

SPECIAL COMMITTEE REPORT**Spec. Com. Rep. No. 1**

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The newly elected Senators whose respective terms of office will expire on November 5, 1996 are:

Second Senatorial District

Richard M. Matsuura

Third Senatorial District

Andrew Levin

Fifth Senatorial District

Joe Tanaka

Eighth Senatorial District

Donna Ikeda

Ninth Senatorial District

Matthew Matsunaga

Eleventh Senatorial District

Ann Kobayashi

Twelfth Senatorial District

Carol Fukunaga

Fourteenth Senatorial District

Milton Holt

Fifteenth Senatorial District

Norman Mizuguchi

Sixteenth Senatorial District

Rey Gaulty

Twentieth Senatorial District

Brian Kanno

Twenty-fourth Senatorial District

Stanley Koki

Twenty-fifth Senatorial District

Mary George

Signed by Senators Iwase, Tungpalan and Reed.

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 1 on H.B. No. 1975

The purpose of this bill is to assist residents of the Hamakua Coast on the Island of Hawaii affected by the recent closing of the Hamakua Sugar Company.

Upon further consideration, your Committee has decided that a more prudent course of action is to provide assistance to continue the operations of the Hamakua Sugar Company. Therefore, your Committee has amended this measure by deleting the various appropriations that provided for the housing, health, employment, and other needs of the Hamakua residents and adding new language authorizing the Board of Agriculture to guarantee loans from private lending institutions to assist Hamakua Sugar Company.

As amended, this bill authorizes the State to guarantee an independent commercial line of credit, up to the amount of \$8,000,000, to a court-appointed trustee, receiver, or other responsible party for Hamakua Sugar Company, Inc., so that the trustee, receiver, or other responsible party can commence and conclude a 14-month harvest of the Hamakua sugar crop, and thereby obtain the economic and other benefits of that final harvest. Repayment of the loan should be made out of the proceeds of the sugar crop and other assets, the value of which will be enhanced if the crop is harvested. If the loan is secured by superpriority liens on the crop and other assets in a manner which is acceptable to the Board of Agriculture, your Committee believes that the loan will permit the State, without incurring a substantial risk of loss, to assist in maintaining employment in the Hamakua community and will also avoid a loss of tax revenues, reduce public outlays and social service expenses arising from immediate unemployment, and save other expenses which would result from a sudden disruption of the economic community at Hamakua. Facilitating the final harvest will allow those concerned a 14-month period to plan for the economic transition of the Hamakua community.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1975, 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. 1975, H.D. 2, S.D. 1, C.D. 1.

Senators Kobayashi, A., Kanno, Levin, Matsuura, Solomon and George.
Managers on the part of the Senate.

Representatives Say, Stegmaier, Chang, Tajiri and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 2 on H.B. No. 1975

The purpose of this bill is to assist residents of the Hamakua Coast of the Island of Hawaii by authorizing the State to guarantee loans made from private lending institutions to continue the operations of the Hamakua Sugar Company.

Specifically, this bill authorized the State to guarantee an independent commercial line of credit, up to the amount of \$8,000,000, to a court-appointed Trustee, Receiver, or Other Responsible Party for Hamakua Sugar Company, Inc., so that the Trustee, Receiver, or Other Responsible Party could commence and conclude a 14-month harvest of the Hamakua sugar crop, and thereby obtain the economic and other benefits of that final harvest. This bill also authorized and directed the Director of Budget and Finance to establish a Hamakua Sugar Loan Guarantee fund and to transfer to such fund the sum of \$800,000, from the general fund.

If the loan is secured by superpriority liens on the crop and other assets in a manner which is acceptable to the Board of Agriculture, your Committee believes that the loan would permit the State, without incurring a substantial risk of loss, to assist in maintaining employment in the Hamakua community and would also avoid a loss of tax revenues, reduce public outlays and social service expenses arising from immediate unemployment, and save other expenses which would result from a sudden disruption of the economic community at Hamakua.

Your Committee has received a message from the Governor requesting the Legislature to immediately consider and pass this measure.

Accordingly, your Committee has amended this bill by:

- (1) Adding a new section which states that this bill is recommended by the Governor for immediate passage in accordance with Article VII, Section 9, of the State Constitution;
- (2) Clarifying the provisions of the Guarantee Fund by:
 - (A) Creating the Hamakua Sugar Loan Guarantee Trust Fund to serve as the reserve for all loans guaranteed under this bill and deleting the authority of the Director of Budget and Finance to establish the Fund; and
 - (B) Appropriating \$800,000 in general fund revenues for Fiscal Year 1992-1993 to be deposited into the Hamakua Sugar Loan Guarantee trust fund and deleting references to transfer of such funds by the Director of Budget and Finance;
- (3) Adding a new section specifying the dollar amount and percentage that the appropriation contained in this bill will cause the state general fund expenditure ceiling to be exceeded; and
- (4) Making technical, nonsubstantive amendments for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1975, 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. 1975, H.D. 2, S.D. 1, C.D. 2.

Senators Kobayashi, A., Kanno, Levin, Matsuura, Solomon and George.
Managers on the part of the Senate.

Representatives Say, Stegmaier, Chang, Tajiri and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 3 on S.B. No. 1770

The purposes of this bill are to:

- (1) Add a housing advocacy component to the Housing Finance and Development Corporation's (HFDC) Housing Information System; and
- (2) Establish that the buyback lien of the HFDC be superior to any other mortgage or lien, except any first mortgage created for the purpose of enabling the purchasers to obtain funds for the purchase of the unit and any other mortgages made with the approval and consent of the HFDC.

Your Committee is aware that H.B. No. 1411, H.D. 1, S.D. 1 has passed the Legislature on April 20, 1993. That bill contains substantive provisions virtually identical to the provisions of this bill with respect to establishing the superiority of HFDC's buyback lien. Accordingly, your Committee has amended this bill to delete all language relating to HFDC's buyback lien.

Your Committee has retained that portion of this bill which adds a housing advocacy component to HFDC's Housing Information System. Although aware of current budget and staffing constraints, your Committee believes that the Housing Advocacy and Information System created herein is integral to the success of affordable housing efforts in this State. It is therefore the intent of your Committee that HFDC explore and develop the housing advocacy component to the extent possible within current levels of funding established for the Housing Advocacy and Information System, with implementation upon the receipt of necessary staff and financial resources.

Your Committee on Conference is in accord with the intent and purpose of S.B. 1770, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1770, H.D. 2, C.D. 1.

Senators George, Kanno and Tungpalan.
Managers on the part of the Senate.

Representatives Isbell, Say, Nakasone and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 4 on S.B. No. 126

The purpose of this bill is to regulate the practice of physical therapy.

This bill would regulate the practice of physical therapy by:

1. Prohibiting physical therapists from using invasive procedures;
2. Extending the Board of Physical Therapy's sunset provision to December 31, 1999;
3. Increasing the membership of the Board of Physical Therapy from five members to seven members through the addition of one additional physical therapist and one additional consumer member; and
4. Repealing section 416J-4(c).

Your Committee has amended this bill by deleting the repeal of section 416J-4(c), which provides for the procedure to fill a vacancy on the Board of Physical Therapy.

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

Senators Ikeda, Iwase, Kobayashi, B. and McCartney.
Managers on the part of the Senate.

Representatives Bunda, Hirono, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 5 on H.B. No. 1975

The purpose of this bill is to authorize the State to guarantee an independent commercial line of credit, up to \$8,000,000, to allow a court-appointed Trustee, Receiver, or Other Responsible Operator for Hamakua Sugar Company, Inc., to commence and conclude a 14-month harvest of the Hamakua sugar crop, and thereby obtain the economic and other benefits of that final harvest to assist residents of the Hamakua Coast of the Island of Hawaii.

If the loan is secured by superpriority liens on the crop and other assets in a manner which is acceptable to the Board of Agriculture, your Committee believes that the loan would permit the State, without incurring a substantial risk of loss, to assist in maintaining employment in the Hamakua community and would also avoid a loss of tax revenues, reduce public outlays and social service expenses arising from immediate unemployment, and save other expenses which would result from a sudden disruption of the economic community at Hamakua.

Your Committee has been informed by the Department of Budget and Finance of the Administration's oversight in not submitting the necessary language mandated by the State Constitution relating to the effect this loan guarantee will have on the determination of the power of the State to issue general obligation bonds.

Accordingly, your Committee has amended this bill by inserting language that this bill will not cause the State debt limit to be exceeded by explaining the portion of the amount derived from the issuance of bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1975, H.D. 2, S.D. 1, C.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1975, H.D. 2, S.D. 1, C.D. 3.

Senators Kobayashi, A., Kanno, Levin, Matsuura, Solomon and George.
Managers on the part of the Senate.

Representatives Say, Stegmaier, Chang, Tajiri and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 6 on H.B. No. 1582

The purpose of this bill is to delete the requirement for a certificate of sanitation for animal food manufacturers by deleting provisions in Chapter 159, Hawaii Revised Statutes (HRS), the Hawaii Meat Inspection Act, that relate to the inspection of animal food manufacturers.

It is your Committee's understanding that:

- (1) Currently, no animals are being slaughtered for the manufacture of animal food in the State;
- (2) The Federal Meat Inspection Act does not provide for the inspection of animal food manufacture; and
- (3) Should inspection of animal food manufacture become necessary, the state Department of Health will provide inspection under Chapter 328, HRS.

Your Committee has amended this bill by deleting repetition of the word "any" from page 4, line 1, of the S.D. 1 draft version of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1582, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1582, S.D. 1, C.D. 1.

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

Representatives Ige, M., Chang, Morihara and Marumoto.
Managers on the part of the Senate.

Conf. Com. Rep. No. 7 on H.B. No. 690

The purpose of this bill is to establish a new chapter on cooperative housing corporations setting forth requirements pertaining to articles of incorporation, bylaws, use of corporate equity, registration, administration, and arbitration.

Upon further consideration, your Committee has adopted the Senate version of H.B. No. 690 with the following amendments:

- (1) Allowing a shareholder's spouse or a trust beneficiary of a trust of which a shareholder is a trustee to serve as a member of the board;
- (2) Specifying that the Hawaii Business Corporation Act, Chapter 415, Hawaii Revised Statutes, shall apply to cooperative housing corporations, except to the extent that its provisions are inconsistent with the Act; 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. 690, 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. 690, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Isbell, Bunda, Herkes, Santiago and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 8 on H.B. No. 313

The purposes of this bill are to require time share owners associations to adopt an annual budget, to require an annual independent audit of an association's financial accounts, and to extend the regulation of time sharing plans.

Upon further consideration, your Committee has amended the bill by:

- (1) Changing the heading of the section added to Chapter 514E, Hawaii Revised Statutes, from "Plan management" to "Time share owners association; budgets and reserves";
- (2) Requiring that the proposed audit be done by a public accountant, rather than a certified public accountant;
- (3) Deleting language pertaining to the renewal and termination of plan managers' employment contracts; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 313, 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. 313, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Iwase, Kobayashi, B., McCartney and Koki.
Managers on the part of the Senate.

Representatives Isbell, Bunda, Amaral, Santiago and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 9 on H.B. No. 1606

The purpose of this bill is to amend Chapter 227D, Hawaii Revised Statutes, to expand and clarify the powers and duties of the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that due to the recent merger of the Natural Energy Laboratory of Hawaii and the Hawaii Ocean Science and Technology Park, the powers and duties of the Natural Energy Laboratory of Hawaii authority require clarification and expansion.

It is your Committee's intent that the Board of Directors of the Authority formulate language regarding the education/visitor center (center). The center should provide visitors a comfortable educational experience by having available such facilities as restrooms, a waiting area, a food stand, and other appropriate amenities in keeping with the educational content of the center.

Your Committee has amended this bill by adding a comma between the word time and modify on page 6, line 3. Your Committee has also made other 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. 1606, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1606, S.D. 1, C.D. 1.

Senators Kobayashi, A., Matsunaga, Kanno, Matsuura and George.
Managers on the part of the Senate.

Representatives Bainum, Stegmaier, Morihara, Nekoba and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 10 on H.B. No. 118

The purpose of this bill is to allow public utilities to recover the capital cost and operating expenses for the first two years of providing statewide enhanced 911 emergency telephone service through a telephone line surcharge or the next rate case. After two years the remaining capital costs and any additional costs shall be added to the rate base and recovered through local telephone rates.

Your Committee finds that it has become increasingly important for all islands to have enhanced 911 capability that will allow for the identification of the telephone number and address of a caller through a computer display to an operator. This capability is especially important in cases where the caller is not able to identify their location. Currently the islands of Oahu and Hawaii have the enhanced 911 system. The islands of Kauai and Maui have only the basic 911 system.

In deliberating over this bill in conference, concern was expressed regarding the fairness of imposing a surcharge of uniform amount upon all telephone ratepayers in the State because the service seems to be county-specific. The cost of providing enhanced 911 service varies from county to county and a uniform charge would have Oahu ratepayers carrying a burden that may be unreasonable or unfair. In light of the many factors that affect the setting of rates, your Committee believes it would be prudent to confer upon the Public Utilities Commission the discretion to consider alternative surcharge designs and to select a fair and reasonable enhanced 911 surcharge structure.

Your Committee has amended this bill by permitting the public utilities to recover the capital costs and associated expenses through a telephone line surcharge for the first year of providing such service, rather than the first two years, and specifying that enhanced 911 services shall be made available within one year from the effective date of the Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 118, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 118, S.D. 1, C.D. 1.

Senators Matsunaga, Levin and George.
Managers on the part of the Senate.

Representatives Taniguchi, Bunda, Oshiro, Takumi and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 11 on H.B. No. 52

The purpose of this bill is to amend the Hawaii Rules of Evidence by:

- (1) Correcting a clerical error in Rule 608;
- (2) Providing for the admission of televised testimony of a child abuse victim in Rule 616; and
- (3) Creating a new child abuse victim hearsay exception in Rule 804.

