terms to expire June 30, 1993;

LEE Y. MATSUI, JAMES B. TAKAYESU and WAYNE M. TAKEHARA to the County Public Health Facility Management Advisory Committee, County of Maui, terms to expire June 30, 1994;

LUDVINA K. TAKAHASHI and FLORENCE TOMITA to the County Public Health Facility Management Advisory Committee, County of Kauai, terms to expire June 30, 1991;

RICHARD WILSON CARMICHAEL and MYRNA ANNE PUALEHUA KAI to the County Public Health Facility Management Advisory Committee, County of Kauai, terms to expire June 30, 1992;

JUAN M. FRANCISCO and YONEMICHI MIYASHIRO, M.D., to the County Public Health Facility Management Advisory Committee, County of Kauai, terms to expire June 30, 1993;

CORRADO A. ALTOMARE, MABEL JEAN ODO and ALAN T. TSUNODA to the County Public Health Facility Management Advisory Committee, County of Kauai, terms to expire June 30, 1994;

JAMES K. ASATO and BOBBIE HOROWITZ to the Advisory Commission on Drug Abuse and Controlled Substances, terms to expire June 30, 1991;

SUSAN ZIMMERMAN to the Advisory Commission on Drug Abuse and Controlled Substances, term to expire June 30, 1993;

ANNA RILEY M. HORNE and DANILO E. PONCE, M.D., to the Advisory Commission on Drug Abuse and Controlled Substances, terms to expire June 30, 1994;

SUSAN MEYERS CHANDLER to the State Council on Mental Health and Substance Abuse, term to expire June 30, 1991;

PHILLIP A. MICHAELS to the State Council on Mental Health and Substance Abuse, term to expire June 30, 1992;

MICHAEL CHARLES PABLIN to the State Council on Mental Health and Substance Abuse, term to expire June 30, 1993; and

ALLAN KUNIMOTO, M.D., ADRIANA MARIE RAMELLI and SHARON HANLEY VITOUSEK, M.D., to the Board of Health, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3408      Agriculture on Gov. Msg. No. 256**

Recommending that the Senate advise and consent to the nominations of JAMES K. AHLOY, ROY A. OYAMA and DAVID FUERTES to the Board of Agriculture, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3409      Agriculture on Gov. Msg. No. 237**

Recommending that the Senate advise and consent to the nomination of MASAO NAKAMURA to the Advisory Committee on Agricultural Products, for a term to expire June 30, 1993.



Signed by all members of the Committee.

**SCRep. 3410      Agriculture on Gov. Msg. No. 258**

Recommending that the Senate advise and consent to the nominations to the Environmental Council of the following:

HARRY M. NAKATA, term to expire June 30, 1992; and

LORRAINE H. AKIBA, CYNTHIA J. CHUNG and WAYNE J. YAMASAKI, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3411      Agriculture on Gov. Msg. No. 259**

Recommending that the Senate advise and consent to the nominations of VICTOR DALE MORELAND, SCOTT S. ODA to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3412      (Joint) Agriculture and Business Development and Pacific Relations on H.C.R. No. 286**

The purpose of this resolution is to request the United States Senate to ratify the articles of the 1976 convention on conservation of nature in the South Pacific ("Apia" Convention).

Your Committees finds that the articles drafted at the "Apia" Convention encouraged the creation, wise management, and appropriate use of protected areas which together with existing protected areas will safeguard representative samples of the natural ecosystems occurring therein.

Your Committees on Agriculture and Business Development and Pacific Relations concur with the intent and purpose of H.C.R. No. 286, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 3413      Human Services on H.C.R. No. 315**

The purpose of this concurrent resolution is to request that the Office of Children and Youth, in cooperation with the Executive Office on Aging, study and assess national intergenerational programs and recommend those that may be appropriate for Hawaii.

Your Committee recognizes the need for mutual support among all generations and finds the lack of intergenerational programs in Hawaii disturbing. With the valuable human resource existing in groups such as the Kokua Council and the American Association of Retired Persons, the State will benefit from the active participation of its senior members who donate their services on a regular basis. It should also be noted that programs of this nature normally do not require public funding. Further, group participation spanning generations will help to promote healthy attitudes at all age levels.

Testimony in support of the concurrent resolution was received from the Executive Office on Aging and the Office of Children and Youth.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 315 and recommends its adoption.

Signed by all members of the Committee except Senator Aki.

**SCRep. 3414      Housing and Hawaiian Programs on H.C.R. No. 13**

The purpose of this resolution is to urge the U.S. Department of Housing and Urban Development and the U.S. Internal Revenue Service to recognize Hawaii's unique economic and housing circumstances. More specifically, the resolution requests that Hawaii be reclassified as a high housing market area and that the maximum loan values that may be underwritten by the U.S. Federal Housing Administration (FHA) and the U.S. Veterans Administration (VA) be increased above the current limits of \$180,500 and \$184,000, respectively. The resolution would also urge the Government National Mortgage Association to purchase VA loans at the current \$184,000 level to the maximum extent possible.

Your Committee received supporting testimony from the Housing Finance and Development Corporation, which indicated that the National Association of Realtors estimated that the median price of an existing home in Hawaii was \$280,900 for the last quarter of 1989, with median resale prices reaching \$330,000 at the end of the first quarter of 1990. This leaves a financing gap of almost \$150,000 between FHA loan limits and the median cost of a single family home on Oahu.

Your Committee finds that higher loan limits are urgently needed in order for the FHA and VA programs to continue to be usable in the Hawaii housing market.

Your Committee has amended the resolution to reflect that the financing gap between current loan limits and median-priced housing in Hawaii is now well over \$100,000. Your Committee has also amended the resolution to change the name of the Veterans Administration to its new designation and status as the Department of Veterans Affairs, clarify that VA loans are guaranteed rather than insured by the U.S. Government, and add the Department of Veterans Affairs as a

recipient of the resolution. Your Committee has also made several technical, nonsubstantive amendments to the resolution for purposes of style and clarity.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 13, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 13, H.D. 2, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3415      Housing and Hawaiian Programs on H.C.R. No. 55**

The purpose of this resolution is to request the Housing Finance and Development Corporation to determine whether the availability of low interest land loans, low interest interim construction financing, and low interest mortgage funds could increase the rate of construction of self-help housing and the extent to which the State can make this financing available.

Your Committee received supporting testimony from the Housing Finance and Development Corporation.

Your Committee finds that self-help housing programs are a viable means of reducing housing costs to affordable levels. Your Committee also finds that the provision of low interest financing may remove one of the existing impediments to the construction of self-help housing.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 55, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3416      Housing and Hawaiian Programs on H.C.R. No. 297**

The purpose of this resolution is to urge the Hawaiian Homes Commission and the Department of Hawaiian Home Lands to promote the use of beneficiary advisory committees in all phases of the homesteading program and to ensure adequate community input in their decision-making processes affecting homesteaders.

Your Committee received testimony from the Chairperson of the Hawaiian Homes Commission.

Your Committee finds that the Hawaiian Homes Commission and the Department of Hawaiian Home Lands are presently making significant efforts to actively involve beneficiaries in their planning and decision-making processes, through monthly commission meetings held on different islands and in different homestead areas, separate community meetings, and establishment of advisory committees when necessary. Your Committee fully supports these efforts to afford beneficiaries maximum participation in the homesteading program.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 297, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3417      Housing and Hawaiian Programs on H.C.R. No. 318**

The purpose of this resolution is to request the Department of Hawaiian Home Lands to incorporate flood control measures into its planning for the current homestead development project in Waimanalo and to take actions to minimize flooding damage being suffered by several existing homesteads in this area.

Your Committee received supporting testimony from the Department of Hawaiian Home Lands. The Department indicated that it does not admit any responsibility for the existing flooding problems due to the potential for future litigation. Nevertheless, the Department indicated that it is already taking measures to alleviate the flooding problems through the installation of drainage outlets and regrading work.

Your Committee finds that the Department of Hawaiian Home Lands is moving forward to remedy the flooding problems in the Waimanalo area and expects that the Legislature will be kept informed of the Department's progress and any additional flood control measures that may be necessary.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 318, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3418      Legislative Management on H.C.R. No. 240**

The purpose of this resolution is to recognize and commend the efforts and contributions of the armed services personnel stationed in Hawaii to improve the public school system.

The armed services personnel stationed in Hawaii are important and vital members of our community. They have worked diligently and tirelessly to improve and strengthen the public school system. In recent years the degree of interaction between the military and educational communities has increased and is now flourishing in a strong and vibrant partnership involving thousands of people at all levels of the school system.