Your Committee finds that the language appearing in the bill at page 8, line 19 regarding "strong assurances of trustworthiness" is meant to be equivalent to "so reliable that cross-examination does not appear necessary," as mentioned in Standing Committee Report No. 1116.

Your Committee has agreed to the language in House Bill No. 52, H.D. 1, S.D. 1 with the following additional amendments:

- (1) Changed the title of the new rule Rule 616, located at page 4, line 11 from "Televised testimony of child abuse complainant" to "Televised testimony of child." Your Committee finds that the use of the term "victim," as proposed by the House, and the term "complainant," as proposed by the Senate, may be inappropriate."
- (2) Changed the language located at page 4, lines 13-14 from "sixteen years of age at the time of the testimony" to "eighteen years of age at the time of the testimony." Your Committee finds that persons, who are minors when the offense is committed, may be adults when the trial occurs. Since this bill seeks to treat minors differently from adults, your Committee has decided to use the age of eighteen, since this is when the law provides that a minor becomes an adult; and
- (3) Changed the language located at page 8, line 13 from "Statement by child-abuse complainant" to "Statement by child." Please see the rationale discussed in section (1) immediately above.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 52, 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. 52, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Chun, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 12 on H.B. No. 944

The purpose of this bill is to amend section 134-6, Hawaii Revised Statutes (HRS), to clarify that this section was not intended to apply to certain felonies, that already have enhanced penalties for identical conduct. Also, the bill provides that when drug felonies are involved and a firearm is possessed with intent to facilitate the drug offense, section 134, HRS, can be applied and a class A felony charge is appropriate.

Your Committee has amended this measure as follows:

1. Amended subsection 134-6(b), HRS, by substituting the phrase "involving the distribution of a controlled substance" for the phrase "defined in chapter 712, part IV." Since chapter 712, part IV involves both crimes of possession and distribution, your Committee wished to limit this subsection to drug crimes involving distribution and not mere possession;
2. Amended subsection 134-6(e), HRS, by clarifying that persons violating either subsection (a) or (b) shall be guilty of a class A felony;
3. Added a new subsection 134-6(f), HRS, so as to include definitions for the words "controlled substance" and "distribution" that are now found in subsection 134-6(b), HRS. The definition of "controlled substance" under this section is meant to be the same as the definition found in section 329-1, HRS. The definition for "distribution" was taken from the definition "to distribute" found in section 712-1240, HRS.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 944, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 944, S.D. 1, C.D. 1.

Senators Levin, Blair, Grauly and George.
Managers on the part of the Senate.

Representatives Tom, Cachola, Peters and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 13 on H.B. No. 210

The purpose of this bill is to delete language which permits the court to dispense with the consent to adoption of an adjudicated or presumed father who has not submitted a petition for adoption or whose petition has been denied.

Your Committee finds that adjudicated and presumed fathers need not file adoption petitions because they have legally recognized relationships with the child. Also, your Committee finds that the terms adjudicated and presumed were previously deleted by SLH 1986, Act 201 but were inadvertently and erroneously re-inserted by SLH 1992, Act 190.

Your Committee has agreed to adopt the language in H.B. No. 210, H.D. 1, S.D. 1 with an amendment to add the word "or" between subparagraphs 2(C) and (D) of §571-61, which was inadvertently omitted from the Senate version of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 210, 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. 210, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Amaral, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 14 on H.B. No. 1655

The purpose of this bill is to amend Section 328K-1 of the Hawaii Revised Statutes in order to clarify the definition of the term "restaurant".

It was noted by your Committee that smoking is not only a health hazard to the smoker, but also to the nonsmoker nearby exposed to second hand smoke. It was further recognized that under current statute, restaurants are a sub-category of the larger class of food service establishments, which are currently authorized under the Department of Health under Chapter 1-A of the Sanitation Code.

In addition, it was recognized that by amending Section 328K-1 of the Hawaii Revised Statutes, the intent of this section would become clearer to the public, and to operators of food service establishments, who are required to comply with the provisions in Section 328K-1 of the Hawaii Revised Statutes.

After careful consideration, your Committee has agreed to adopt H.B. No. 1655, H.D. 1 with no further amendments to the House Draft.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1655, 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. 1655, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Duldulao, Stegmaier, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 15 on H.B. No. 1899

The purposes of this bill are:

- (1) To enable the Department of Health (Department) to provide vaccines for administration to the general public by public and private health care providers;
- (2) To grant residential caregivers the authority to give consent for immunization of a minor or incompetent person if consent of the parent or guardian is unobtainable;
- (3) To grant a responsible adult the authority to give consent for immunization of a minor or incompetent person if consent of the parent, guardian, caregiver, or non-custodial parent is unobtainable;
- (4) To add hepatitis B, rubella, and haemophilus influenzae type B to the list of communicable diseases for which the Department may provide for immunization, and to delete small pox from that list.

Your Committee notes that, currently, an alarming percentage of the population who should be getting vaccinated are not because of financial eligibility restrictions.

Further, your Committee realizes that enactment of this bill will result in lower vaccination costs and an increased immunization rate. This would be a great advantage to all persons involved.

After careful consideration, your Committee has amended this bill as follows:

- (1) In the title of Section 325-36, Hawaii Revised Statutes, the term "responsible adult" has been changed to "caregiver" because it was felt that "responsible adult" was too broad, and that authority to give consent to an immunization should be limited to caregivers; and
- (2) Subsection (d) has been eliminated because it deals with the authority of a "responsible adult" to give consent to an immunization.

Other technical, nonsubstantive amendments have 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. 1899, 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. 1899, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Duldulao, Kawakami, Pepper and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 16 on H.B. No. 2029

The purposes of this bill are to:

- (1) Place a member of the State Council on Mental Health on the Hawaii Advisory Commission on Drug Abuse and Controlled Substances (HACDACS);
- (2) Place a representative from the Department of Health on HACDACS as an ex-officio member;
- (3) Increase the membership of the State Council on Mental Health from fifteen to twenty-one members;
- (4) Designate the membership composition of the State Council on Mental Health; and
- (5) Explicitly describe the background of service area residents who shall be responsible for providing a list to the Governor from which service area board vacancies may be filled.

Your Committee finds that much confusion exists on the roles and functions of HACDACS and the State Council on Mental Health and Substance Abuse. This bill will not only reduce confusion, but it will also reduce duplication of functions between the two organizations.

Your Committee notes that this bill will ensure that the views and concerns of the general public and consumers, especially adults with serious mental illness, children with serious emotional disturbances, and individuals with combined mental illness-substance abuse disorders, are considered. It was also determined that this bill will bring Hawaii's laws into conformity with federal block grant requirements.

Your Committee has made technical, nonsubstantive amendments to this bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2029, 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. 2029, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Duldulao, Tajiri, Isbell, Tam and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 17 on H.B. No. 883

The purpose of this bill is to extend from June 30, 1993 to June 30, 1996, the operation of the community-based teenage health clinic demonstration project established pursuant to Act 162, Session Laws of Hawaii 1990.

Your Committee recognizes that many adolescents in Hawaii have little or no family support, are so alienated that they cannot participate in existing programs or services, or may have needs that these existing resources cannot meet. Your Committee also recognizes that many of these youths feel safer on the streets than they do living at home and that a great number of these youths congregate in the Waikiki area because of the ease of blending into such a congested area.

Your Committee further notes that the community based teenage health clinic demonstration project, known as "YO", has been operating as an outreach program of the Waikiki Health Center and Hale Kipa. The demonstration project has the ability to reach young people, and provide basic primary and preventive health care and treatment and ancillary social services. Your Committee acknowledges the fact that since its inception this program has assisted approximately 500 individuals for a total of 6,500 encounters.

After further consideration, your Committee has agreed to adopt H.B. No. 883, H.D. 1, retaining the repeal date of June 30, 1995. Your Committee has made no amendments to the House Draft.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 883, 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. 883, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Duldulao, Say, Arakaki and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 18 on H.B. No. 1721

The purpose of this bill is to expand the scope of, and strengthen the Coastal Zone Management Program by providing for greater public participation in the Program's planning and review process, adding point and nonpoint source pollution to the hazards to be regulated, and adding beach protection and the regulation of erosion-protection structures to the policies to be furthered by implementing agencies.

Your Committee finds that specific provision needs to be made for public participation in the Coastal Zone Management Program, as well as for beach protection. Your Committee also notes that point and nonpoint source pollution have been recognized as coastal hazards.

Your Committee has amended this bill by:

- (1) Removing a Senate amendment to Section 205A-2(b)(1)(A), Hawaii Revised Statutes (HRS), which referred to surfing sites;
- (2) Adding the term "pollution" to 205A-2(a)(6)(A);
- (3) Including point source pollution to the coastal pollution control program to be developed under 205A-2(c)(6)(E);
- (4) Adding "seaward of the shoreline" to 205A-2(c)(9)(C);
- (5) Reinserting language amending Section 205A-22 to add a definition of "department," and broadening the definition originally proposed by the House, by providing that county councils may designate the appropriate agency;
- (6) Reinserting language deleting the definitions of "authority" and "department" and expanding the definition of "shoreline area" in 205A-41;
- (7) Deleting Senate amendments to 205A-46(a)(2) which would not allow variances to be granted to structures or activities related to aquaculture which adversely affect beach processes or artificially fix the shoreline; and
- (8) Deleting Senate amendments to 205A-46(a)(9) which would not allow variances to be granted to private facilities that adversely change the existing shoreline of neighboring properties.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1721, 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. 1721, H.D. 1, S.D. 1, C.D. 1.

Senators Iwase, Hagino, Holt, Kanno and George.
Managers on the part of the Senate.

Representatives Hiraki, Apo, Beirne, Hirono and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 19 on H.B. No. 1597

The purpose of this bill is to amend Chapter 353, Hawaii Revised Statutes (HRS), by adding a new section that provides for orders to make inmates pay child support. Also, this bill amends Section 353-22, HRS, so that inmates' earnings are not exempt from garnishment for child support payments. This measure will facilitate the payment of child support from the inmates' individual trust accounts, that are maintained by the Director of Public Safety for inmates confined in correctional institutions in Hawaii.

Your Committee has amended this measure by adopting the House's version of this bill, contained in House Draft 1 of this measure. Thus, when the new deposits and credits to an inmate's trust account exceeds \$15 in a given month, no more than thirty per cent of the total new deposits or credits shall be paid for child support for that month.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1597, 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. 1597, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 20 on H.B. No. 920

The purpose of the bill is to permit persons, upon marriage, wider latitude in choosing a middle and last name.

Your Committee finds that upon marriage many persons wish to take names not presently permitted by statute. At the same time your Committee finds that some limits should be placed on the choice of names, for there is no required publication of the new name in the newspaper, nor is there a requirement that the change of name be recorded at the Bureau of Conveyances.

Your Committee has therefore amended this bill by restricting the name change to any middle or last name legally used at any time, past or present, by either spouse, or any combination of such names, which may, but need not, be separated by a hyphen. Regarding combined names, the word "combination" should not be misconstrued, as it is not your Committee's intention to permit anagrams, but rather combination of names with each letter in a name remaining in its proper order.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 920, 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. 920, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Hirono and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 21 on H.B. No. 200

The purpose of this bill is to amend Section 612-17, Hawaii Revised Statutes, to eliminate the requirement that trial jurors be assembled in panels of eighteen. Additionally, this bill amends Sections 612-15, 612-17, 612-18, and 612-26, to eliminate references to jury panels, and to make other technical and non-substantive changes. Lastly, the bill changes the trial jury service year to a calendar year and changes the method of storing trial juror names and qualifications forms.

Your Committee finds that the current law, requiring jury panels of eighteen jurors, serves no useful purpose and adds to the workload of the jury pool staff. Additionally, it wastes jurors' time by requiring courts to order jurors by panels of eighteen rather than ordering the specific number of jurors needed.

Your Committee has made a technical, non-substantive amendment to H.B. No. 200, S.D. 1, by removing a pair of brackets.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 200, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 200, S.D. 1, C.D. 1.

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

Representatives Menor, Amaral, Takamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 22 on H.B. No. 1594

The purpose of this bill is to clarify the circumstances under which an agency may disclose, to another government agency, government records that are protected from public disclosure; to clarify that criminal history record information is not exempt from access by the individual to whom it pertains; and to clarify that the exceptions set forth in section 92F-13, Hawaii Revised Statutes, apply only to requests under part II of chapter 92F.

Your Committee has agreed to adopt the language in H.B. No. 1594, S.D. 1, with an amendment to clarify that information may be disclosed in certain circumstances to line agency personnel offices. Your Committee has adopted this additional language with the intent that it serve to encompass the State Employees' Retirement System and the Hawaii Public Employee's Health Fund within the term 'employee benefits and assistance programs' to enable the Department of Personnel Services to obtain such employee data for developing employee assistance programs.

Other technical, non-substantive 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. 1594, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1594, S.D. 1, C.D. 1.

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

Representatives Tom, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 23 on H.B. No. 534

The purpose of the bill is to include a butterfly knife as a dangerous weapon under §134-51 of the Hawaii Revised Statutes.

The Hawaii Supreme Court in the case entitled *In re Doe*, 73 Haw. 89, 820 P.2d 272 (1992) ruled that a butterfly knife was not a switchblade knife prohibited under section 134-52, as a butterfly knife opens manually rather than automatically. Your Committee finds that the butterfly knife is a weapon which can be opened with speed and ease and the need to ensure public safety requires the inclusion of the butterfly knife among those weapons classified as dangerous.

Your Committee has amended H.B. No. 534 S.D. 1 to provide that the act shall take effect upon approval. Your Committee believes that these weapons should be removed from circulation at the earliest possible date and that there is sufficient time for the public to learn of the proposed prohibition while the Governor considers the approval of the measure.