Examples of effective interaction on the state level are the joint military/state participation in the Education and Quality of Life Task Forces of the Military Affairs Council of the Chamber of Commerce of Hawaii, the Governor's Pearl Harbor

Homeporting Task Force, and the Department of Education's Military Liaison Committee. District level programs include creation of new positions specializing in military liaison, on-base familiarization seminars for educators, field trips to military facilities, and publication of useful orientation materials about public education for military personnel newly assigned to Hawaii.

The State of Hawaii is indebted to these dedicated people and recognizes and commends them on their efforts to improve the quality of education in Hawaii.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 240, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3419      Legislative Management on H.C.R. No. 292**

The purpose of this resolution is to provide interim hearings on the Legislative Access Committee's Final Action Plan.

The Legislative Access Committee was formed in 1989 pursuant to Act 331, Session Laws of Hawaii. The Committee, comprised of Senate and House of Representative members were charged with making recommendations to provide greater public access to the legislative process.

The Committee developed a Final Action Plan that was implemented during the 1990 Legislative session. The Plan included providing electronic access to legislative information with personal computers and modems; providing audio bill status 24 hours a day; providing permanent staff support; improving print shop services; improving public facilities at the Capitol; instituting a pilot "drop-off box" project for testimony in the Capitol parking lot; and providing a public services room.

This resolution allows the Committee to hold interim public hearings to solicit feedback and suggestions regarding the Final Action Plan.

Your Committee has amended the resolution to ensure that public hearings are held on the neighbor islands as well as Oahu.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 292, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 292, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3420      Legislative Management on H.C.R. No. 293**

The purpose of this resolution is to request the Attorney General to conduct a study regarding the protection of copyright interests in publishable materials generated by the State.

Your Committee finds that materials such as the Hawaii Revised Statutes, the Session Laws of Hawaii and other statutory compilations have considerable commercial value. Presently, there is no charge to a private service that provides these materials in electronic form to the public, or a law-related service that provides analysis of these materials to lawyer-clients.

Since the cost of production of these materials is paid by the general public, any commercial gain should, to some extent, be realized by the public. This resolution requests a report of the Attorney General to investigate this issue so the Legislature may ultimately decide on a proper course of action.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 293 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3421      Agriculture on S.R. No. 229**

The purpose of this resolution is to request State laboratories to work with private industry laboratories to ensure the protection of public health and the environment.

Specifically, the resolution requests that the Department of Health, the Department of Agriculture, and the University of Hawaii retain in-state private sector industrial or commercial laboratories to provide sampling and laboratory testing services whenever possible. Furthermore, the resolution states it is the State's responsibility to certify, enforce, and inspect programs for these private laboratories.

Your Committee has amended the resolution by amending the title to read "REQUESTING THE DEPARTMENT OF HEALTH TO INVESTIGATE AND RESOLVE ALLEGED GROUND CONTAMINATION FROM SPENT LEAD ACID BATTERIES THAT ARE BEING DISPOSED OF IMPROPERLY AND IMPLEMENT RULES AND REGULATIONS TO ADDRESS THE SITUATION", and by deleting the substance of the resolution and substituting therefor provisions which relate to the amended title.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 229, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 229, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3422      Agriculture on H.C.R. No. 12**

The purpose of this concurrent resolution is to find ways to ensure long-term land tenure for small Kona farmers by investigating the possibility of creating a State agricultural park in the region through a land exchange.

The upper elevations of North and South Kona on the Big Island provide ideal conditions for farming, not so much due to the soil quality but rather due to the unique climatic conditions; i.e. the strong sun, the lack of wind, and the afternoon cloud cover that provides crops with moisture and shade.

Kamehameha Schools/Bernice Pauahi Bishop Estate (Bishop Estate) owns approximately 200,000 acres of land in North and South Kona. Currently, there are approximately 500 small farm agricultural leases on some 3,000 acres of Bishop Estate lands in this region. The typical farm is approximately five to ten acres in size, and the average farmer, who lives on the leasehold, grows coffee or macadamia nut trees.

The majority of these agricultural leases were originally forty to forty-five years in length, and most will expire between the years 2000 and 2025. However, in the early 1980's, Bishop Estate revised its policy of issuing such long-term agricultural leases as a result of concern over Chapter 516, Hawaii Revised Statutes, that allows residential lessees to acquire the fee simple title from Bishop Estate. The specific concern is that these Kona agricultural leases may someday be susceptible to similar conversion laws. As a result, Bishop Estate's current policy is to renew expired leases or issue new leases for a term of fifteen years. In addition, its policy prohibits the construction of a new house on those leases where a residential dwelling unit does not exist.

According to the testimony presented by farmers, their concerns over the present situation are that:

- (1) The unique Kona agricultural lands must be protected to ensure the future viability of agriculture;
- (2) The cost to improve and maintain agricultural land is high; therefore, farmers require long-term leases in order to survive. One farmer estimated that given the high costs of bulldozing the land, purchasing the plants, and then maintaining the farm, it could take a macadamia nut farmer from twelve to fifteen years to reach the break-even point; and for a coffee farmer, the break-even point would range from five to six years, depending on the elevation;
- (3) Full-time farmers cannot compete with the gentlemen farmers in paying the lease rents;
- (4) Farmers are concerned that the recent sale of the fee simple interest in sixty acres of "marginal" agricultural lands off of Napoopoo Road is an indication of future trends for the region;
- (5) Some farmers feel that they may not be able to afford the terms of their existing leases when negotiations take place, because there are no fixed lease rents and lease rent ceilings are not tied to price variations in agricultural commodities;
- (6) At the lease's end, the farmer is not compensated for improvements made to the land; and, the commitment of the farmers in putting their financial resources and time in working the land should be matched by a commitment from the Department of Land and Natural Resources and Bishop Estate to reach some kind of resolve to the multi-faceted issues;
- (7) The lack of long-term leases is causing uncertainty for the lessees, because farming requires a long-term investment.

To support their position, they further contended that:

- (1) Farmers add new value to the land through various improvements such as installing irrigation systems, clearing the land, adding new soil, and so forth;
- (2) The farms prevent soil erosion and flooding on the hillsides;
- (3) Tree crops are a form of watershed and help ensure a viable water supply in an area heavily dependent on capturing moisture from the air; and
- (4) The survival of agriculture is closely tied to tourism. The crop lands and unique island style dwellings provide tourists with an esthetic attraction: an authentic perspective of the "real Hawaii;" many tourists are visiting the islands to experience the slower pace lifestyle, the greenery, and the lack of congestion.

In supporting the intent of this concurrent resolution, the Department of Land and Natural Resources (DLNR) testified that it would undertake discussions with Bishop Estate to determine if the basis for a suitable exchange could be worked out, provided that Bishop Estate is willing.

Bishop Estate indicated its willingness to involve Kona farmers, DLNR, and DOA in this planning process to develop lease conditions which meet the needs of both the farmers and the landowner.

Your Committee is encouraged by the willingness of Bishop Estate to involve the various parties in a continuing dialogue. At the same time, your Committee recognizes the real concerns that Kona farmers are experiencing and the urgency of the situation.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 12, H.D. 1, recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3423      Human Services on H.C.R. No. 312**

The purpose of this concurrent resolution is to request additional office space and an improved professional working environment for child protective services workers.

Your Committee finds that the optimum environment for child protective services, which includes counselling and case management, requires a professional working environment with allowances made for the special privacy needs of its clientele. Your Committee believes that the standards established by the Department of Accounting and General Services are, at best, minimum acceptable standards and, if nothing else, it is imperative that they are met. Child protective services workers, who already suffer from low morale and decreasing professional esteem, should not have to face the prospect of working in a less than professional environment.

The Hawaii Government Employees Association testified in support of the concurrent resolution.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 312, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3424      Business Development and Pacific Relations on S.R. No. 223**

The purpose of this resolution is to request the High Technology Development Corporation study the feasibility of utilizing optical data storage technology for recording business transactions.

Additionally, the study is to include the issues concerning the legal admissibility of images produced off of optical data storage systems and ascertain which statutes would have to be amended to make the application of this technology consistent.

Your Committee finds that with the advent of electronic funds transfers and electronic data interchange, society has moved into the next generation of paperless data processing. One of these new technologies is optical data storage, the same technology used in manufacturing laser and compact discs.

Your Committee believes that utilization of such a high quality technology would benefit the State immensely by enhancing and streamlining any commercial transactions and operations where accurate records and factual representation are of utmost importance.