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. 534, 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. 534, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Amaral, Herkes and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 24 on H.B. No. 1598

The purpose of this bill is to make technical changes to Sections 576E-1, 576E-2, 576E-5, 576E-10, and 576E-16, Hawaii Revised Statutes, in order to comply with federal law. The federal mandate is found in Title 42, United States Code, Sections 654(5) and 654(6), whereby the State Child Support Enforcement Agency is required to collect spousal support from obligors, who have been ordered to pay both child and spousal support to an obligee who is living with the dependent child.

Your Committee finds that this bill clarifies the existing child support enforcement statute by implementing and harmonizing the federal mandate.

Your Committee has amended H.B. No. 1598, S.D. 1, by eliminating the asterisk appearing on page 2, line 17.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1598, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1598, S.D. 1, C.D. 1.

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

Representatives Tom, Chun and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 25 on H.B. No. 1062

The purpose of this bill is to conform the definition of blood alcohol concentration, constituting the offense of driving under the influence of intoxicating liquor, §291-4 Hawaii Revised Statutes, with that of the administrative revocation law, §286-251.

Your Committee finds that an amendment to H.B. No. 1062, H.D. 1, S.D. 1, is appropriate to conform to the level of grams of alcohol (.10) as is presently contained in the administrative revocation law.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1062, 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. 1062, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Oshiro and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 26 on H.B. No. 1363

The purpose of this bill is to establish a family practice residency program in the University of Hawaii's School of Medicine. The bill also establishes a two-year rural health care training demonstration project, and a family practice ambulatory health center at the "old" Hilo hospital site.

Your Committee finds that there is a need for health care providers in rural areas of the state, and notes that the Legislature has included \$200,000 for the projects established in this bill in the State budget.

Your Committee believes that the state commitment to family practice residency programs demonstrated by this bill also will greatly help existing programs, such as the one at Wahiawa General Hospital that is already affiliated with the University of Hawaii School of Medicine. In prior testimony before the Legislature, hospital officials stated that every \$1 of state funding may bring in another \$2 from charitable gifts.

Upon consideration, your Committee has amended the bill by:

- (1) Deleting all provisions pertaining to appropriations; and
- (2) 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. 1363, 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. 1363, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Lee, Duldulao, Chang and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 27 on H.B. No. 1739

The purposes of this bill are to establish:

- (1) The Fee for Enhanced Services Program (Program) to allow the Hawaii State Public Library System to charge fees for certain services; and
- (2) A special fund to be known as the "Library Fee for Enhanced Services Special Fund" into which moneys collected from the Program shall be deposited.

Your Committee has amended this bill by changing the effective date of this Act to "upon approval". Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style.

In previous hearings on this bill, the issue of waiving fees for those unable to pay arose. Your Committee believes that the Board of Education should explore this issue, and if it appears to warrant action, should implement a policy administratively.

The Committee would like to reaffirm its commitment to the basic principle of a free library system, and equal access for all citizens to the resources therein. It is not the Committee's intent to deprive any resident of Hawaii of essential library services.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1739, 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. 1739, H.D. 2, S.D. 2, C.D. 1.

Senators Kobayashi, A., McCartney, Fukunaga, Holt, Kanno and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 28 on H.B. No. 2012

The purpose of this bill is to allow the Department of Education to establish and maintain the price of a school lunch at one-third the cost of preparing the lunch, rounded up to the nearest five cents.

Your Committee notes that, based on projections of the cost to prepare lunch, the price will change as follows under two alternate scenarios:

<u>Year</u>	<u>Round up to nearest nickel</u>	<u>Round to nearest quarter</u>
1993	\$0.70	\$0.75
1995	\$0.80	\$0.75
1997	\$0.85	\$0.75
1999	\$0.95	\$1.00

Besides maintaining relative price stability, rounding the price of a school lunch to the nearest quarter also would reduce coin and currency handling.

Upon consideration, your Committee has amended the bill by:

- (1) Specifying that the price shall be rounded to the nearest quarter; and

- (2) 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. 2012, 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. 2012, H.D. 2, S.D. 1, C.D. 1.

Senators Kobayashi, A., McCartney, Fukunaga, Holt, Kanno and Koki.
Managers on the part of the Senate.

Representatives Ige, D., Kawakami, Chumbley, Lee and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 29 on H.B. No. 361

The purpose of this bill is to:

- (1) Combine provisions regulating precursors to controlled substances with provisions regulating precursors to the manufacture of methamphetamine; and
- (2) Allow disclosure, to authorized agencies, of precursor chemical records and information.

Your Committee has made a technical change to the bill on account of an apparent typographical error. In Section 3, page 3, line 8, your Committee changed \$10,000 to \$100,000 to reflect the present language of the law.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 361, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 361, S.D. 1, C.D. 1.

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

Representatives Tom, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 30 on H.B. No. 782

The purpose of this bill is to amend Chapter 571, Hawaii Revised Statutes (HRS), by adding a new Section that permits grandparents to petition the family court for reasonable visitation rights. The court may award reasonable visitation rights, provided that certain criteria are met.

Your Committee wishes to provide a specific mechanism for grandparents to seek visitation when two circumstances are met:

- (1) Either or both of the child's parents are deceased; or
- (2) The child's parents are divorced or residing separate and apart.

This measure is not meant to restrict, in any manner, a grandparent's rights or remedies regarding visitation pursuant to Section 571-46(7), HRS. Rather, this bill is in recognition of an ambiguity in 571-46(7) as to whether an independent action can be brought by a grandparent when a parent has died and hence no divorce, separation, annulment, or separate maintenance proceeding is pending. Your Committee intends, with this bill, to resolve that ambiguity in favor of grandparents, and to leave it to the Courts to determine whether 571-46(7) also allows an independent action by grandparents when parents are living together and no action for divorce, separation, annulment, or separate maintenance is pending.

Accordingly, your Committee has amended this bill by:

- (1) Adopting the language in House Draft 1 rather than the language in Senate Draft 1. The language in House Draft 1 shows that the grandparent's visitation under this bill is limited to the two circumstances discussed above. The language in Senate Draft 1 is much broader, permitting grandparents to file a petition for visitation at any time. Since your Committee wanted to adopt language that was in addition to existing rights and remedies under 571-46(7), HRS, the House Draft 1 language was adopted; and
- (2) Adding the phrase "In addition to the rights and remedies provided in 571-46(7)" on page 1, line 5 of this bill. Although your Committee believes that the rights and remedies afforded to grandparents under 571-46(7), HRS, are very broad, your Committee wanted to make very clear that grandparents would be permitted visitation under the two circumstances mentioned in this measure also.

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

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

Representatives Tom, Takamine and Thielen.

Managers on the part of the House.

Conf. Com. Rep. No. 31 on H.B. No. 568

The purpose of the bill is to amend section 571-46(9), Hawaii Revised Statutes (HRS), to require the court to write a decision, explaining the reasons why it has granted custody to a person against whom there is evidence of family violence. Additionally, if there is evidence of family violence, an award of joint custody or any grant of visitation shall be arranged so as to best protect the child or abused parent from further harm.

Your Committee has amended this measure as follows:

1. Deleted the words "past or present" from 571-46(9), HRS. If the court considers evidence of family violence, it is implied that such evidence will include past or present family violence;
2. Added language to 571-46(9), HRS, that the court consider such additional factors as who was the primary aggressor and the frequency and degree of family violence in determining the best interests of the child when establishing custody and visitation rights.

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

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

Representatives Tom, Hirono and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 32 on H.B. No. 2032

The purpose of this bill is to extend the autonomous operation of the community hospitals for another three years, until June 30, 1996, allowing the Department of Health to formulate policies for the autonomous operation of Hilo Hospital, Kauai Veterans Memorial Hospital, Kona Hospital, Leahi Hospital, Maluhia Hospital, Maui Memorial Hospital, and Samuel Mahelona Memorial Hospital.

Your Committee noted that autonomous operations currently in existence at Kona, Hilo, and Maui Memorial Hospitals have greatly improved management of these facilities, especially in the areas of purchasing and personnel management, and reduced overhead costs, and improved patient care.

It is felt by your Committee that by extending the autonomous program for another three years, as well as by including other community hospitals in the project, vast improvements to the hospital system can be made which will be beneficial to all parties involved.

After careful consideration, your Committee has agreed to adopt HB 2032 HD1, retaining the dates specified in the House Draft, and making several nonsubstantive amendments for the purposes of clarity, style and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2032, 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. 2032, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Duldulao, Say, Pepper, Tajiri and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 33 on H.B. No. 6

The purpose of this bill is to establish an interim task force to attract and retain qualified individuals for the Hawaii national guard. The task force shall study and determine the feasibility and propriety of granting preference in civil service employment to individuals with ten or more years of service in the Hawaii national guard.

Upon careful consideration, your Committee has amended this measure by increasing the members on the task force from seven to eleven. The task force shall be chaired by the adjutant general and one member shall be appointed by each of the following:

- (1) Adjutant general;
- (2) Speaker of the house of representatives;
- (3) President of the senate;
- (4) Director of personnel services;
- (5) Conference of personnel directors;
- (6) Director of taxation;
- (7) President of the university of Hawaii;
- (8) Housing finance and development corporation;
- (9) State of Hawaii organization of police officers; and
- (10) Hawaii employer's council.

Your Committee notes that the Adjutant General's office shall provide support staff.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 6, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 6, S.D. 1, C.D. 1.

Senators McCartney, Iwase, Kanno, Gaulty and Koki.
Managers on the part of the Senate.

Representatives Yonamine, Say, Nakasone, Suzuki and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 34 on H.B. No. 1661

The purpose of this bill is to clarify that a circuit court may render a judgment to enforce a workers' compensation decision made by the Director of Labor and Industrial Relations.

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

- (1) Changing the phrase, "awarding compensation, penalty or other remedies" to read, "assessing penalties, or awarding compensation or other relief, including attorneys fees", and inserting the phrase, "assessing penalties, or awarding compensation or other relief, including attorneys fees" wherever appropriate for purposes of consistency; and
- (2) 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. 1661, 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. 1661, H.D. 1, S.D. 1, C.D. 1.

Senators Levin, McCartney, Blair, Gaulty, Kanno and Koki.
Managers on the part of the Senate.

Representatives Yonamine, Tom, Menor, Takumi and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 35 on H.B. No. 1662

The purpose of this bill is to authorize the Director of Labor and Industrial Relations to assess administrative penalties for persons claiming unapproved fees under the Worker's Compensation Law. In addition, this measure eliminates imprisonment as a sanction for persons who violate Section 386-94, Hawaii Revised Statutes, and establishes a fine as an administrative penalty.

Upon careful consideration, your Committee has amended this bill by making several nonsubstantive, technical changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1662, 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. 1662, H.D. 1, S.D. 1, C.D. 1.

Senators Levin, McCartney, Blair, Gaulty, Kanno and Reed.
Managers on the part of the Senate.

Representatives Yonamine, Tom, Takamine, Taniguchi and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 36 on H.B. No. 251

The purpose of this bill is to strengthen, liberalize, and clarify the Hawaii Right to Farm Act, Chapter 165, Hawaii Revised Statutes (HRS).

Specifically, this bill amends Chapter 165, HRS, by:

- (1) Specifying that any action alleging a farming operation to be a nuisance as defined in Section 165-2, HRS, shall be governed by Section 607-14.5, HRS, which relates to attorneys' fees in civil actions;
- (2) Clarifying the definitions:
 - (a) "Established date of operation" to mean the date on which the original farming operation first commenced operation. However, if the physical facilities of the farming operation are subsequently expanded or new technology adopted, the established date of operation for each change shall be the same as the established date of operation for the original operation, provided that it does not violate existing state law or county ordinances; and
 - (b) "Farming operation" to include marketed produce at roadside stands or farm markets; noises, odors, dust, and fumes emanating from a commercial agricultural or an aquacultural facility or pursuit; operation of

machinery and irrigation pumps; ground and aerial seeding and spraying; the application of chemical fertilizers, conditioners, insecticides, pesticides and herbicides; and the employment and use of labor;

and

- (3) Deleting the definition of "expansion".

For clarification, your Committee would like it noted that zoning is included under county ordinances.

Upon careful consideration, your Committee has amended this bill by deleting the language "in an area zoned by the county for agricultural use" from the definition of "farming operation".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 251, 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. 251, H.D. 2, S.D. 1, C.D. 1.

Senators Levin, Kanno, Blair, Grauly and Koki.
Managers on the part of the Senate.

Representatives Ige, M., Tom, Chumbley, Takamine and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 37 on H.B. No. 1897

The purposes of this bill are to:

- (1) Update several statutory citations under Chapter 201E, Hawaii Revised Statutes;
- (2) Redirect the Housing Finance and Development Corporation's (HFDC) efforts toward the development of multi-family housing and affordable rental housing;
- (3) Establish provisions for the indemnification of any county upon dedication of any housing project developed under Act 15, Session Laws of Hawaii, 1988 (Act 15); and
- (4) Allow the HFDC to continue certain specified projects through completion, and construct, renovate, or otherwise improve land, public facilities, and dwelling units, utilizing the provisions of Act 15, notwithstanding the automatic repeal of that Act on April 20, 1993.

Your Committee strongly believes that any permanent solution to Hawaii's affordable housing crisis must provide an appropriate balance among three concerns, which may, in the short term, be in conflict: (1) the State's abiding interest in increasing the supply of reasonably-priced housing statewide; (2) each county's interest in maintaining control over those aspects of housing development for which, at some future date, it may be held liable; and (3) the interest of Hawaii's citizens in the availability of safe, well-constructed, affordable housing.

While Act 15 served a necessary function at the time it was implemented, your Committee feels that Chapter 201E is the appropriate permanent vehicle for the development of affordable housing. Under Chapter 201E, the counties' right to inspect and approve projects constructed within their respective jurisdictions shall be restored.