Your Committee has amended the resolution by requesting the Senate Committee on Business Development and Pacific Relations to conduct the study rather than the High Technology Development Corporation and by requesting that the Senate Committee on Business Development and Pacific Relations consult with the Judiciary, State Bar Association, High Technology Development Corporation, International Business Machines, Wang Corporation, Kodak, Practice Management Services, Inc., and any other interested professional groups.

Your Committee on Business Development and Pacific Relations concurs with the intent and purpose of S.R. No. 223, as amended herein, and recommends its referral 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.

**SCRep. 3425      Legislative Management on H.C.R. No. 11**

The purpose of this resolution is to support the development of a Silver Legislature in Hawaii.

Your Committee finds that educating citizens to better understand the legislative system should result in their continued interest and involvement in the democratic process. Your Committee further finds that an excellent way of accomplishing this is through the development of a Silver Legislature for senior citizens.

A companion concurrent resolution, S.C.R. No. 18, was heard by your Committee on April 4, 1990, and testimony in support of the resolution was received from the Executive Office on Aging, National Association of Retired Federal Employees, Founders' Group of the Kokua Council for Senior Citizens, and a private citizen.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 11 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3426      (Majority) Government Operations on S.R. No. 190**

The purpose of this resolution is to urge the United States Congress to investigate the U.S. military invasion of Panama.

The introduction of military troops into the territory of another sovereign nation appears to be a direct violation of the universal norm against unilateral intervention. This premise is codified in the United Nations Charter, article 2(4), and the Charter of the Organization of American States, article 18, both of which are treaties the United States has formally ratified and agreed to respect.

Your Committee believes that it is healthy for a democracy such as ours, to look into the mirror, seek the facts, and examine its own actions -- the public has a right to know the truth. This ideal is the foundation of our country; it is what makes us strong and a world leader.

Fortunately, the Constitution of the United States and the doctrine of the separation of powers in the American political system provides a means for reviewing and evaluating the appropriateness of government actions. It is not your Committee's intent to be unpatriotic; rather, it is patriotic to ensure that free and open discussion is available on government policies and actions.

Therefore, this resolution is not an official condemnation of the administration's or U.S. military's actions in Panama. We believe, however, that it is good public policy to continue an inquiry into the matter.

Your Committee has been informed that informational hearings on this issue are currently being conducted; therefore, your Committee has amended this resolution by modifying the focus to urge Congress to consider continuing its inquiries and investigations of the U.S. military invasion of Panama. In addition, ambiguous and unnecessary language was deleted, and several technical amendments were made for purposes of style and clarity and to correct typographical errors.

Your Committee on Government Operations concurs with the intent and purpose of S.R. No. 190, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 190, S.D. 1.

Signed by all members of the Committee except Senators McMurdo and Blair.  
Senator George did not concur.

**SCRep. 3427      Government Operations on H.C.R. No. 279**

The purpose of this resolution is to request the Office of Information to conduct a study to explore options that will enable the Office to publish a directory of all state boards and commissions.

Your Committee believes that such a compilation will greatly assist members of the public in resolving problems and provide opportunities for participation in the public hearing process. This study will provide needed information relating to the feasibility of and costs involved in producing this publication, and reaffirms your Committee's commitment to open access to the government process.

Your Committee on Government Operations concurs with the intent and purpose of H.C.R. No. 279, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senator Yamasaki.

**SCRep. 3428      Government Operations on H.C.R. No. 280**

The purpose of this resolution is to provide a forum to receive and address public concerns and input in the site selection process for the proposed veterans' hospital in Hawaii.

In January 1990, the United States Department of Veterans' Affairs named seven sites on the island of Oahu as possible locations for the construction of a hospital and nursing care facility for Hawaii veterans.

Your Committee finds that the building and operation of a veterans' hospital will have a tremendous impact on residents, business, and communities in close proximity to the selected site. Therefore, your Committee believe that due to the many legitimate concerns raised about the negative impact of building the hospital at particular sites, a forum is needed to address public concern and gather public input for consideration in the site selection process.

Your Committee on Government Operations concurs with the intent and purpose of H.C.R. No. 280, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senator Yamasaki.

**SCRep. 3429      Higher Education on H.C.R. No. 143**

The purpose of this resolution is to endorse a mission statement for the Waikiki Aquarium.

Your Committee finds that although the Honolulu Aquarium was established in 1904, renamed the Waikiki Aquarium and moved to its present location in 1955, it has never operated under an official mission statement. Given this fact, the Waikiki Aquarium staff composed a mission statement, which is "to help the people of all ages understand, love, care for, and work to protect the life of the ocean through a commitment to excellence in educational and entertaining experiences, research and conservation." Your Committee finds it appropriate to endorse this mission statement.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 143 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3430 Higher Education on H.C.R. No. 153**

The purpose of this concurrent resolution is to request that the University of Hawaii develop exchange programs with the University of the Philippines, Siliman University, and Xavier University in the Philippines.

Your Committee finds that exchange programs enable students and faculty to pursue and experience intellectual growth in culturally rich environments abroad. Further, the University of the Philippines is recognized internationally as a premier institution of higher learning, Siliman University has a tradition of excellence in liberal arts, and Xavier University specializes in Muslim culture. Your Committee believes that the University of Hawaii, as well as its faculty and students, would benefit from exchange programs with these Philippine universities.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 153 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3431 Higher Education on H.C.R. No. 200**

The purpose of this resolution is to request that the University of Hawaii Employment Training Office study the feasibility of expanding the motorcycle training program to the neighbor islands.

Your Committee finds that although motorcycle training classes have been conducted on Oahu since 1981, these courses are not yet available on the neighbor islands. With the increasing demand for such classes on the neighbor islands, your Committee believes that the feasibility of expanding the motorcycle program should be studied.

The Chancellor for Community Colleges of the University of Hawaii testified in support of the resolution.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 200, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3432 Higher Education on H.C.R. No. 222**

The purpose of this concurrent resolution is to request a feasibility study on the establishment of international exchange centers.

Your Committee finds that both the Governor and the Board of Regents of the University of Hawaii have set international education as a high priority item in the State's mission to be a leader in the Asia-Pacific region. One way this education is provided is through study-abroad experiences and international contacts made under the university's international exchange agreements. Currently, there are over seventy exchange agreements between the University of Hawaii and universities in Asia and the Pacific. International Exchange Centers would support current efforts to prioritize and develop these existing agreements and assist the State in fulfilling its goal to expand its participation in international, economic, social and cultural activities.

The Dean of the School of Hawaiian, Asian and Pacific Studies of the University of Hawaii testified in support of the concurrent resolution.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 222, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3433 Higher Education on H.C.R. No. 259**

The purpose of this resolution is to request that the University of Hawaii, in conjunction with the University of Hawaii Women's Faculty Caucus, conduct a study on why disparity of status still exists between faculty men and women and to identify solutions to eliminate it.

Your Committee finds it unacceptable that only 16.7 percent of the tenured and tenure-track faculty positions at the University of Hawaii are filled by women. Further, the disparity between the sexes was documented over six years ago by a 1984 study conducted by the University of Hawaii Women's Faculty Caucus. Your Committee believes that an updated study is timely and important to examine why such disparity continues to exist and what steps must be taken to eliminate it.

Your Committee is cognizant of the fact that the University's ability to commit resources out of its current operating budget for the above study is dependent upon the projected scope and cost of the undertaking.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 259, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 3434 Culture, Arts and Historic Preservation on H.C.R. No. 264**

The purpose of this resolution is to request the establishment of a task force to evaluate issues related to the purchase and management of lands in Waipio Valley that are currently owned by Bishop Museum.

Specifically, this resolution calls for the task force to study concerns about the management and administration of the Valley, and the impact of urban uses on upper lands and the number of people entering the Valley. In addition, the task force would review the possible reforestation of the uplands and evaluate the cultural, historical, agricultural, and tourism needs of the area.

Your Committee received testimony in support of this resolution from the Office of State Planning, Department of Land and Natural Resources, Governor's Agriculture Coordinating Committee, Bishop Museum, and the Waipi'o Farmers' Association.

Your Committee finds that there are many compelling reasons for the State to acquire Waipio Valley from private owners. The Valley contains historic and cultural resources of significance to the people of Hawaii, and Bishop Museum, the current owner of the lower portion of the Valley, has been unable to obtain adequate returns on these lands to support on-going programs and operating costs.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 264 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 3435      Culture, Arts and Historic Preservation on H.C.R. No. 42**

The purpose of this resolution is to request the United States Postal Service to issue a commemorative stamp honoring Duke Kahanamoku.

Duke Paoa Kahinu Makoe Hulikohola Kahanamoku is one of Hawaii's most prominent and famous citizens, who gained an international reputation as an olympic gold medalist in swimming and who represented Hawaii as our unofficial ambassador to the world.