However, because there are a number of projects either currently under construction or for which binding contracts have been executed under Act 15, your Committee has listed specific projects and phases of multiple-phase projects which will be permitted to proceed under Act 15 notwithstanding its repeal. All other projects and phases of multiple-phase projects must comply with Chapter 201E, Hawaii Revised Statutes.

With respect to housing projects currently subject to the provisions of Act 15, your Committee believes that it is inequitable for the counties to be forced to assume liability resulting from developments over which they were not able to exercise control. Accordingly, your Committee has retained the provisions relating to the indemnification of the individual counties for injuries or damages arising as a result of the application of Act 15 provisions to housing projects and their attendant public facilities. Indemnification is not provided where the injury or damage is due to negligent maintenance or routine maintenance by the county of any Act 15 public facility.

Your Committee notes that two clarifying amendments requested by HFDC relating to applicable standards to be used as a guide in the State and county review process and the shortening of the time frame in which the Land Use Commission has to publish notices of hearings of boundary changes, purport to amend Act 15, which was repealed by operation of law on April 20, 1993. It is your Committee's intent that these amendments be applicable to the projects listed in this bill which were commenced under Act 15 prior to its repeal. Accordingly, your Committee has amended the effective date of this Act to April 15, 1993, in order that there be no question as to the applicability of these amendments to that class of projects.

With respect to the faculty housing at the University of Hawaii at Manoa, your Committee has received written assurances from HFDC that it will put its very best effort into providing additional parking stalls for that project. HFDC has committed to explore various alternatives to accomplish this undertaking, including the acquisition of adjacent State-owned lands or the use thereof, and redesigning of the parking area. Based on those assurances, your Committee has included the UH Manoa Faculty Housing Project as one which will be permitted to proceed under the provisions of Act 15.

Your Committee is aware of prevailing public opinion regarding non-bid contracts entered into by the State and its various agencies. Your Committee feels that it is in the best interests of the people of the State that HFDC be subject to competitive bidding laws in situations where requests for proposals are not utilized. Because HFDC is charged with the task of providing reasonably priced housing in the State, your Committee feels that increased competition among eligible developers and providers of services and materials will not only be advantageous for the State, but will also serve to restore a measure of public confidence in the procurement process.

Upon further consideration, your Committee has adopted the Senate version of H.B. No. 1897 with the following amendments:

- (1) Requiring any reconstruction of Act 15 projects to conform with applicable zoning, subdivision, and building ordinances of the appropriate county to the extent not covered in the project certification under Act 15;
- (2) Allowing Puukolii Village in Lahaina and with respect to the Villages of Kapolei in Ewa, those portions of Villages 5 and 6 consisting of single family and rental dwelling units and Villages 7 and 8, to be certified under the provisions of Act 15 for parcel subdivision by land uses (large lot subdivision) only;
- (3) Adding a provision stating that any action taken pursuant to Act 15 by HFDC with respect to any project not specifically listed in this Act is void;
- (4) Adding a severability clause; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee feels that this measure, as amended, is directed toward a comprehensive, fair and permanent balance between the state and the individual counties in the development of affordable housing.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1897, 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. 1897, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., George, Tungpalan, Kanno and McCartney.
Managers on the part of the Senate.

Representatives Isbell, Taniguchi, Tom, Herkes, Santiago and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 38 on H.B. No. 951

The purpose of this bill is to amend Act 278, Session Laws of Hawaii 1991, to authorize the issuance of special purpose revenue bonds to assist ETV Hawaii/Elephant Television, Inc., as an industrial enterprise instead of a processing enterprise. This bill also extends the authority to issue special purpose revenue bonds from 1993 to 1998.

Your Committee finds that in order to classify ETV Hawaii/Elephant Television, Inc. as an industrial enterprise, it must have production purposes. Thus, your Committee has amended this bill by inserting the word "and" between "production training" found on page 1, line 5 and page 2, line 12 in S.D. 2. The phrase would then read "production and training" instead of "production training".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 951, 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. 951, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Matsunaga, Matsuura, Kanno and George.
Managers on the part of the Senate.

Representatives Stegmaier, Alcon, Morihara and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 39 on H.B. No. 187

The purpose of this bill is to allow the Governor and the county mayors to establish within their respective jurisdictions a leave sharing program that permits employees to donate sick leave credits to another employee in the same jurisdiction who has a serious personal illness or injury.

Your Committee has amended this bill as follows:

- (1) Allows employees to donate accumulated vacation leave credits;
- (2) Where an employee is not entitled to vacation leave credits, allows accumulated sick leave credits to be donated;
- (3) Requires the eligible recipient to exhaust or be about to exhaust all vacation leave, sick leave, and compensatory time credits;
- (4) Requires the eligible recipient's illness or injury to be certified by a competent medical examiner as:
 - (a) serious; and

(b) the cause of the recipient's inability to work;

and

(5) Changes the sunset date of this Act from 1999 to 1996.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 187, 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. 187, H.D. 2, S.D. 1, C.D. 1.

Senators Kobayashi, A., McCartney, Fukunaga, Holt, Kanno and Koki.
Managers on the part of the Senate.

Representatives Yonamine, Say, Nakasone, Suzuki and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 40 on H.B. No. 1671

The purpose of this bill is to:

- (1) Prohibit the release of non-native fish and other aquatic organisms into State waters;
- (2) Prohibit the intentional taking, breaking, or damaging of coral;
- (3) Prohibit noncommercial aquarium fish collectors from taking more than five fish or aquatic organisms per person per day; and
- (4) Provide penalties for the release of non-native fish or aquatic life into State waters or for taking or damaging stony coral.

Your Committee finds that this bill will protect the State's precious ocean and marine environment. Due to the recent increase in the number of aquarium fish and other aquatic life released into the wild, several alien species have become established in State waters, thereby affecting our delicate ecosystem.

This bill will aid the Department of Land and Natural Resources in enforcing confiscation of non-native specimens and in preventing their release into State waters. Furthermore, this bill will complement the Department of Agriculture's existing program dealing with alien or illegal species.

Your Committee amended this bill by:

- (1) deleting "commercial" from "Commercial aquarium fish collectors", on page 2, line 19;
- (2) substituting "use nets of smaller mesh, but not throw nets," for "fine meshed traps, or fine meshed nets other than throw nets" on page 2, line 21;
- (3) replacing "to take" with "to fish for" on page 2, line 21.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1671, 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. 1671, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Hiraki, Bainum, Takamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 41 on H.B. No. 1459

The purposes of this bill are to:

- (1) Increase the membership of the Board of Trustees of the Employees' Retirement System (Board) to eight members, one of whom shall be a retirant;
- (2) Require investment earnings in excess of the investment yield to be used to accelerate liquidation of the unfunded accrued liability; and
- (3) Appropriate general revenues to carry out the purposes of this Act.

Your Committee finds that with nearly 22,000 retirants currently receiving benefits, it is time for these members to have direct representation on the Board.

Your Committee has amended this bill by deleting Sections 3 and 4 of this bill which require excess investment earnings to be used to accelerate liquidation of the unfunded accrued liability and which appropriate money to carry out the purposes of this Act.

Your Committee on Conference is in accord with the intent and purposes of H.B. No. 1459, 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. 1459, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., McCartney, Fukunaga, Holt, Kanno and Koki.
Managers on the part of the Senate.

Representatives Yonamine, Say, Nakasone, Suzuki and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 42 on H.B. No. 539

The purpose of this bill is to require the Department of Human Services to establish a standard admission policy and procedure for patients that are admitted to adult residential care homes. This would include full disclosure, to the operator, of the patient's medical history prior to the admission of any patient.

Your Committee finds that requiring disclosure of all appropriate medical and personal history of a patient to the operator of a care home, prior to the referral of a patient to a care home, is more equitable than requiring the information to be disclosed prior to the admission of the patient to a care home.

Upon further consideration, your Committee on Conference has amended this measure by requiring disclosure of appropriate medical and personal history prior to the referral of the patient.

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. 539, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 539, S.D. 1, C.D. 1.

Senators Grauly, Blair, Fernandes Salling, Hagino and Reed..
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Chun, Duldulao, Arakaki, Santiago and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 43 on H.B. No. 1589

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy claims for judgments against the State, settlements, attorney fees, and miscellaneous claims.

Your Committee has amended this bill by:

- (1) Adding the claim of *Spear v. Waihee*, No. 84-1104, as advised in the memorandum dated April 26, 1993, addressed to your Committee from the Department of the Attorney General;
- (2) Inserting the amount of \$1,943,659.99 and the percentage of 0.062 that the appropriations contained in this Act will cause the State general fund expenditure ceiling to be exceeded; and
- (3) Making 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. 1589, 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. 1589, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Levin, Blair, Hagino and Koki.
Managers on the part of the Senate.

Representatives Say, Kawakami, Nakasone and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 44 on H.B. No. 220

The purpose of this bill is to provide that the Firefighter's Contingency Fund (Fund) be funded through the general appropriations process by:

- (1) Removing the annual statutory appropriation of \$250,000 to the Fund; and
- (2) Appropriating \$1 to be deposited into the Fund for fiscal year 1993-1994.

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

- (1) Deleting the appropriation section since the moneys for the Fund have been included the Executive Budget bill (H.B. No. 1152, H.D. 1, S.D. 1, C.D. 1); and

- (2) 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. 220, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 220, S.D. 1, C.D. 1.

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

Representatives Say, Nakasone and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 45 on H.B. No. 1797

The purpose of this bill is to grant the Director of Health emergency authority to ensure the uninterrupted flow of electrical service to the Hamakua region. Your Committee finds that the bill would clarify any ambiguity as to whether or not the Director of Health has the authority to transfer or modify permits or variances for air pollution, as well as enter into consent orders, schedules of compliance, and settlement agreements. The ability to do so is necessary to ensure that the Hamakua region would not be adversely affected by the shutdown of the Hamakua Sugar Plantation, which supplies the Hamakua region with a significant portion of its electrical power. The bill provides for repeal of these emergency powers as of November 1, 1993.

Your Committee has made a single amendment to the sunset provisions of the bill, which reenacted Section 342B-21, Hawaii Revised Statutes (HRS), rather than Section 342B-43, HRS.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1797, 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. 1797, H.D. 2, S.D. 1, C.D. 1.

Senators Chang, Matsunaga, Levin and George.
Managers on the part of the Senate.

Representatives Bainum, Duldulao, Tom and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 46 on H.B. No. 1117

The purpose of this bill is to extend the sunset date of the forfeiture law, authorizing the seizure of property in connection with criminal activity, from July 1, 1993 to July 1, 1995. Also, this bill requires a sunset evaluation report by the Legislative Auditor.

Your Committee recognizes that the forfeiture law is a powerful weapon. Although the law enforcement agencies in this state have been using this weapon in an appropriate fashion, your Committee is aware that similar laws on the Mainland have been subject to misuse. Thus, your Committee has decided to have the Legislative Auditor submit a sunset evaluation report to the Legislature no later than November 1, 1995. This evaluation shall assess whether the public interest requires that the forfeiture program be modified or repealed. Additionally, the Legislative Auditor is to make recommendations for future policies, practices, and procedures for a forfeiture program.

Your Committee has amended this bill as follows:

1. Extended the repeal date for Act 260, Session Laws of Hawaii 1988, as amended, to July 1, 1996;
2. Transferred the provision relating to the Legislative Auditor's sunset evaluation report to a new Section 2 and re-numbered subsequent sections. Your Committee felt that proper formatting would require that this language be contained in another section; and
3. Provided that the Legislative Auditor shall submit the sunset evaluation report to the Legislature no later than November 1, 1995.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1117, 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. 1117, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Amaral, Herkes and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 47 on H.B. No. 620

The purpose of the bill is to allow all citizens otherwise eligible to vote, to vote by absentee ballot at their option. In addition, the bill specifies a date by which absentee polling places shall be opened.

Your Committee finds that the option to use an absentee ballot should be available to all registered voters and that provisions should be made to ensure the convenient opening of absentee polling places.

Your Committee has amended H.B. No. 620, H.B. 1, S.D. 1 by agreeing that the absentee polling places shall be open no later than eighteen days before election day, or as soon thereafter as ballots are available. Your Committee has been informed that such a time frame will not place an undue burden upon election officials. Furthermore, agreement on this time frame is based upon the understanding that absentee polling places are open six days per week, including Saturdays, and will remain so in the future.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 620, 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. 620, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Cachola, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 48 on H.B. No. 788

The purpose of this bill is to require personal representatives of a decedent's estate to take measures to identify creditors of the estate and to give notice to each known creditor. The bill also provides that a personal representative is not liable to a creditor for failure to give notice and that the current limitation on presentation of claims does not apply to compensation and reimbursement of the personal representative, or the representative's attorney or accountant.

The bill brings Hawaii's probate code into compliance with constitutional due process requirements for notice to creditors when they are either known or their identity is reasonably ascertainable.

A technical, nonsubstantive amendment has been made to correct a minor drafting error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 788, 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. 788, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 49 on H.B. No. 2045

The purpose of this bill is to authorize the Director of Public Safety (Director) to order the release of pretrial inmates to Department of Public Safety (DPS) programs to prevent overcrowding when a community correctional center has reached capacity.