Your Committee received testimony in support of this resolution from State Representative Fred Hemmings; Hilton Hotels Corporation; Waikiki Improvement Association; Local Motion, Inc.; and Blue Hawaii Surf, Inc.

Your Committee finds that a U.S. postage stamp commemorating the 100th anniversary of Duke Kahanamoku's birth is a proper and fitting honor to bestow on our "Duke."

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 42 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3436      Culture, Arts and Historic Preservation on H.C.R. No. 274**

The purpose of this concurrent resolution is to urge the Governor to proclaim August 1990 "Duke Kahanamoku Month" in recognition of the many contributions Duke Kahanamoku made both here and abroad.

Testimony was received in support of this concurrent resolution from the Hilton Hotels Corporation and the Waikiki Improvement Association.

This year is the 100th anniversary of the Duke's birth. He was an outstanding athlete in the 1912 and 1920 Olympic Games, setting world records in the 100 meter swim. He was the unofficial "father of surfing" who exemplified the spirit of aloha and served as a goodwill ambassador to the rest of the world.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 274 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3437      Consumer Protection and Commerce on Gov. Msg. Nos. 181, 182, 183, 263, 264, 265 and 266**

Recommending that the Senate advise and consent to the nominations of the following:

MOON SOO PARK, M.D., to the Board of Medical Examiners, term to expire June 30, 1991;

ERLINDA M. CACHOLA, M.D., WILLIAM E. IACONETTI, M.D., and ABE SAKAI to the Board of Medical Examiners, terms to expire June 30, 1994;

CALVIN M. ICHINOSE, STANLEY K. OKINAKA and BENJAMIN MERCADO to the State Board of Nursing, terms to expire June 30, 1993;

CHESTER JOHN TWAROWSKI, O.D., to the Board of Examiners in Optometry, term to expire June 30, 1991;

JAN L. HIRAKAWA, O.D., and ARTHUR K. KUSUMOTO to the Board of Examiners in Optometry, terms to expire June 30, 1994;



NALANI WILSON-KU to the Cable Advisory Committee, term to expire June 30, 1991;

LINDA COBLE and AMY C. HAYASHI to the Cable Advisory Committee, terms to expire June 30, 1994,

PAUL W. CONDRY and WILLIAM E. (BILL) PICKARD, D.C., to the Board of Chiropractic Examiners, terms to expire June 30, 1994;

MOMI MINN LEE to the Board of Dispensing Opticians, term to expire June 30, 1993;

CATHERINE YOZA to the Board of Dispensing Opticians, term to expire June 30, 1994; and

JOHN L. "JACK" BURKE JR., N.D., and SHARON M. YOUNG to the Board of Examiners in Naturopathy, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3438 Consumer Protection and Commerce on Gov. Msg. No. 166**

Recommending that the Senate advise and consent to the nominations of EVE GATE' and FRANKLIN I. HAYASHIDA to the Board of Massage, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3439 Business Development and Pacific Relations on Gov. Msg. No. 262**

Recommending that the Senate advise and consent to the nominations to the Board of Directors, High Technology Development Corporation of the following:

DAVID Y.Y. YUN, Ph.D., term to expire June 30, 1993; and

PATRICK K. SULLIVAN, Ph.D., and DONNA A. TANOUE, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3440 Business Development and Pacific Relations on Gov. Msg. No. 261**

Recommending that the Senate advise and consent to the nomination of ROBERT M. OTA to the Board of Directors of the Hawaii Information Network Corporation (Hawaii Inc.), term to expire June 30, 1991.

Signed by all members of the Committee.

**SCRep. 3441 Business Development and Pacific Relations on Gov. Msg. No. 260**

Recommending that the Senate advise and consent to the nominations to the Hawaii Community Development Authority of the following:

RICHARD B.F. CHOY, term to expire June 30, 1991; and

GARY LEE CAULFIELD and STANLEY K. KAWAGUCHI, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3442 Culture, Arts and Historic Preservation on Gov. Msg. No. 214**

Recommending that the Senate advise and consent to the nominations to the King Kamehameha Celebration Commission of the following:

LUCY M. AKAU, term to expire June 30, 1991;

HARRIET KEALOHAALII SMITH, term to expire June 30, 1993; and

LOVEY L.Y.C. APANA, EVANGELINE OCHIE BUSH, OWEN M.K. HO, HAROLD C. JOHNSTON, LYNDON NANI LEE REGO and SAMUEL SPENCER, terms to expire June 30, 1994.

Signed by all members of the Committee.

**SCRep. 3443 Legislative Management on H.C.R. No. 202**

The purpose of this resolution is to request the Legislative Auditor to recommend a system of assessing the efficacy of proposed state programs to assist the Legislature in its review of such programs.

Your Committee finds that the continuing proliferation of state programs and policies compromises the effectiveness of existing and new programs. Due to limited fiscal resources, programs that could otherwise operate at full potential, are sometimes restricted because of new legislative programs and ideals.

With a uniform system of determining the efficacy of proposed programs and their relationship to existing programs, the Legislature would be better able to determine the overall effect of new policies and programs before its adoption. Generally, the resolution requests the Auditor to identify and categorize certain legislative functions, providing a basis for measuring the productivity of existing programs, and considering other criteria related to the legislative process.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 202 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3444 Business Development and Pacific Relations on H.B. No. 2914**

The purpose of this bill is to amend Act 274, Session Laws of Hawaii 1989, relating to the time period in which the High Technology Development Corporation may permit projects related to film production activities to be conducted at its industrial parks.

Specifically, the bill amends Section 5 of the Act by extending the deadline from June 30, 1990 to June 30, 1991.

Although the Department of Business and Economic Development has not diligently communicated the needs and priorities of the film industry, your Committee finds this extension is necessary to provide the Department of Business and Economic Development and the High Technology Development Corporation with the time to develop and implement long-term management strategies and policies.

Your Committee on Business Development and Pacific Relations is in accord with the intent and purpose of H.B. No. 2914 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 3445 (Joint) Government Operations and Agriculture on H.C.R. No. 93**

The purpose of this concurrent resolution is to urge the U.S. Congress to enact legislation to establish standards for the use of the U.S. Postal Service in determining whether probable cause exists to inspect domestic first class mail for purposes of intercepting the illegal importation of fruits, plants, and animals.

First class mail has been used to transport plants and animals and their diseases into Hawaii. The U.S. Postal Services currently has no statutory authority to inspect first class mail from domestic sources.

The Resolution requests that Fourth Amendment rights against illegal search and seizure be protected in the process.

Your Committees on Government Operations and Agriculture concurs with the intent and purpose of H.C.R. No. 93, H.D. 1, and recommends its adoption.

Signed by all members of the Committees.

**SCRep. 3446 (Joint) Government Operations and Judiciary on H.C.R. No. 195**

The purpose of this resolution is to request the Attorney General, in preparation of convening a multi-agency, anti-drug task force, determine the legality and feasibility of screening in-coming and out-going first-class mail for marijuana and other illegal drugs.

Furthermore, the resolution requests the Attorney General to determine any constitutional or statutory amendments that should be enacted by the United States Congress and the State Legislature in order to effectuate this process and requests that Hawaii's congressional delegation support these efforts.

Your Committees find that an estimated 240,159 pounds or 150 tons of marijuana are shipped into and out of Hawaii through the mail each day under the protection of the Privacy Act. Without legislation or action, your Committees believe the problem will continue to increase.

Your Committees on Government Operations and Judiciary concur with the intent and purpose of H.C.R. No. 195, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 3447 (Joint) Agriculture and Business Development and Pacific Relations on H.C.R. No. 328**

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to introduce and help enact legislation that will:

- (1) Eradicate the brown tree snake in the territory of Guam;
- (2) Prevent the spread of this reptile to the other Pacific Island nations, the United States territories, and the State of Hawaii; and

- (3) Enable the territory of Guam and the various federal agencies involved (the Departments of Agriculture, Defense, and Interior) to implement or intensify their efforts to control or prevent the spread of this pest from Guam to other regions.

The testimony indicated that:

- (1) The large population of brown tree snakes in Guam increases the chances for this snake to "hitch-hike" its way to the non-infested regions through cargoes or on air and sea vessels;
- (2) The potential arrival and establishment of this snake in Hawaii pose the biggest ecological, economic, and environmental threat in the State;
- (3) Millions of dollars in damages (excluding ecological damages such as the decimation of the bird population) are caused annually by this snake in Guam. Thus far, Guam has failed to eradicate this snake;
- (4) A comprehensive community education and awareness program as well as an effective contingency plan to stop the snake's arrival in Hawaii are needed;
- (5) Federal funds are needed to conduct research and to implement control programs (two million dollars over a five-year period); and
- (6) In Hawaii:
  - (a) The United States Custom inspectors, working with the United States Department of Transportation, and the military custom inspectors (trained by U.S. Customs) check all cargoes and passengers arriving from Guam. Plant or animal violations are referred to the United States Department of Agriculture. The State Department of Agriculture (DOA) is responsible for the capture of any snake at the port-of-entry;
  - (b) The State has a brown tree snake interagency contingency planning group coordinated by the DOA (this group, including the military, is currently focusing its plans on Guam); and
  - (c) The Department of Land and Natural Resources has established SWAT teams (located on all major Islands) responsible for the eradication and capture of any snake in the wild.

Your Committees on Agriculture and Business Development and Pacific Relations concur with the intent and purpose of H.C.R. No. 328, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

**SCRep. 3448      Government Operations on H.C.R. No. 32**

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to develop a systematic program of repair and maintenance for all state facilities to properly protect the health and safety of state employees and the public.

State employees must often work under hazardous safety conditions due to the lack of regular maintenance of buildings. A program of systematic repair and maintenance would go a long way to improve the situation.

Support for this measure was received from the Department of Accounting and General Services.

Your Committee on Government Operations concurs with the intent and purpose of H.C.R. No. 32, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3449      Government Operations on H.C.R. No. 60**

The purpose of this resolution is to request the City and County of Honolulu to develop a fair and equitable assistance policy for all victims of landslides.

Many communities on Oahu including: Aina Haina, Waiomao, Moanalua, Hawaii Kai, and Kuliouou have sustained damages from landslides. The problem appears to be caused by factors related to zoning, land subdivision, and building code enforcement. Inasmuch as the Legislature is prepared to provide financial assistance as warranted, the City should first prepare an equitable policy for the distribution of such funds.

Your Committee has amended this resolution by amending the title of the resolution to reflect that the plan include victims of all natural disasters and by requiring that the policy be developed by all of the counties to offer assistance to victims of unanticipated natural disasters.

Your Committee on Government Operations concurs with the intent and purpose of H.C.R. No. 60, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 60, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3450      Government Operations on H.C.R. No. 82**

The purpose of this resolution is to urge the Governor to appoint an equal number of women to the 104 appointive State boards, commissions, committees, and authorities.

After thorough consideration, your Committee finds that this resolution is long overdue and most appropriate. Less than twenty-eight percent of all current members of these State entities are women. Your Committee finds that a sufficient pool of talent and experience exists among the women in this State that will provide an ample selection for at least half of the seats on the State's boards, committees, commissions, and authorities.

Your Committee has amended this resolution by: (1) creating a task force that would assist the Governor in seeking out women in the community whose presence as appointees would benefit the various State entities; and (2) clarifying the intent of the resolution by urging the Governor to appoint an equal number of women and men to all State boards, committees, authorities, and commissions.

Your Committee on Government Operations concurs with the intent and purpose of H.C.R. No. 82, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 82, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3451      Government Operations on H.C.R. No. 213**

The purpose of this resolution is to request the Department of Accounting and General Services to review contract specifications used in state construction projects.

Your Committee finds that recent technological developments and improvements in construction materials may serve to reduce costs for state construction projects. The integration of these new technologies into standard specifications used in the bidding process may serve to not only reduce costs, but to also extend the life and usefulness of state facilities. Additionally, the Pacific International Center for High Technology may have technological information of use to the Department.

Your Committee on Government Operations concurs with the intent and purpose of H.C.R. No. 213, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3452      Government Operations on H.C.R. No. 260**

The purpose of this resolution is to request the Governor to declare those regions of the Island of Hawaii inundated by volcanic eruption as a disaster area to expedite the passage of state funds to the victims of volcanic eruptions.

Your Committee finds that although the molten lava flow has persisted as a slow, insidious threat to the community of Kalapana, District of Puna, the present situation has the potential to result in a natural disaster of such magnitude that would necessitate the immediate use of state disaster resources.

With the recent reclassification of the Kalapana area from "evacuation" to "relocation" status, it is estimated that many more residents of the Kalapana area will be displaced, thereby creating a need for emergency relief and assistance.

Your Committee on Government Operations concurs with the intent and purpose of H.C.R. No. 260, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3453      Education on H.C.R. No. 19**

The purpose of this resolution is to request the Department of Education and the Department of Accounting and General Services to examine the health and safety needs of the children of Hookena Elementary School on the Big Island.

The resolution also requests the Departments to review their current procedures relating to budget preparation and a master plan for the school.

Your Committee received supporting testimony from the school and the Superintendent of Education and finds that there is reason to be concerned that the health and safety of Hookena Elementary School students is being affected by overcrowding arising from the enormous growth of the district. There is also reason to be concerned about the adequacy of teacher workroom space, the children's bathrooms, and traffic hazards posed by the school's traffic pattern and bus stop. This study will help the Department appropriately prioritize CIP requests for the Hawaii District.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 19, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3454      Education on H.C.R. No. 75**

The purpose of this resolution is to request the Department of Education to study and report on the cost and effect of designing, constructing, and installing walls or other types of room dividers in large classrooms which simultaneously house more than one class.

In the 1970's, the Department converted several smaller, individual classrooms into large single rooms to accommodate "3 on 2" teaching, whereby three teachers were assigned to teach two sections of students in the same room. The "3 on 2" approach was phased out a decade ago, but the large, open classrooms were never restored to their separate configurations. As a result, many classrooms currently house more than one class divided only by chalkboards or filing cabinets, making it hard for teachers and students in one class to concentrate amid the distracting sounds emanating from the other class.

Your Committee received supporting testimony from the Superintendent of Education, the Hawaii State Teachers Association, and J. Thomas Heinrich, Attorney-at-Law, and finds that some of the open classrooms were not outfitted with dividers because of potential ventilation problems or because the school chose to retain the open classrooms. The study requested by this resolution would incorporate these concerns and provide the information needed to resolve the problem.

Your Committee has amended this resolution by requesting that the study contain a timeline for funding and implementing the construction, taking into account the fact that many of the classrooms in question are currently being used and construction will probably have to be limited to the summer months.

Your Committee has also made some minor nonsubstantive language changes for the purpose of style.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 75, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 75, H.D. 1, S.D. 1

Signed by all members of the Committee.

**SCRep. 3455      Education on H.C.R. No. 110**

The purpose of this resolution is to request the Department of Education to conduct a comprehensive review of the Special Education Program and to develop a plan, including an implementation timetable and appropriate cost analysis, which will address the Program's staffing requirements and improve delivery of special education services.

The Department is specifically requested to examine the following:

- (1) Short and long term goals of the Special Education Program;
- (2) Job descriptions for special education personnel;
- (3) New salary ranges comparable to mainland pay for similar work;
- (4) Incentives to encourage qualified personnel to relocate to Hawaii or to shortage areas;
- (5) Working relationships with the University of Hawaii;
- (6) Eliminating the practice of downgrading minimum requirements;
- (7) Objective criteria for identifying candidates for special services;
- (8) The effects of improved identification criteria; and
- (9) Tests and norms used to evaluate special education candidates.

The Department is also requested to convene a task force to assist with the above tasks and to submit a report, including the plan, implementation timetable, and cost analysis, and any other findings and recommendations, to the 1991 legislature.

Your Committee finds that the shortage of qualified personnel in special education is due to a multitude of factors, each one of which requires study. This resolution will provide the kinds of information the Legislature requires to fine tune its policies, programs, and appropriations relating to special education.

Your Committee has amended this resolution by making some nonsubstantial technical changes for the purposes of clarification and style.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 110, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 110, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3456      Education on H.C.R. No. 117**

The purpose of this resolution is to request the Department of Education to report on its plans to reduce class sizes in the public schools, including alternative methods of achieving this objective.

Factors to be considered include:

- (1) Long and short range goals;
- (2) Optimum class size for all levels and subject areas;

- (3) A feasible mode of implementation;
- (4) An estimated timetable;
- (5) Funding requirements;
- (6) Alternative plans for reducing class sizes and promoting academic achievement;
- (7) Priorities of the Board of Education relating to class size; and
- (8) The need for new or renovated school facilities to accommodate anticipated class size reductions.

Your Committee finds that quality of education may be improved by reducing the ratio of teachers to students, especially among some special school populations. This resolution will provide information necessary to develop policies and funding strategies to implement class size reduction throughout the public school system.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 117, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3457      Education on H.C.R. No. 250**

The purpose of this resolution is to request the Department of Education to work with the Educational Assistants Association to update and reclassify job descriptions for educational assistants and create more classes for them at the top of the job classification schedule.