Upon consideration, your Committee has amended this bill by:

- (1) Providing that the Director may order the release of pretrial inmates on recognizance instead of to DPS' programs. Your Committee notes that DPS does not have these programs presently; and
- (2) Amending subsection (d) regarding immunity, by providing immunity to the state, its officers, and employees for any error in judgment or discretion made in good faith and upon reasonable grounds. Your Committee did not wish to provide a blanket immunity, whereby the state, its officers, and employees would not be responsible for decisions to release inmates that were made in bad faith or upon unreasonable grounds.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2045, 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. 2045, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Tom, Menor, Oshiro and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 50 on H.B. No. 199

The purpose of this bill is to amend the substance abuse testing chapter of the Hawaii Revised Statutes, Chapter 329B (Chapter 329B), by adding a new section that exempts specified testing from the requirements of that Chapter. Chapter 329B is also amended by amending the definition of "substance abuse test" and by amending the section on laboratory requirements. Additionally, this bill adds three new Sections to the Hawaii Revised Statutes relating to substance abuse testing of inmates, of parolees, and of individuals under the care and custody of the Hawaii youth correctional facility.

Your Committee finds that the bill, in its present condition, is cumbersome. It requires an amendment, with virtually the same wording, to each chapter addressing each of the affected agencies. There appears to be no significant benefit to amending the various chapters since the purpose of the bill can be accomplished by amending only Chapter 329B.

Accordingly, your Committee has eliminated Sections 1-3 of the present bill and made changes only to Chapter 329B. Also, your Committee has amended the exemption section of Chapter 329B by consolidating all affected criminal justice agencies under the fourth exemption. Finally, your Committee has made 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. 199, 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. 199, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Herkes and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 51 on S.B. No. 2

The purpose of this bill is to allow the designation of all census tracts within the County of Kauai as a state enterprise zone.

The state enterprise zone program, established in 1986, is intended to stimulate private sector business and create jobs in areas where unemployment is 1.5 times the state average or twenty-five percent or more of the population's income is below eighty percent of the median family income of the county. Under the program, the Governor is authorized to approve up to six areas in each county as enterprise zones for a period of twenty years. Once designated, qualified businesses within an enterprise zone would be exempt from the general excise tax and eligible to claim income tax credits for up to seven years.

Your Committee finds that the damage inflicted by Hurricane Iniki cut across the entire island of Kauai and affected all sectors of the island's economy. Your Committee believes that assistance must be provided to help the island recover from the hurricane's devastation. The designation of Kauai as an enterprise zone will help attract private sector investment and promote economic development on the island, resulting in community revitalization, growth, and expansion.

Your Committee further finds that allowing all areas of Kauai County to be eligible for enterprise zone designation will give the County increased flexibility to structure a comprehensive economic recovery effort that will meet the needs of all communities affected by this disaster.

Your Committee has amended this bill by providing that the enterprise zone designation for the County of Kauai shall remain in effect until January 1, 1996, unless the Governor determines at an earlier date that the designation is no longer necessary.

Your Committee has also clarified that all Kauai census tracts are eligible for enterprise zone designation by changing the word "may" to "shall" at page 2, line 13.

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

Senators Iwase, Chang, Tungpalan, Fernandes Salling, Kanno and George.
Managers on the part of the Senate.

Representatives Stegmaier, Kawakami, Kanoho, Tam and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 52 on S.B. No. 1316

The purpose of this bill is to discourage the theft of agricultural equipment, supplies or products by increasing the penalty for that offense by reclassifying it as a class C felony.

Your Committee finds that many agricultural enterprises in the state are isolated and subject to theft. Losses from the island of Hawaii alone exceed \$200,000 per year.

Your Committee has amended the bill by making technical, and nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1316, 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. 1316, S.D. 1, H.D. 2, C.D. 1.

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

Representatives Ige, M., Tom, Herkes, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 53 on S.B. No. 125

The purpose of this bill is to sunset the regulation of bail bond agents, to clarify who may serve as a bail bond agent, and to provide for fee limitations.

Your Committee upon further consideration has amended this bill by:

1. Retaining current provisions which would prohibit a person from becoming a bail bond agent if that person was convicted of perjury under section 804-11.5, Hawaii Revised Statutes;
2. Lowering the minimum fee to \$50; and
3. Clarifying language to ensure that a bail bond agent may not assess a fee on an annual basis that is greater than the maximum assessed in the first year.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 125, 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. 125, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Iwase, McCartney and Koki.

Managers on the part of the Senate.

Representatives Bunda, Amaral, Ishii-Morikami, Peters and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 54 on S.B. No. 536

The purpose of this bill is to amend the definition of "rebuilt vehicle" as provided in Section 286-2, Hawaii Revised Statutes.

Specifically, the bill amends the definition of "rebuilt vehicle" by repealing the language giving a police officer the authority to declare a motor vehicle a total loss, and changes the definition of total loss to exclude damage to the engine, transmission, or suspension system of the motor vehicle.

Your Committee finds that automobiles with damage to only the engine or transmission are being labeled as total losses by insurers if the cost of repairing such automobiles exceed their value. Unlike the repair of a vehicle that sustains structural damage, an entire engine or transmission may be replaced without affecting the structural integrity of the vehicle.

The intent of the insurance salvage law is to notify prospective owners that a vehicle was repaired after being involved in an accident that resulted in structural damage to the automobile. This bill remedies the current situation where automobiles with replaced engines and transmissions are being labeled as total losses.

Your Committee has amended this bill by retaining current statutory language allowing a vehicle to be declared a total loss if there is material damage to the vehicle's suspension system.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 536, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 536, H.D. 1, C.D. 1.

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

Representatives Oshiro, Nakasone and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 55 on S.B. No. 819

The purpose of this bill is to amend the laws relating to affidavits of condominium owner-occupants.

Act 50, Session Laws of Hawaii 1992, includes provisions designed to enforce condominium owner-occupancy requirements. Unfortunately, your Committee believes that Act 50 may be deterring the development of new condominium housing and making it difficult, if not impossible, for purchasers to obtain mortgages to buy these units.

Your Committee has amended this bill by requiring that the copy of the executed affidavit informing each prospective owner-occupant of their legal obligations and penalties be mailed to the owner-occupant twice, once by the sixtieth day and once by the 270th day following the conveyance of the first unit to an owner-occupant listed on the final reservation list.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 819, 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. 819, S.D. 1, H.D. 1, C.D. 1.

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

Representatives Ishii-Morikami, Herkes, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 56 on S.B. No. 1664

The purpose of this bill is to strengthen the licensure requirements for acupuncturists.

Your Committee finds that the practice of acupuncture is an oriental form of medicine which is distinctly separate and apart from the practice of Western medicine. Your Committee also finds that acupuncture requires a thorough understanding of the human system and the effects of acupuncture on the human system.

Your Committee has amended this bill to correct a typographical error.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1664, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1664, H.D. 1, C.D. 1.

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

Representatives Bunda, Cachola and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 57 on S.B. No. 3

The purpose of this bill is to amend Chapter 223, Hawaii Revised Statutes, to clarify the State's quality growth policy and to assign the formulation of the policy to the Office of State Planning.

Your Committee believes that it is the State's responsibility to provide direction for the prudent use of Hawaii's limited land base and to guide the development of priorities that will best serve the present and future needs of Hawaii's people. Careful land use planning that includes the diversification of economic development and balanced population growth throughout the State will help promote quality growth, ensure the protection of the physical environment, increase business development and employment opportunities in nonurban areas, and help mitigate traffic congestion.

Your Committee has amended this bill by requiring that the strategic plan for quality growth include recommendations on the dispersal of economic development and population growth to prevent overpopulation or overdevelopment of any one county within the State.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3, 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. 3, S.D. 1, H.D. 2, C.D. 1.

Senators Iwase, Chang, Fukunaga, Ikeda, Kanno and Reed.
Managers on the part of the Senate.

Representatives Stegmaier, Taniguchi, Ige, D. and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 58 on S.B. No. 301

The purpose of this bill is to transfer ownership of ten parcels of land in Waiahole-Waikane Valley from the Department of Land and Natural Resources to the Housing Finance and Development Corporation (HFDC).

If transferred, the parcels would become part of the adjacent 600 acre Waiahole Valley Agricultural Park and Residential Lots Subdivision being developed by the HFDC.

Your Committee finds that consolidation of the ten lots and the agricultural park and residential subdivision under one State agency will ensure effective master planning of the area, preserve the rural lifestyle of the community, and maintain the unity of the families in the Valley.

Your Committee has amended this bill by changing the effective date from January 1, 2000 to upon approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 301, 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. 301, S.D. 1, H.D. 1, C.D. 1.

Senators Iwase, George, Kanno, Holt and McCartney.
Managers on the part of the Senate.

Representatives Ige, M., Nekoba, Say, Beirne and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 59 on S.B. No. 993

The purpose of this bill is to amend the auction prohibitions of Chapter 445, Hawaii Revised Statutes, to clarify that fish and seafood products can be sold at public auction between the hours of 9:00 p.m. and 8:00 a.m.

Upon further consideration, your Committee has amended the bill by making a technical amendment to correct a drafting error on page 3, line 13.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 993, 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. 993, S.D. 1, H.D. 2, C.D. 1.

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

Representatives Ige, M., Taniguchi, Bunda and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 60 on S.B. No. 812

The purpose of this bill is to provide an opportunity for the victim, or in certain cases, the victim's family, to be heard on the issue of the defendant's disposition, before sentence is imposed.

Your Committee accepted the basic structure of the House draft but amended the bill to extend the victim's right to be heard to all cases without limitation to those in which the court has ordered a pre-sentence diagnosis and report. The bill is also amended to specify that the right is available only in cases before Circuit Courts. Other technical, nonsubstantive changes were made for the purposes of clarity, consistency and style.

Your Committee is cognizant that in some instances the victim or family may be unable to personally attend a hearing. In such cases, your Committee anticipates that the court will accept and consider written statements for the purpose of allowing an opportunity to be heard.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 812, 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. 812, S.D. 1, H.D. 1, C.D. 1.

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

Representatives Tom, Hirono, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 61 on S.B. No. 1363

The purpose of this bill is to amend section 92F-14, Hawaii Revised Statutes (HRS), the Uniform Information Practices Act (Modified) to clarify what type of information, regarding employment-related misconduct, may be disclosed and when such disclosure may be made.

Your Committee finds that the current law regarding disclosure of public employee misconduct has led to confusion, uncertainty and controversy.

A balance needs to be drawn between the public's right to know about government functions and the public employee's right to privacy.

Your Committee notes that this measure appropriately distinguishes between minor and more serious misconduct by focusing on the disciplinary consequences, and protects the employee from the disclosure of information while formal grievance procedures are still in progress. Yet the bill also serves the public at large by refusing to provide further protection from disclosure of misconduct when the employee has exhausted non-judicial grievance procedures, and has been suspended or discharged.

Your Committee also finds that because of the unique responsibilities of police officers, special care must be taken to clearly delineate private conduct from conduct as a government employee.

Your Committee has amended the bill to make technical, nonsubstantive changes for purposes of clarity, consistency and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1363, 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. 1363, S.D. 2, H.D. 2, C.D. 1.

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

Representatives Yonamine, Tom, Takamine, Takumi and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 62 on S.B. No. 14

The purpose of the bill, as received by your Committee, was to permit deferred pleas under Chapter 853, Hawaii Revised Statutes, in first-offense prostitution cases and to prohibit expungement pursuant to Section 831-3.2 until four years following discharge. The bill also provided that a plea previously entered by a defendant under section 853-1 for prostitution should be considered a prior offense. The bill further provided that the provisions of Chapter 853, should not apply when the offense charged is promoting prostitution.

Your Committee finds a need to enlarge the scope of persons subject to increased criminal penalties for promoting teenage prostitution. Therefore, your Committee has amended the bill to raise, from fourteen to sixteen, the age of exploited minors which would subject the perpetrator to a first degree charge for the offense of promoting prostitution.

Your Committee has further amended the bill by making technical, nonsubstantive additions for the purpose of consistency.

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

Senators Levin, Blair, Gaulty, Matsunaga and Koki.
Managers on the part of the Senate.

Representatives Tom, Peters, Takamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 63 on S.B. No. 127

The purpose of this bill is to extend the sunset provision for the regulation of podiatrists and to clarify examination requirements for this profession.

Your Committee has amended this bill by changing the sunset provision from 1999 to 1995. Your Committee has shortened the sunset period so that the Auditor may conduct an evaluation at an earlier date to review the regulation of this profession.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 127, 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. 127, S.D. 1, H.D. 1, C.D. 1.

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

Representatives Bunda, Bainum, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 64 on S.B. No. 130

The purpose of this bill is to extend the sunset provision for the Board of Medical Examiners and to establish a physician assistants' auxiliary advisory committee.

Your Committee has amended this bill by extending the sunset of the Board of Medical Examiners to 1995. Your Committee feels that extending the Board of Medical Examiners for two years would allow the Auditor to conduct an earlier evaluation of the regulation of the various medical professions currently under the Board of Medical Examiners.

Your Committee has also amended this bill for purposes of proper drafting style and grammar which does not affect the substance. The name of the committee is changed from "physician assistants' auxiliary advisory committee" to "physician assistant advisory committee" since an advisory committee is always auxiliary anyway. The chairperson is not to be a member of the board of medical examiners to avoid any conflict of interests, which was originally expressed in the bill as "shall have no voting privileges on the board of medical examiners." That terminology implies that the chairperson be a member of the board in the first place, which is not provided for in the statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 130, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 130, H.D. 1, C.D. 1.

Senators Ikeda, Kobayashi, B., Iwase, McCartney and Koki.
Managers on the part of the Senate.

Representatives Bunda, Bainum, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 65 on S.B. No. 191

The purpose of the bill is to exempt volunteer firefighters and trainers of volunteer firefighters from liability except in cases of gross negligence or wanton acts or omissions. The bill also requires insurers to treat a volunteer fire department the same as a county operated fire department for purposes of ratemaking.

Your Committee finds that volunteer firefighters provide a beneficial and indispensable service to the community, especially in rural areas where the accessibility to essential and vital public services are spread out over a greater area.

Upon further consideration, your Committee has amended the bill by deleting the provisions of the bill that exempt the trainers of volunteer firefighters from liability. Your Committee has further amended the bill by adding additional provisions to the proposed subsection (d) of Section 431:14-103, Hawaii Revised Statutes, to require that, for ratemaking purposes, a volunteer firefighter be treated the same as a county employed firefighter, provided that the volunteer firefighter is attached to either a station where a commercial drivers license holder is on duty at all times, or at a station where at least four members of the volunteer firefighter unit hold commercial drivers licenses.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 191, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. 191, S.D. 1, H.D. 1, C.D. 1.

Senators Levin, Ikeda, Blair, Iwase, Gaulty, McCartney, Kobayashi, B., Koki and Reed.
Managers on the part of the Senate.

Senators Grauly and Reed did not sign the report.

Representatives Bunda, Herkes, Ishii-Morikami and Thielen.
Managers on the part of the House.

Representative Herkes did not sign the report.

Conf. Com. Rep. No. 66 on S.B. No. 525

The purpose of the bill, as received by your Committee, is to prohibit persons who have been restrained by certain court orders from possessing or controlling a firearm or ammunition and to turn over any firearm or ammunition to the County Police Department for safekeeping while the protective order is in effect. The bill contains other provisions which require similar disposition of firearms or ammunition by persons under a charge for a felony or offenses involving violence or drugs.

Your Committee finds it appropriate to prohibit the possession of firearms by those who are under restraining orders. However, your Committee sees the need for certainty that the person subject to the order knows of the prohibitions created by the bill. Your Committee has therefore amended the bill to require that the order shall contain notice of the firearm and ammunition restrictions.

The bill is further amended to delete the requirement for disposal of firearms and ammunition by persons charged with a misdemeanor which did not involve violence. In this way, your Committee has been faithful to existing law.

Your Committee has also made technical, nonsubstantive changes for the purpose of clarity, consistency and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 525, 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. 525, S.D. 1, H.D. 1, C.D. 1.

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

Senator Reed did not sign the report.

Representatives Tom, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 67 on S.B. No. 741

The purpose of this bill is to enlarge the time limitation in which a criminal prosecution may be commenced for the offense of manslaughter where the death was not caused by the operation of a vehicle.

Your Committee has amended the bill to further enlarge the time to commence prosecution for manslaughter from six to ten years. Other technical, nonsubstantive changes for the purposes of clarity, consistency and style have been made.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 741, 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. 741, S.D. 1, H.D. 1, C.D. 1.

Senators Levin, Blair, Grauly, Matsunaga and Koki.
Managers on the part of the Senate.

Representatives Tom, Cachola, Takamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 68 on S.B. No. 124

The purpose of this bill is to prohibit a petroleum manufacturer or jobber from operating a service station.

Your Committee has amended this bill by:

1. Making this prohibition temporary, for a period of two years, from July 31, 1993 to August 1, 1995;
2. Adding another new section to Chapter 486H, Hawaii Revised Statutes, which would make clear, preemption of state law by the Petroleum Marketing Practices Act;
3. Deleting Section 3 of the bill in its entirety and replacing it with language which would allow a company to remain as the operator of a service station under certain circumstances; and
4. Deleting Section 4 of the bill in its entirety and replacing it with an invalidity provision.

Your Committee is providing a two year extension of the moratorium because the effects of manufacturers and jobbers operating retail service stations is unclear, and this extension would allow the Attorney General to complete the Attorney General's investigation on the petroleum industry's practices. Your Committee feels that there still may be potential antitrust issues which have to be addressed and this extension would also prevent worsening of the current market situation.

It is your Committee's intent that the Attorney General shall complete its investigation of the petroleum industry and submit a careful assessment and an authoritative report to the Legislature on this matter.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 124, 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. 124, S.D. 1, H.D. 1, C.D. 1.

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

Representatives Bunda, Tom, Oshiro and Thielen.
Managers on the part of the House.

Representative Thielen did not concur.

Conf. Com. Rep. No. 69 on S.B. No. 154

The purpose of this bill is to decriminalize all but the most serious traffic offenses, so as to utilize the resources of the judiciary and law enforcement more effectively. Under this measure violators would be subject only to civil penalties, such as fines and traffic points. The Judiciary is to prepare and submit to the Legislature a complete feasibility and implementation plan before January 1, 1994. Additionally, the Judiciary is to submit to the Legislature annual status reports, at least twenty days before the convening of the regular sessions of 1995 through 1998, along with a final report twenty days before the regular session of 1999.

Your Committee finds that many traffic offenses, including minor offenses, are currently classified as crimes. Charges for these offenses require the person to appear in court, one or more times, to dispose of the case, typically, only by payment of a fine.

The present system consumes important judicial and law enforcement resources, which could be utilized elsewhere in the criminal justice system. Also, the present system costs the person a needless amount of time and costs the taxpayers excessive amounts of money. The proposed program will save the taxpayers money and aggravation with the judicial system by simplifying the traffic court process.

Your Committee concludes that this measure will allow those persons, who do not wish to contest the citation, simply to pay a fine by mail without any further action. Also, those persons who wish to admit to the infraction but want to explain mitigating factors, as well as those persons who want to contest the citation, will be afforded a hearing to do so.

Your Committee finds that the bill proposes a traffic offense system whereby, upon receipt of a citation, the person will be required, within fifteen days, to choose one of three options:

1. Pay the fine indicated on the citation;
2. Admit to the offense and request a hearing to present mitigating factors; or
3. Request an informal hearing to contest the citation.

If the person chooses the first option and submits payment, traffic points will be assessed according to the nature of the violation and the person's prior record. Payment will be accepted, points assessed, and the matter will be closed. However, if the assessment of points would result in twelve or more points for that person, which would require the suspension of the driver's license, payment will be rejected and the case will be scheduled for trial.

If the person chooses option number two, a hearing will be scheduled. This hearing will be limited to an explanation in mitigation of the fine and points assessed. The person may request leniency, based upon the mitigating factors, but will not be allowed to contest the charge. The court will order an appropriate fine and point assessment and the matter will be closed. Again, if the assessment of points would cause that person's total points to equal or exceed twelve, which would require the suspension of the driver's license, the person's admission will be rejected and the case will be scheduled for trial.

Should the person choose the third option, an informal hearing will be afforded. The prosecutor and police officer will not attend this hearing. At the hearing, the citation and a description of the offense will be admitted as evidence and the person will be permitted to explain his version of the matter. Ordinarily, no additional witnesses will be required. The person, if dissatisfied with the outcome of this hearing, may request a regular district court trial. At the trial the prosecutor will be present and the violation must be proven beyond a reasonable doubt.

If the person fails to respond within fifteen days to the citation and fails to choose one of the three options, a judgment by default will be entered in favor of the State. The court will notify the person as to the fine and points assessed. If the person fails to take action to set aside the default or to pay the fine within an additional thirty days, the county director of finance will be notified and the person will be unable to renew the driver's license or to register or acquire a vehicle until the matter is settled with the court.

Your Committee has amended the bill to clarify the procedure for relief from a default judgment and to specify that when a trial is requested, arraignment and plea will be at the time of trial. Other amendments to the bill provide that after the court receives a person's explanation that no infraction was committed, the admission and notice may be dismissed with prejudice. Also, that any admission or determination made during the informal proceedings shall not be admissible at a subsequent trial.

Your Committee has further amended the bill by making technical, nonsubstantive amendments for the purposes of clarity, consistency and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 154, 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. 154, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., Levin, Nakasato, Blair, Iwase and Koki.
Managers on the part of the Senate.

Senator Nakasato did not sign the report.

Representatives Tom, Say, Menor, Oshiro and Ward.
Managers on the part of the House.

Representative Ward did not sign the report.

Conf. Com. Rep. No. 70 on S.B. No. 363

The purpose of this bill is to appropriate \$1 to the Honolulu police department's component of the "No Hope in Dope" program. This collaborative program educates school-age children about the detrimental effects of substance abuse while providing positive alternatives.

Your Committee upon further consideration has amended the bill to appropriate \$100,000. Your Committee has also made technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 363, 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. 363, S.D. 1, H.D. 2, C.D. 1.

Senators Kobayashi, A., Koki, McCartney, Blair and Hagino.
Managers on the part of the Senate.

Representatives Menor, Kawakami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 71 on S.B. No. 1063

The purpose of this bill is to ensure the long-term economic stability of the Hamakua region of the island of Hawaii, which is currently suffering from the closure of operations by the Hamakua Sugar Company.

This bill designates the lands within the North Hilo and Hamakua judicial districts from Kaiaakea in the south to Waipio Valley in the north as the Hamakua Community Development District. This designation authorizes the replanning, renewal, and redevelopment of the Hamakua region by the Hawaii Community Development Authority.

Your Committee finds that the State must assist the Hamakua community to become economically stable while at the same time retaining its unique rural character.

Your Committee has amended this bill by adding a new section providing that the Hamakua Development District Plan shall not take effect until the County of Hawaii establishes a community facilities district or a tax increment financing district to assist in financing improvements in the Hamakua Community Development District. Under Chapter 46, Hawaii Revised Statutes, the counties are authorized to create tax increment financing and community facilities districts to finance necessary special improvements, maintenance, and services within the county. Your Committee recognizes the importance of the County of Hawaii's participation in the revitalization of the Hamakua region and finds that this amendment will foster cooperation between the State and the County of Hawaii to meet the critical needs of the Hamakua community.

In addition, your Committee has amended this bill by appropriating \$1,000,000 to carry out the purposes of this Act.

Lastly, your Committee has made the following nonsubstantive technical amendments: (1) removed the parentheses and moved the quotation marks at page 1, line 9; (2) added a comma after the word "replanning" at page 1, line 11; and (3) clarified the language concerning voting on matters affecting only one development district, at page 8, lines 4-11.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1063, 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. 1063, S.D. 2, H.D. 1, C.D. 1.

Senators Kobayashi, A., Iwase, Holt, Matsuura and Koki.
Managers on the part of the Senate.

Representatives Say, Chang, Tajiri and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 72 on S.B. No. 1448

The purpose of this bill is to allow the criminal injuries compensation commission (commission) to assign cases to the commission's administrator for review and disposition if:

- (1) The case can be adjudicated appropriately with available records and documents; and

- (2) The applicant has waived a hearing before the Commission.

If an applicant is dissatisfied with the administrator's decision, the applicant may appeal the decision to the commission for review. The bill also requires the deposit of funds received from collateral sources into the criminal injuries compensation fund.

Your Committee finds that the delegation of cases by the commission to an administrator would streamline the eligibility determination process and aid victims of violent crimes to a quicker recovery, as well as allow the commission more time to evaluate cases that require more attention.

Your Committee has amended the bill to specify that funds recovered from a collateral source to be paid into the criminal injuries compensation funds shall include funds recovered from the offender under section 351-35, Hawaii Revised Statutes.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1448, 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. 1448, S.D. 1, H.D. 1, C.D. 1.

Senators Kobayashi, A., Levin, Blair, Hagino and Koki.
Managers on the part of the Senate.

Representatives Tom, Say, Suzuki and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 73 on S.B. No. 1752

The purpose of this bill is to establish a corrections population management commission within the department of public safety to develop mechanisms to prevent the inmate population from exceeding the capacity of the correctional facilities. This bill also appropriates \$83,882 for fiscal year 1993-1994 and \$72,782 for fiscal year 1994-1995 to hire staff and otherwise carry out the purposes of the bill.

Prison overcrowding was a major cause of the 1985 lawsuit against the State by the American Civil Liberties Union, which resulted in a consent decree governing conditions at the Oahu community correctional center. Continued overcrowding is the primary reason the State is unable to satisfy the requirements of the consent decree. A permanent solution must be devised to enable the State to comply with the consent decree, prevent future litigation, and allow the department of public safety to operate its facilities effectively.

Your Committee finds that this bill will facilitate the collaboration and cooperation of representatives from the three branches of government and from the various criminal justice agencies in the State to develop strategies to control the inmate population of all the State's correctional facilities.

Your Committee, upon further consideration, has amended this bill by deleting paragraph (5) referring to "prosecutorial policies" at line 5, page 4, and renumbering the remaining paragraphs consecutively.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1752, 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. 1752, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., Koki, McCartney, Blair and Hagino.
Managers on the part of the Senate.

Representatives Menor, Tom, Tajiri and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 74 on S.B. No. 1905

The purpose of this bill is to:

- (1) Expand the scope of the department of health's immunization and vaccination program to cover high risk and susceptible persons, especially children. The program currently services only indigent and medically indigent persons;
- (2) Expand the list of diseases against which inoculations must be provided, to include: measles, mumps, rubella, haemophilus influenza (systemic), hepatitis B, influenza, and pneumococcal disease; and
- (3) Appropriate an unspecified sum to the department of health for the fiscal biennium for the foregoing vaccinations and immunizations.

The bill also:

- (1) Exempts immunizations from any copayment provisions; and

- (2) Adds the definition of "prevailing medical standards" to mean the recommendations of the Immunizations Practices Advisory Committee of the U.S. Department of Health and Human Services, and the American Academy of Pediatrics; provided that in the event the recommendations of the Committee and the Academy differ, the department of health shall determine which recommendations shall apply.

Your Committee wishes to clarify that the exemption from co-payments applies only to the dispensing fee and cost of the vaccine, and not to any fees that may be charged for office visits.

Your Committee upon further consideration has made the following amendments to this bill:

- (1) Deleted section 6 appropriating an unspecified sum to the department of health for the fiscal biennium; and
- (2) Made the effective date of the bill one year earlier to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1905, 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. 1905, S.D. 1, H.D. 2, C.D. 1.

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

Representatives Duldulao, Say, Pepper and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 75 on S.B. No. 448

The purpose of this bill is to appropriate \$1 for the department of public safety's component of the "No Hope in Dope" program.

This collaborative program educates school-age children about the detrimental effects of substance abuse while providing positive alternatives.