The Department and the Association will have the assistance of the Department of Personnel Services, the Department of Health, the University of Hawaii, and the HGEA in carrying out this task.

Educational assistants provide crucial services to teachers. However, their job descriptions have not been reclassified or repriced in many years, while their duties and responsibilities have dramatically increased. Your Committee finds that this disparity may be inequitable and inimical to the overall quality of teaching we want for our school system, and wishes to know why educational assistants are restricted in promotions and placed relatively low on the job classification scale. This resolution should produce the answers to these and more questions and enable the Legislature to determine the most appropriate policies and actions for ameliorating the situation.

Your Committee has amended this resolution by making two technical changes which have no substantive effect.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 250, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 250, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3458      Education on H.C.R. No. 251**

The purpose of this resolution is to request the Department of Education and the State Museum of Natural and Cultural History (The Bishop Museum) to jointly develop means of improving the scientific knowledge and orientation of Hawaii's school children.

The resolution requests the Museum and the Department to inventory current educational programs and services provided by the museum, evaluate areas that need development or expansion, and propose new programs, including estimates of the cost of services and facilities that will be required to better prepare Hawaii's students to function effectively in today's scientific and technologically oriented environment.

It is the intention and the obligation of your Committee to seek, encourage, and support programs that will promote the scientific literacy of our youth. A partnership between the Bishop Museum and the Department of Education, to enhance and expand the scientific education of our students, is an excellent idea which your Committee is prepared to support with encouragement and more tangible means, if such are available.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 251 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3459      Education on H.C.R. No. 320**

The purpose of this resolution is to request the Board and Department of Education to compile a list of ways in which attendance of parents and school personnel at intermediate and high school open houses can be improved.

The Superintendent of Education will submit the list to the 1991 Legislature.

Your Committee is always looking for ways in which parents, teachers, and the community can productively share in public education. Open houses are one way; however, there are other school activities in which parents and school personnel can jointly participate and which will help to accomplish the community integration and partnership necessary for successful implementation of school/community-based management. Therefore, your Committee has broadened the

scope of this resolution by requesting the Department to look for ways of increasing participation of parents and school personnel in open houses and school activities in general.

Your Committee is aware of the potential beneficial effects of parent-community network centers (PCNC's) which are being established and funded all over the State, and see them as a big element in expanding parental participation in school activities. Therefore, your Committee has amended this resolution by including information on PCNC's and requesting the Department to report on their usefulness in affecting parent behaviors towards their children's schools and benefiting student achievement.

Your Committee has also amended the title of this resolution to reflect this broader perspective.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 320, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 320, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3460      Judiciary on H.C.R. No. 172**

The purpose of this concurrent resolution is to request that the United States sign and ratify international legislation relating to the recognition and enforcement of family maintenance decisions.

Your Committee finds that this concurrent resolution requests the United States government to sign and ratify two treaties concerning international enforcement of child support: the 1956 United Nations ECOSOC Convention on the Recovery Abroad of Maintenance and the 1973 Hague Convention of XXIII - Convention on the Recognition and Enforcement of Decisions Relating to Maintenance Obligations.

Your Committee believes that ratification of these two treaties would greatly expedite the international pursuit of child and spousal support enforcement. The treaties' ratification would provide a viable avenue for those situations where the noncustodial parent has fled to a foreign country, in part to avoid support obligations. Conversely, the custodial parent residing in a foreign country would also have a right of recourse against a nonpaying parent who takes up residence in the United States.

Your Committee recognizes that there are a significant number of nonsupport cases involving absent parents who have opted to avoid their parental responsibilities by relocating to other countries. Similarly, there are parents from other countries who have relocated in Hawaii for the same purpose. Unfortunately, because of the difficulty in obtaining reciprocity with these countries at a state level, support claims between Hawaii and those affected countries are not satisfactorily addressed.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 172 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3461      Housing and Hawaiian Programs on H.C.R. No. 182**

The purpose of this resolution is to request the Hawaii Housing Authority, the Department of Health, and the Executive Office on Aging to develop procedures to prevent the placement in housing projects for elders of persons who are prone to violent behavior. The resolution would also request the Hawaii Housing Authority, the Executive Office on Aging, and the county offices on aging to determine mechanisms necessary to ensure the security of residents of housing projects for elders.

Your Committee received supporting testimony from the Hawaii Housing Authority, the Makua Alii Tenants Association, the Kalakaua Mid-rise Tenant Association, and other interested citizens.

Your Committee finds that residents of housing projects for elders, regardless of their age, have a right to live without fear and threats of violence and intimidation. Your Committee finds that, while federal laws and rules permit special needs persons other than elders to reside in federally-assisted housing projects for elders, federal rules do allow exclusion of persons prone to violence. Your Committee finds that it is appropriate to carefully examine current tenant selection procedures and eviction mechanisms to make housing projects for elders safe, quiet, and peaceful.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 182, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3462      Housing and Hawaiian Programs on H.C.R. No. 301**

The purpose of this resolution is to urge the U.S. Government to enact legislation authorizing native Hawaiians to bring actions in federal courts against federal agencies and officials to resolve outstanding issues relating to the Hawaiian Homes Commission Act, 1920, as amended.

Your Committee received supporting testimony from the Department of Hawaiian Home Lands.

Your Committee finds that there remain several unresolved issues relating to the use of Hawaiian home lands by U.S. agencies as well as disputes involving the federal government which arose prior to statehood. While litigation against the federal government should be viewed as a remedy of last resort, your Committee finds that this right should be made available to native Hawaiians to rectify any perceived breaches of trust.

Your Committee has made several technical, grammatical, and clarifying amendments to the title and body of the resolution which have no substantive effect.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 301, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 301, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3463      Energy and Natural Resources on H.C.R. No. 192**

The purpose of this resolution is to request that the Department of Business and Economic Development (DBED) provide technical support to the Public Utilities Commission (PUC) for the development and implementation of demand-side management programs through the utilization of funds generated by the Petroleum Overcharge Distribution and Restitution Act and to request a progress report.

Your Committee finds that the State must explore all methods which will help decrease its dependence on fossil fuel from outside sources. Your Committee believes that the PUC directive for statewide integrated resource planning (IRP), including demand-side management programs, will help to achieve our goal and is consistent with the State policy of greater energy self-sufficiency.

DBED testified that it would be pleased to work with the PUC and Hawaii's regulated industries to effect the purposes of the resolution. Hawaii's Thousand Friends testified in support of the implementation of alternate energy systems, as well as efficiency in transportation and cooling.

The Kauai Electric Division of the Citizens Utilities Company and Hawaiian Electric both testified that funding should be used for IRP and not be limited to demand-side management programs, which are but a component of IRP. Further, as the question of mandatory IRP is presently pending before the PUC, both utilities believe that the PUC, not DBED, should serve as the lead agency in utilizing the revenues generated by the Petroleum Overcharge Distribution and Restitution Act, as well as the agency to provide a progress report to the Legislature. The PUC expressed similar concerns and noted that because DBED has filed a motion to intervene in the IRP proceedings currently underway, it may appear improper for DBED alone to provide technical advice to the PUC. Such action could be deemed preferential treatment which would violate the PUC's rules of practice and procedure.

After consideration, your Committee has amended the resolution as follows:

1. The focus of the resolution (as contained in the title, the last whereas paragraph, and the first be it resolved paragraph) has been changed from DBED utilizing revenues generated by the Petroleum Overcharge Distribution and Restitution Act and providing technical assistance in the implementation of demand-side management techniques to the PUC utilizing such revenues in facilitating the effective and timely development and implementation of integrated resource planning with demand-side management programs as one aspect of such planning;
2. DBED is requested to assist in the PUC's efforts to secure revenues generated by the Petroleum Overcharge Distribution and Restitution Act;
3. All parties involved in the PUC proceedings on IRP, not just DBED, are requested to cooperate with the PUC to effect the purposes of this resolution;
4. The PUC, not DBED, is to report to the Legislature on the progress of the development of integrated resource plans, including the progress that has been made in the development of demand-side management programs;
5. Certified copies of the resolution are to be sent to the PUC and DBED; and
6. Other technical, nonsubstantive amendments.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 192, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 192, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3464      Energy and Natural Resources on H.C.R. No. 330**

The purpose of this concurrent resolution is to request the Department of Business and Economic Development (DBED) to report to the Legislature on various aspects of the proposed transmission of geothermal generated power from the Island of Hawaii to Oahu via underwater cable. The resolution also calls moratorium on state support or promotion of geothermal development until questions concerning the social, environmental, logistical, technical and economic aspects of this development have been answered.