Your Committee upon further consideration has amended this bill to appropriate \$100,000 for fiscal year 1993-1994.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 448, 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. 448, S.D. 1, H.D. 2, C.D. 1.

Senators Kobayashi, A., Koki, McCartney, Blair and Hagino.
Managers on the part of the Senate.

Representatives Menor, Kawakami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 76 on S.B. No. 261

The purpose of this bill is to comply with the requirements of Article VII, section 6, of the Constitution of the State of Hawaii by providing a \$0 tax credit. This section requires the legislature to provide either a tax refund or tax credit to qualified taxpayers whenever the state general fund balance at the close of each of two successive fiscal years exceeds five percent of the general fund revenues for each of the two fiscal years.

Your Committee finds that, in light of the constitutional requirement that a credit or rebate be enacted, and given the State's current fiscal situation, the appropriate amount of the tax credit should be \$1. Therefore, your Committee has amended the bill by changing the tax credit from \$0 to \$1.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 261, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 261, H.D. 1, C.D. 1.

Senators Kobayashi, A., Kobayashi, B., Blair, Fernandes Salling, Fukunaga, Hagino, Holt, Kanno, Levin, Matsuura, McCartney, Tungpalan and George.

Managers on the part of the Senate.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 77 on S.B. No. 250

The purpose of this bill is to appropriate funds to establish the Pacific Mapping Center in the College of Engineering at the University of Hawaii.

In 1983, President Ronald Reagan proclaimed the establishment of the Exclusive Economic Zone (EEZ) of the United States, extending the nation's sovereign rights over the natural resources of our coastal seas up to 200 nautical miles from shore. Hawaii's EEZ is approximately 697,000 square miles, and less than three percent of this area has been bathymetrically mapped.

Your Committee finds that mapping of the ocean floor provides useful information and serves the community in many ways. Ocean floor maps are used in marine mining, fisheries research, tsunami research, identification of sites for ocean thermal energy plants, and the laying of undersea cables.

The Pacific Mapping Program was established as a pilot program in 1990 by the U.S. Geological Survey and the National Oceanic and Atmospheric Administration to collect, analyze, process, and provide ocean mapping data to the public. Within the University of Hawaii, the Pacific Mapping Program is the result of a collaborative effort between the College of Engineering, the School of Ocean and Earth Sciences and Technology, the Department of Geography, and the Sea Grant College. Your Committee finds that continued cooperation between the University and the federal government will contribute significantly to a more complete understanding of our ocean resources and provide a valuable service to the community.

Your Committee has amended this bill by appropriating \$1 to establish the Pacific Mapping Center at the University of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 250, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 250, H.D. 1, C.D. 1.

Senators Kobayashi, A., Iwase, Tungpalan, Matsuura and George.
Managers on the part of the Senate.

Representatives Lee, Say, Chang, Hagino and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 78 on S.B. No. 1726

The purpose of this bill is to increase the conveyance tax from five cents per hundred dollars to ten cents per hundred dollars and allocate conveyance tax revenues to the Rental Housing Trust Fund and the Natural Area Reserve Fund.

In addition, this bill proposes several other amendments to improve the administration of the conveyance tax law by:

- (1) Requiring that any overpayment of conveyance taxes imposed be credited within three years after the filing of a conveyance tax certificate;
- (2) Prohibiting commencement of a court proceeding without assessment for the collection of taxes before the expiration of the three year period;
- (3) Allowing for the assessment or levying of the conveyance tax at any time if a false or fraudulent certificate was filed with the intent to evade taxes or if a certificate was not filed;
- (4) Clarifying the basis and rate of the conveyance tax to include any promise, act, forbearance, property interest, value, gain, advantage, benefit, or profit, as well as money; and
- (5) Including exemptions from the conveyance tax for: (a) the threat of eminent domain, the point at which most conveyances to government occur, (b) partition deeds that result in equal value to the co-owners and no change in the proportionate interest of the co-owners, (c) conveyances involving divorced couples ordered by the courts to dispose of property, and (d) transfers involving certain testamentary trusts and grantor revocable living trusts.

Your Committee finds that the Rental Housing Trust Fund was created by Act 308, Session Laws of 1992, to help address the acute shortage of safe, decent, and affordable rental housing in the State of Hawaii. Initial funding for the trust fund was provided with a \$15,000,000 transfer from the Rental Assistance Revolving Fund administered by the Housing Finance and Development Corporation. This \$15,000,000 was a one-time transfer and your Committee finds it inadequate to meet the anticipated need for affordable housing. Your Committee determines that it is in the public interest to provide a continuous source of funding for the Rental Housing Trust Fund that will subsidize the development of affordable rental housing for Hawaii's very low and low income households.

Your Committee further finds that in 1991, the Legislature established the Natural Area Partnership and Forest Stewardship programs to provide incentives for private landowners to protect important natural resources on their lands. Act 326, Session Laws of Hawaii 1991, established the Natural Area Partnership and provided State funds on a two-to-one basis with private funds for the management of important private natural areas, including lands with intact native ecosystems and essential habitats for native species. To qualify, landowners must permanently dedicate their land to conservation. Act 327, Session Laws of Hawaii 1991, established the Forest Stewardship program and also provided State funds on a two-to-one basis with private funds for the management of important natural resources such as non-native watersheds, timber resources, fish and wildlife habitats, small patches of native forests, and isolated populations of endangered species.

Both programs are off to a strong start and provide new and innovative ways of addressing the pressures and threats facing Hawaii's natural resources. Interest in the programs by the private sector has been greater than expected; all funds appropriated to date have been encumbered and several qualified projects remain unfunded.

Your Committee determines that the Rental Housing Trust Fund and the Natural Area Partnership and Forest Stewardship programs need permanent, dedicated sources of funding to accomplish their intended purposes.

Therefore, your Committee has amended this bill by deleting the provision allowing the disbursement of revenues paid into the Natural Area Reserve Fund to support the management of the Natural Area Reserves System. It is the intent of

your Committee to earmark these funds to the Natural Area Partnership and Forest Stewardship programs to enhance private participation in the protection and management of conservation lands.

In addition, this bill was amended to make clear that it will apply to any document or instrument presented for recordation or filing under the conveyance tax laws after June 30, 1993. Lastly, your Committee has made two technical amendments at page 8, lines 7 and 8, for the purpose of consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1726, 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. 1726, S.D. 1, H.D. 1, C.D. 1.

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

Representatives Say, Morihara, Nakasone and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 79 on S.B. No. 552

The purpose of this bill is to require that public buildings and facilities constructed by the State, a county, or on behalf of the State or any county, conform to the Americans with Disabilities Act Accessibility Guidelines.

Your Committee finds that Congress passed the Americans with Disabilities Act (ADA) to aid in the promulgation of design guidelines for state and county government facilities and for privately-owned places of public accommodation. The ADA requires one set of standards to be adhered to by planners, designers, and contractors. These uniform standards will ensure that these sites become and remain accessible to persons with disabilities. This bill requires compliance with the ADA Guidelines for public buildings and facilities constructed by the State, a county, or on behalf of the State or any county. The bill does not affect buildings and facilities constructed prior to its effective date of January 1, 1994, in conformance to the Uniform Federal Accessibility Standards, 41 C.F.R. Pt. 1191.

This bill also increases the size of the architectural access committee, which has the authority to vary the guidelines with alternate designs to provide equal access to persons with disabilities and to establish guidelines for design specifications not covered in the ADA Guidelines, from three members to five members.

Your Committee has amended this bill by requiring the comptroller to provide the legislature with an annual report on the number and types of buildings and facilities donated to the State and the costs, if any, of bringing them into compliance with the ADA Guidelines. Your Committee has also changed the amount of the appropriation to the department of health to \$103,000 for fiscal year 1993-94 and \$94,000 for fiscal year 1994-95.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 552, 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. 552, S.D. 1, H.D. 1, C.D. 1.

Senators Kobayashi, A., Chang, Kobayashi, B., Holt, Kanno and George.
Managers on the part of the Senate.

Representatives Chun, Tom, Chang and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 80 on S.B. No. 930

The purpose of this bill is to appropriate the sum of \$1 for fiscal year 1993-1994, and the same sum for fiscal year 1994-1995, to the University of Hawaii, to provide continuing funding for efforts to establish support and assistance to families, professionals, and persons with autism through the resource and technical assistance project on autism.

Specifically, this bill requires the resource and technical assistance project to provide:

- (1) Diagnostic expertise and a team of trained professionals to work in collaboration with parents throughout the child's evaluation;
- (2) Coordination of the development and implementation of meaningful service plans;
- (3) On-site training for families, community agencies, and schools to provide appropriate services for persons with autism;
- (4) Assistance to families in locating and accessing appropriate services;
- (5) Advocacy for individuals with autism and autistic-like characteristics to further develop and improve services; and
- (6) Facilitation of research, networking, information exchanges, and agreements among agencies and parents dealing with autism.

In addition, this bill requires the autism advisory committee, established within the University of Hawaii's university affiliate program, to continue to assure appropriate coordination of activities and provide support and direction to the resource and technical assistance project.

Your Committee finds that a report on autism submitted in 1991 by the state planning council on developmental disabilities recommended that Hawaii establish and fund a three-year pilot project to develop a comprehensive system of diagnosis and treatment for individuals with autism. Your Committee also finds that this bill would provide critical support for the continuation of this project.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated for fiscal year 1993-1994 from \$1 to \$175,385, and changing the sum appropriated for fiscal year 1994-1995 from \$1 to \$182,263; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 930, 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. 930, S.D. 1, H.D. 1, C.D. 1.

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

Representatives Chun, Say, Santiago and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 81 on S.B. No. 952

The purpose of this bill is to exempt from the general excise tax amounts attributed to a producer of agricultural products who sells products to a purchaser who will process the products outside the State. At the present time, sales of sugarcane by sugarcane producers to C & H Sugar Company are exempt from general excise tax provisions. However, since C & H Sugar Company is being sold to a single owner, the exemption now granted to the sugarcane producers would not be applicable. This bill would continue the general excise tax exemption for the sugarcane producers.

Your Committee upon further consideration has amended this bill to change the effective date from July 1, 1998 to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 952, 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. 952, S.D. 2, H.D. 2, C.D. 1.

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

Representatives Ige, M., Say, Chumbley, Morihara and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 82 on S.B. No. 539

The purpose of this bill is to continue the provision of human services through the family center demonstration project. Specifically, this bill:

- (1) Extends the repeal date of the project from July 1, 1993 to July 1, 1995;
- (2) Requires the family center council to plan for the 1995 implementation of a permanent family center project;
- (3) Requires the above-referenced plan to include:
 - (a) Recommendations on the continuance of the project;
 - (b) An administrative structure for the project;
 - (c) A funding structure that integrates resources from the public and private sectors;
 - (d) The incorporation of training and community action;
 - (e) Technical assistance on the development of family centers;
 - (f) The project's evaluation and assessment component;
 - (g) A structure to allocate resources to the family centers;
 - (h) A process to select sites for family centers; and
 - (i) A projected budget for the continuation or expansion of the project;
- (4) Requires the project's evaluation component to include information on the lessons learned from operating under family center concepts, and information as to whether the project has changed the human services system; and
- (5) Requires the department of human services (DHS) to submit status reports to the Legislature twenty days prior to the convening of the Regular Sessions of 1993 and 1994, and a final report at least twenty days prior to the convening of the regular session of 1995.

Your Committee upon further consideration has made the following amendments:

- (1) Rather than requiring the DHS to submit status reports, the amended bill requires the legislative reference bureau, in consultation with the DHS, to submit preliminary and final evaluation reports at least twenty days prior to the convening of the regular sessions of 1994 and 1995;
- (2) Adds the content of H.B. No. 120, H.D. 2, providing for the determination of the amount of public assistance to be based on the poverty level established by the federal government in 1993; and
- (3) Adds clarification of the method required to determine the assistance allowance by conforming the rounding down process to the federally prescribed method.

Your Committee wishes to point out that this bill, as amended, will not affect welfare funding levels in 1993 and will allow the legislature time to search for other sources of funding. Should other moneys become available, the legislature will have the opportunity in 1994 to repeal the "1993" level. Instituting a freeze at the 1993 level now will generate savings that will be dedicated for use in education and human services programs.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 539, 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. 539, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., Grauly, Fernandes Salling, Levin and Koki.
Managers on the part of the Senate.

Representatives Chun, Kawakami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 83 on S.B. No. 920

The purpose of this bill is to afford water safety officers the same retirement benefits as are currently provided to other public employees in high risk occupations such as firefighters, police officers, and corrections officers.

Increased benefits include a higher retirement allowance and the right to retire with full benefits after twenty-five years of service, regardless of age.

Under this bill, all water safety officers hired after December 31, 1993 would be Class A contributory members of the Employees' Retirement System. Those currently in noncontributory Class C will have the option of retaining prior service as Class C or paying the conversion premium.

Your Committee finds that water safety officers meet the same criteria by which other high risk occupations are deemed entitled to selected treatment under the retirement law.

Your Committee has amended this bill by providing that all water safety officers shall be designated Class A members of the Employees' Retirement System as of December 31, 1993, thus eliminating any ambiguity as to the status of current Class C water safety officers or new hires. The voluntary buy back provision for current Class C water safety officers is retained.

Your Committee has also clarified that the water safety officers who are the subjects of this measure are those employed by the counties to provide services at Hawaii's beaches. Lifeguards for swimming pools or facilities other than beaches, and lifeguards employed by the State or anyone other than a county, are not included.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 920, 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. 920, S.D. 2, H.D. 1, C.D. 1.

Senators Kobayashi, A., McCartney, Holt, Fukunaga, Kanno and Koki.
Managers on the part of the Senate.