Several community groups, including the Oahu and Big Island Rainforest Action Groups, the Sierra Club, Hawaii Chapter, and Hawaii's Thousand Friends, together with several Puna area residents and other concerned individuals, testified in support of the resolution, citing economic, environmental and health concerns related to geothermal development.

DBED, however, along with the Hawaiian Electric Company, Inc., the Estate of James Campbell, the Hawaii County Economic Opportunity Council, two geothermal development companies, several alliances, and union groups, opposed the



resolution. In general, the testimony in opposition referred to activities already being conducted which will provide much of the information requested in the resolution, the need to continue geothermal development for the economic benefit of the Big Island, the expected completion of negotiations on the underwater cable project before the end of the year, and DBED's having contracted for the preparation of a master development plan, environmental impact statement, and other requirements related to the cable project.

Your Committee finds that, given present knowledge, the most likely alternative to imported fuels for the production of electricity in Hawaii is geothermal energy. A 500 megawatt geothermal energy plant could potentially replace at least thirty percent of all oil imported for electricity generation in this State. Currently, however, there is insufficient data to determine whether developing a 500 megawatt geothermal facility and transporting its energy interisland by underwater cable would be cost efficient relative to conventional fossil fuel energy generation. While it would be preferable to know all of the varied consequences of geothermal development beforehand, your Committee believes that, without further geothermal development activity such as test drilling, the extent and characteristics of the geothermal resource on the Island of Hawaii cannot be determined to the extent that the risks and costs involved can be meaningfully assessed.

Your Committee has therefore amended the resolution to delete the moratorium on state support or promotion of geothermal development. It has also clarified, by the addition of a new resolved paragraph, that the Legislature supports master planning for geothermal development, the preparation of environmental impact statements, and continued investigation of all aspects of the geothermal resource. Several technical language and stylistic changes have also been made.

Your Committee on Energy and Natural Resources concurs with the intent and purpose of H.C.R. No. 330, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 330, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3465      Health on H.C.R. No. 92**

The purpose of this bill is as stated in the title.

Your Committee finds that the provision of quality health care services is essential to individual and public health. This resolution will assist the Department of Health in its mission of reaching out to the medically underserved populations of the State, while balancing the rights of health care providers.

Your Committee believes that this resolution could be improved with certain technical amendments for purposes of clarity and style, but the changes would not be significant, and in the interest of time, are not being recommended.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 92, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3466      Health on H.C.R. No. 181**

The purpose of this resolution is to request that the Department of Health convene a multi-agency task force to conduct a statewide needs assessment of school-based health clinic demonstration projects.

Your Committee finds that a variety of solutions must be explored to address the health needs of adolescents in our schools today. A statewide needs assessment of school-based health clinic demonstration projects is one method by which consumers of services, parent organizations, and providers will have an opportunity to discuss their concerns and formulate a holistic approach to adolescent health issues, such as teenage pregnancy, drug abuse, etc.

The Hawaii Healthy Mothers, Healthy Babies Coalition testified in support of the resolution, and the Departments of Health and Education stated that they concurred with the resolution's intent.

Your Committee believes that this resolution could be improved with certain technical amendments for purposes of clarity and style, but the changes would not be significant, and in the interest of time, are not being recommended.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 181, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3467      Health on H.C.R. No. 261**

The purpose of this resolution is as stated in the title.

Your Committee finds that improving accessibility to health services in rural areas of the State is a priority and is essential in ensuring the health status of Hawaii's citizens.

Testimony in support of this resolution was received from the Department of Health and Kapiolani Medical Center for Women and Children. The Department of Health testified that the resolution, as drafted, focuses on the use of a mobile van to provide services. However, while the idea of using a van may be a good one, focus on the van could override other means of outreach that might be more appropriate in rural areas. In addition, the Department of Health also testified that a number of major changes to enhance access to health services is currently being implemented. The impact of these programs will probably not be known before the strategic plan is due in 1991.

Your Committee concurs with the testimony and has amended the resolution to address the concerns of the Department of Health by: (1) deleting all references to a mobile health van; (2) broadening the scope of the resolution to delete references to mammography screening and including an analysis of the need for health care outreach in rural areas and the options available to meet these needs; and (3) extending the deadline for submission of the Department of Health's report to twenty days prior to the convening of the 1992 legislative session.

In addition, several technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 261, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 261, H.D. 1, S.D. 1.

Signed by all members of the Committee.

**SCRep. 3468      Health on H.C.R. No. 313**

The purpose of this resolution is as stated in the title.

Your Committee received testimony in support of this resolution from the Department of Health and the State Planning Council on Developmental Disabilities (Council).

Your Committee finds that a coordinated and proactive approach must be taken by the appropriate government and private agencies in order to improve the quality of care in homes serving persons with developmental disabilities. The recommendations in the Legislative Auditor's report provide valuable mechanisms for the delivery of needed services for Hawaii's developmentally disabled.

Your Committee believes that this resolution could be improved with certain technical amendments for purposes of clarity and style, but the changes would not be significant, and in the interest of time, are not being recommended.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 313, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3469      Health on H.C.R. No. 344**

The purpose of this resolution is to request that the Governor's Committee on AIDS convene a special task force to develop a comprehensive document -- a bill of rights -- to address the needs of health care workers in relation to their occupational exposure to human immunodeficiency virus (HIV) and hepatitis B virus (HBV) infection, while respecting the rights of consumers.

Your Committee finds that health care workers are raising concerns about their risk of exposure to HIV and other blood borne diseases. Your Committee believes that a comprehensive approach should be taken to address their occupational concerns and the many important issues related to exposure to HIV and HBV, including education of health care workers, compliance with laws and guidelines, pre- and post-exposure protocols, etc.

The Governor's Committee on AIDS and the Department of Health testified in support of the resolution and the Collective Bargaining Organization of the Hawaii Nurses' Association testified in support of its intent.

Your Committee believes that this concurrent resolution could be improved with certain technical amendments for purposes of clarity and style, but the changes would not be significant, and in the interest of time, are not being recommended.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 344, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3470      Health on H.C.R. No. 336**

The purpose of this resolution is as stated in the title.

Your Committee finds that more extensive data is needed to develop a full understanding of the needs of people with head injuries and their families. Head injury survivors have been a neglected group due to the variety of symptoms and difficulty in detecting the injury. Knowledge of the issues and needs of this group is essential for human services programs to effectively assist these citizens in becoming independent and fully integrated into society.

Testimony in support of this resolution was received from the Department of Health, Commission on Persons with Disabilities, Hawaii Centers for Independent Living, Rainbow House, Epilepsy Foundation of Hawaii, Pacific Head Injury Foundation, and several individuals.

Your Committee believes that this resolution could be improved with certain technical amendments for purposes of clarity and style, but the changes would not be significant, and in the interest of time, are not being recommended.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 336, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3471      Education on H.C.R. No. 121**

The purpose of this resolution is to request the Department of Education to consider and promote procedures to facilitate open enrollment in the public schools.

Open enrollment, a feature of school reform similar to Hawaii's current district exceptions, has been adopted in several mainland jurisdictions with considerable success because it allows a student to attend the school which offers the curriculum best suited to his or her needs or academic aspirations. Now that we are engaged in a comprehensive revision of the State's educational policies and are implementing school/community-based management, your Committee finds that adopting a policy of open enrollment will be compatible with our long-range educational objectives and enhance the academic environment, expectations, and achievements of our children.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 121, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

**SCRep. 3472      Education on H.C.R. No. 230**

The purpose of this resolution is to request the Department of Education, with the cooperation of the Waikiki Aquarium and the University of Hawaii, to prepare a curriculum outline for an expanded marine science program for elementary and secondary schools.

Your Committee heard testimony from the University of Hawaii and the Department of Education which emphasized the importance of increasing marine science education programs and curriculum in the public schools because of the economic and environmental importance of the ocean surrounding us.

Your Committee heard additional testimony that the School of Ocean and Earth Science and Technology is the appropriate organization within the University of Hawaii to take leadership in the curriculum development.

Based on the testimony submitted, your Committee has amended this resolution by changing its title and body to reflect the finding of your Committee that the School of Ocean and Earth Science and Technology, with the cooperation of the Department of Education, is the appropriate resource to carry out this project.

Your Committee has also amended this resolution by making some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 230, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 230, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Hagino, Ikeda, Menor and Tungpalan.

**SCRep. 3473      (Majority) Government Operations on H.C.R. No. 208**

The purpose of this resolution is to express the Legislature's objection to the United States Army's proposal to transport chemical weapons presently stored in Europe to Johnston Atoll for incineration.

Your Committee finds that this proposal would present an unpredictable and unreasonable risk to the life, health, and general welfare of the people of Hawaii and the Pacific. Your Committee believes that allowing the Army to ship nerve gas weapons from Europe to Johnston Atoll will set a dangerous precedent for the shipping other toxic substances from the continental United States and other parts of the world to the Pacific.

Your Committee on Government Operations concurs with the intent and purpose of H.C.R. No. 208, H.D. 1, and recommends its adoption.

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

**SCRep. 3474      Consumer Protection and Commerce on Gov. Msg. No. 267**

Recommending that the Senate advise and consent to the nominations to the Real Estate Commission of the following:

THEO B. BUTUYAN, term to expire June 30, 1992; and

YOSHIKO I. "DIMPLES" KANO and CAROL MON LEE, terms to expire June 30, 1994.

Signed by all members of the Committee except Senators Cobb, A. Kobayashi and Koki.

**SCRep. 3475      Tourism, Recreation and Planning on Gov. Msg. No. 278**

Recommending that the Senate advise and consent to the nominations to the Waikiki Convention Center Authority of the following:

JAMES H. KAMO and AL T. HARRINGTON, terms to expire June 30, 1994; and

DAE-SOOK SUH, Ph.D., term to expire June 30, 1992.

Signed by all members of the Committee.

**SCRep. 3476      Ways and Means on H.B. No. 2944**

The purpose of this bill is to provide state income tax relief to all taxpayers.

This bill proposes to achieve this goal by:

- (1) Reducing the number of tax brackets to four with the lowest rate at two per cent and the highest rate at nine per cent;
- (2) Increasing the standard deduction;
- (3) Combining the excise tax credit and food tax credit into a permanent food/excise tax credit; and
- (4) Eliminating the special tax rate for capital gains.

State income taxes have been lowered in each of the last three years. It is your Committee's understanding that the cumulative reduction in income taxes over the last four years has equaled \$325,000,000, not including the \$112,500,000 general income tax credit enacted by the 1989 legislature.

Specifically, taxes were reduced in 1987 by \$80,000,000 to offset the increase in possible income taxes paid due to the State's adoption of the Federal Tax Reform Act of 1986. A further reduction occurred in 1988 through rate decreases of \$47,000,000 and liberalization of the excise tax credit by \$5,000,000. Rates were again reduced in 1989 by \$54,000,000, the dependent care credit was liberalized by \$1,500,000, the renter's tax credit was liberalized by \$2,500,000, and a new medical service tax credit was added at an estimated worth of \$15,000,000.

It is estimated that the income tax reduction proposed equals \$40,000,000 on a calendar year basis. Continued good growth combined with an expected surplus of some \$300,000,000 as of June 30, 1990, leads your Committee to believe that another income tax reduction can be made without jeopardizing the state revenue base.

Your Committee's review of income tax law changes indicates that at the median income level of \$45,000, the effective income tax rate family of four has dropped from 7.2 per cent in 1986 to 5.5 per cent in 1989. The effective rate would be further lowered by this bill to 4.8 per cent. Moreover, it is estimated that eight thousand more individuals will not have to pay taxes under this rate scheme.

This administration proposal was compared by your Committee with the proposal made by the tax review commission. Your Committee compared both proposals when they would be fully phased in--in fiscal year 1991-1992--with some adjustments for inflation. The result is summarized as follows:

	In Million Dollars	
	<u>Tax Review Commission</u>	<u>Administration</u>
Rates, Brackets, Standard Deduction and Capital Gains	\$ 79.0	\$ 46.5
Medical Tax Credit	5.0	15.0
Excise Tax Credit	42.0	17.0
Food Credit	0	40.0
<b>Total</b>	<b>\$126.0</b>	<b>\$118.5</b>

Comparisons of the net tax to be paid by the taxpayer under the administration proposal and the tax review commission proposal were also reviewed. The administration continues the use of the flat food tax credit and the medical services tax credit. On the other hand, the tax review commission would convert these credits into disappearing tax credits. Although the tax review commission proposal would increase the excise tax credit by adding some part of the food tax credit and the medical service tax credit, no taxpayer with an adjusted gross income of more than \$30,000 would be able to claim any of the credits. Some of the savings made by not giving the credits to individuals making more than \$30,000 are placed in the standard deduction and the brackets and rates. The result is that taxpayers do not do better under the tax review commission proposal.

Your Committee further reviewed the rate and bracket structure of the two proposals. The tax review commission proposal starts its rate with a 5.5 per cent tax rate while the administration's proposal starts its rates at two per cent going next to a six per cent tax rate. The middle rate used by the tax review commission is 7.25 per cent, while the administration used eight per cent. Both proposals have a top rate of nine per cent.

A review of the two proposals indicates that the tax review commission brackets, rates, standard deduction, and credits appear to be focused toward the lower income areas. The administration proposal appears to be directed toward middle-

income levels where more relief is necessary, since low-income individuals have received the greatest tax relief in the past three years. It also appears that the administration proposal will allow smoother passage through the brackets and rates than the tax review commission proposal which appears to result in a very large imposition of taxes at the first step.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2944, 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. 3477      Corrections on H.C.R. No. 62**

The purpose of this concurrent resolution is to urge the Governor and members of the Hawaii State Legislature to actively seek funds and land from the federal government to allow the State to improve its drug enforcement and treatment programs by building minimum security facilities primarily for drug offenders.

Federal land and funds are necessary to accomplish two objectives: provision of a minimum security facility and the establishment of a fully adequate drug treatment program. Your Committee finds that a concerted effort must be made to combat the problem of drugs in our community, and that efforts to obtain federal land and funds for the construction of minimum security prisons are well-advised.

Your Committee on Corrections concurs with the intent and purpose of H.C.R. No. 62, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senator Koki.

**SCRep. 3478      Legislative Management on H.C.R. No. 164**

The purpose of this resolution is to request the Legislative Auditor to examine the need to regulate and license rental referral agents and rent finders.

After consulting with the Attorney General, Office of Consumer Protection, and the Real Estate Commission, the Auditor will submit a report of findings and recommendations to the 1991 Legislature.

The statutes regulating rental agencies were repealed in 1977. Subsequently, there have been substantial changes in the rental market, including dramatic reductions in statewide rental vacancy rates. In response to these conditions, private rental referral agencies and rent finders have set up businesses to match landlords with prospective renters. Since these businesses are no longer regulated, complaints against them cannot be answered by the Office of Consumer Protection or the Attorney General.

Your Committee finds there is potential for abuse in this area and believes it may be necessary to regulate rental referral agencies and rent finders in order to protect consumers. The information requested pursuant to this resolution will enable the Legislature to make informed policy decisions on the subject, and if necessary, enact appropriate legislation.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 164, H.D. 1, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3479      Legislative Management on H.C.R. No. 264**

The purpose of this resolution is to request the establishment of a task force to evaluate issues related to the purchase and management of lands in Waipio Valley that are currently owned by Bishop Museum.

Specifically, this resolution calls for the task force to study concerns about the management and administration of the Valley, and the impact of urban uses on upper lands and the number of people entering the Valley. In addition, the task force would review the possible reforestation of the uplands and evaluate the cultural, historical, agricultural, and tourism needs of the area.

Your Committee finds that there are many compelling reasons for the State to acquire Waipio Valley from private owners. The Valley contains historic and cultural resources of significance to the people of Hawaii, and Bishop Museum, the current owner of the lower portion of the Valley, has been unable to obtain adequate returns on these lands to support on-going programs and operating costs.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 264 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 3480      (Joint) Judiciary and Government Operations on H.C.R. No. 195**

The purpose of this concurrent resolution is to request the attorney general, in preparation for convening a multi-agency anti-drug task force, to determine (1) the prerequisite United States and Hawaii constitutional and statutory amendments that would be necessary to make the routine screening of first-class mail for illegal drugs both legal and feasible and (2) the personnel and budgetary resources necessary to institute such screening at all major postal facilities in Hawaii.

Your Committees have amended this concurrent resolution by:

- (1) Amending the title to reflect the stated purpose of the concurrent resolution;
- (2) Deleting the reference to a task force in the fourth "BE IT RESOLVED" CLAUSE; and
- (3) Specifying that the concurrent resolution be transmitted to "Hawaii's congressional delegation" instead of specifically naming Hawaii's United States Senators and Representatives.

Your Committees on Judiciary and Government Operations concur with the intent and purpose of H.C.R. No. 195, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 195, H.D. 1, S.D. 1.

Signed by all members of the Committees except Senator Reed.