Representatives Yonamine, Taniguchi, Say and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 84 on S.B. No. 1137

The purpose of this bill is to allow the University of Hawaii to waive all tuition fees for ten Hawaiian students who are financially needy, or enrolled in Hawaiian language courses, or education, or who participate in student recruitment programs at the University of Hawaii.

Hawaiian students have historically been underrepresented among the student population at the University of Hawaii. Your Committee believes very strongly that this state of affairs should not continue and that strong affirmative measures must be taken to remedy the problem. Increasing the number of tuition waivers available to Hawaiian students will promote this goal while helping to remove financial need as a bar to progress. Accordingly, your Committee has amended this bill by increasing the number of tuition waivers from ten to two hundred fifty.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1137, 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. 1137, S.D. 1, H.D. 2, C.D. 1.

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

Representatives Lee, Okamura, Say, Beirne and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 85 on S.B. No. 530

The purpose of this bill is to amend the vehicle weight tax law to require that if a previously junked vehicle has been re-registered, the certificates of title and registration indicate that fact. The bill also delete a superfluous reference to "sworn" affidavits in the exemption of certain motor vehicles from the vehicle weight tax.

Your Committee finds that this bill will protect consumers by requiring a permanent, easily discovered record of the vehicle's prior status. Your Committee has amended the bill by removing the purpose clause, and by requiring that a signed statement of fact, rather than an affidavit, be submitted to the director of finance concerning a vehicle's eligibility for exemption from the vehicle weight tax.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 530, 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. 530, S.D. 2, H.D. 2, C.D. 1.

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

Representatives Oshiro, Kanoho Nakasone and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 86 on S.B. No. 1670

The purpose of this bill is to transfer the responsibilities for the statewide coordination and development of literacy programs and the operations of the Governor's Council for Literacy and Lifelong Learning from the Governor's Office of Children and Youth to the Public Library System.

Specifically, this bill:

- (1) Requires the establishment of the Literacy and Lifelong Learning Program within the Public Library System;
- (2) Transfers the Public-Private Partners for Literacy Trust Fund within the Hawaii Community Foundation from the purview of the Governor's Office of Children and Youth to the State Librarian; and
- (3) Requires the Board of Education, through the State Librarian, to:
 - (A) Coordinate and facilitate the activities of literacy service providers and literacy programs in the public, private, and volunteer sectors;
 - (B) Serve as a clearinghouse for information relating to grants and other moneys available for literacy providers and programs, literacy services in the state, the measurable results of various literacy programs, and statistics and demographics concerning those individuals receiving and in need of literacy services; and
 - (C) Develop public-private sector literacy partnerships with the assistance of the Governor's Council for Literacy and Lifelong Learning.

Upon further consideration, your Committee has amended the bill by:

- (1) Deleting all provisions for state appropriations to the trust fund; and
- (2) Making other technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1670, 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. 1670, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., McCartney, Holt, Fukunaga, Kanno and Koki.
Managers on the part of the Senate.

Representatives Ige, D., Chun, Kawakami, Takumi and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 87 on S.B. No. 336

The purpose of this bill is to make an appropriation to establish a pilot program to place ten full-time athletic trainers in public high schools.

Your Committee finds that Hawaii's high schools have not kept pace with the health and safety requirements of a modern athletic program and the lack of adequately trained athletic program personnel pose a risk to the athletes' health and safety. To ensure that adequately trained individuals are placed into the pilot program, it is the intent of your

Committee that any person employed as an athletic trainer pursuant to this bill shall possess the following minimum requirements:

- (a) Certification by the National Athletic Trainers Association; or
- (b) At least five years of experience as an Emergency Medical Technician III or higher, and not less than twenty years of experience as an athletic trainer.

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

- (1) Increasing the appropriation amounts to \$371,000 for each fiscal year; and
- (2) Making technical amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 336, 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. 336, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., McCartney, Fukunaga, Holt, Kanno and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 88 on S.B. No. 1410

The purpose of this bill is to enhance Department of Health environmental programs.

As received, this bill establishes a six cents per barrel tax on all petroleum products sold in the State to any end user except a refiner. Taxes collected will be deposited into the Environmental Response Revolving Fund and used for oil release planning, prevention, training, removal, education, and recycling activities, including the establishment of accessible oil drop off stations.

The bill also establishes an Environmental Health Program Enhancement and Education Fund to improve environmental health programs, into which money collected by the Department of Health for various fees will be deposited.

To promote and support state and county waste reduction, recovery, and diversion programs, this bill authorizes the Department to impose a solid waste management surcharge of twenty-five cents per ton of solid waste disposed of within the State and establishes an Environmental Management special fund into which surcharge collections will be deposited.

Your Committee has amended this measure by deleting all sections related to the environmental response tax and requirements that moneys from the Environmental Management special fund be used to defray costs of the transport and disposal of household hazardous waste collected by the counties and pay for administrative expenses related to management of the fund.

Your Committee has added several new provisions, and as a result, this bill:

- (1) Establishes a solid waste management surcharge of twenty-five cents per ton to promote and support state and county waste reduction, recovery, and diversion programs;
- (2) Authorizes the counties to assess a clearly identified surcharge based on partial costs of solid waste collection;
- (3) Requires a comprehensive report from the State Solid Waste Management Coordinator on results accomplished by the Department of Health and counties to meet the purposes of the Act, expenditures and revenues deposited into the Environmental Management special fund; and
- (4) Authorizes the Department of Health to expend from the Environmental Management special fund the sum of \$400,000 for fiscal year 1993-1994 to support the purposes of this Act.

Finally, your Committee has 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. 1410, 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. 1410, S.D. 2, H.D. 2, C.D. 1.

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

Representatives Bainum, Takamine, Say and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 89 on S.B. No. 1582

The purpose of this bill is to appropriate the sum of \$1 for fiscal year 1993-1994, and the same sum for fiscal year 1994-1995, to the department of education, for salary adjustments made by the educational officer classification and compensation appeals board to the educational officer classification/compensation plan.

Your Committee finds that the foundation of any fair and equitable compensation plan is the principle of "equal pay for equal work". Consequently, the department of education and the board of education must pursue the repricing of all educational officer positions, and evaluate these positions in terms of their responsibilities. Positions that are under-valued should be priced higher, and positions that are over-valued should be priced lower.

Your Committee has amended this bill by changing the sum appropriated for fiscal year 1993-1994 from \$1 to \$246,667, and changing the sum appropriated for fiscal year 1994-1995 from \$1 to \$296,001. Your Committee notes that the foregoing appropriation represents the Committee's intent to attract and retain the best qualified people at the school level.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1582, 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. 1582, S.D. 1, H.D. 1, C.D. 1.

Senators Kobayashi, A., McCartney, Holt, Fukunaga, Kanno and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 90 on S.B. No. 1729

The purpose of this bill is to change the tax on cigarettes from forty per cent of the wholesale price to a fixed-rate tax of 4.5 cents on each cigarette that would apply to sales during periods after June 30, 1993 or ninety days after a United States congressional act is signed into law which requires military installations to purchase cigarettes in Hawaii in a manner similar to that required of alcoholic beverages, whichever date is later. This bill also appropriates an unspecified amount to the department of health. The taxation of other tobacco products will remain at the current forty per cent tax on the wholesale price of the articles.

Your Committee finds that the taxation of cigarettes accounts for approximately ninety per cent of the annual tobacco tax revenues. The change in method of taxation that is made by this bill will also allow for the taxation of cigarette sales to the military if the military is required by law to purchase cigarettes in a manner similar to that required of alcoholic beverages. This will result in a substantial increase in revenues to the State.

Your Committee has amended this bill by:

- (1) Changing the fixed-rate tax from 4.5 cents to 3 cents per cigarette for cigarettes sold after June 30, 1993 and increasing the fixed rate tax from 3 cents to 3.5 cents for cigarettes sold after the first day of the month one hundred eighty days after a United States congressional act is signed into law which requires military installations to purchase cigarettes in Hawaii in a manner similar to that required of alcoholic beverages;
- (2) Removing the appropriation to the department of health;
- (3) Making the effective date of the Act July 1, 1993; and
- (4) Making other technical, non-substantive changes for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1729, 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. 1729, S.D. 1, H.D. 1, C.D. 1.

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

Representatives Say, Kawakami, Suzuki and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 91 on S.B. No. 1851

The purpose of this bill is to authorize the issuance of \$50,000,000 in special purpose revenue bonds to assist C. Brewer and Company, Limited, in the construction of a medium density fiberboard plant in the county of Hawaii.

With the phase down of sugar industry operations on the island of Hawaii, your Committee finds that it is imperative that agricultural operations explore new and diversified agricultural alternatives. A medium density fiberboard plant along the Hilo coast could generate as much as two hundred jobs for the people of the county of Hawaii.

Your Committee has amended this bill by extending the date upon which the authority to issue special purpose revenue bonds is scheduled to expire. The date has been extended from June 30, 1993, to June 30, 1997.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1851, 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. 1851, S.D. 1, H.D. 2, C.D. 1.

Senators Kobayashi, A., Matsunaga, Matsuura, Kanno and George.
Managers on the part of the Senate.

Representatives Stegmaier, Say, Morihara and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 92 on S.B. No. 1361

The purpose of this bill is to authorize the state department of health to regulate the transport and disposal of petroleum-contaminated soils. This bill also contains a provision which appropriates an unspecified sum to the department to carry out its regulatory duties.

Your Committee finds that because of the risks associated with the improper handling of petroleum-contaminated soil, persons engaged in the transport and disposal of this category of waste should be subject to the provisions of the state solid waste pollution law. Your Committee finds that this bill provides the department of health with the mechanism to regulate the transport and disposal of petroleum-contaminated soil.

Your Committee has amended this bill by:

- (1) Amending the provision prohibiting the transport of petroleum-contaminated soil without a permit by clarifying the procedures which would exempt transporters from the permit requirement;
- (2) Adding the definitions of "petroleum" and "petroleum-contaminated soil" to chapter 342H; and
- (3) Deleting the section of the bill containing the proposed appropriation.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1361, 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. 1361, S.D. 1, H.D. 2, C.D. 1.

Senators Kobayashi, A.. Chang, Levin, Fukunaga and Reed.
Managers on the part of the Senate.

Representatives Bainum, Say, Nekoba and Ward.
Managers on the part of the House.

Representative Ward did not sign the report.

Conf. Com. Rep. No. 93 on S.B. No. 1874

The purpose of this bill is to implement the recommendations of the Kaneohe Bay Master Plan Task Force regarding the implementation and administration of the Master Plan.

Specifically, this bill:

- (1) Establishes in statute the Kaneohe Bay Regional Council to implement the Kaneohe Bay Master Plan and perform related functions such as coordinating bay activities, disseminating information about the bay, advising and serving as an advocate for the bay, and developing short- and long-range goals for the bay;
- (2) Provides for an executive director, staff and a state appropriation for such staffing;
- (3) Requires an annual report to be submitted to the Governor and the Legislature by the Council; and
- (4) Requires the Office of State Planning to convene a Kaneohe Bay Task Force in 1998 to evaluate the status and activities of the Council.

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

- (1) Adding a findings and purpose section;
- (2) Limiting the scope of the Council to the implementation of the Master Plan as it relates to ocean use activities in the Bay;
- (3) Deleting the provision of staff and appropriations therefor;
- (4) Adding a provision to authorize the Council to facilitate bringing together the users of the Bay and the general public to develop a common vision and make public policy recommendations related to the Bay and deleting the provision authorizing the Council to prepare and submit budgets for the disbursement of funds allocated for the Council's work;
- (5) Requiring the Council to meet on the first Wednesday of each calendar quarter in each year of its operation, and to submit semi-annual reports on its activities;
- (6) Adding a new section to Chapter 200, Hawaii Revised Statutes to provide for the permitting and regulation of ocean use activities in Kaneohe, pursuant to the recommendations included in the Kaneohe Bay Master Plan regarding such activities;
- (7) Amending sections 200-37 and 200-38, Hawaii Revised Statutes, to repeal all provisions related to Kaneohe Bay;

- (8) Changing the date from 1998 to 1997 for the Office of State Planning to convene the Kaneohe Bay Task force;
- (9) Adding an appropriation of \$2,500 for the fiscal year 1993-1994 to support the Kaneohe Bay Regional Council; and
- (10) Adding a drop-dead provision for this Act of July 1, 1998.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1874, 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. 1874, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., Iwase, Nakasato, McCartney and George.
Managers on the part of the Senate.

Representatives Hiraki, Say, Apo, Nekoba and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 94 on S.B. No. 1531

The purpose of this bill is to require state and county agencies to give preference in awarding public works contracts to contractors who have filed and paid state taxes for two successive years if the contract is worth less than \$5 million, and for four successive years if the contract is worth \$5 million or more, as long as their bids are no more than four per cent higher than other contractors.

Your Committee finds that this bill will assure the State that contractors for public works projects are stable and reliable contractors who have been able to survive in the Hawaii construction industry climate and, therefore, will not default on their contracts or go out of business before completing a public works project. Certain economic conditions for businesses which are unique to Hawaii, such as the high cost of leasing or purchasing business premises and the high cost of wages, offer challenges to contractors who are conducting or intend to conduct business in Hawaii. Accordingly, it cannot be assumed that a contractor that has been successful outside the State will automatically be a stable and reliable contractor in Hawaii.

The method utilized in this bill to ensure that a building contractor or corporation has sufficient stability is by proof of state taxes paid. Your Committee believes that the mere registration of a contractor with the department of commerce and consumer affairs is an insufficient method of determining whether or not a contractor is stable and reliable since a contractor could be registered but not actively engaged in business. The use of tax records ensures that the contractor is actively conducting business in the State.

Your Committee has amended this bill to remove county agencies from the preference requirements and to change the amount that a bid of a preferred contractor can exceed that of a competing contractor from four per cent to five per cent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1531, 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. 1531, S.D. 1, H.D. 1, C.D. 1.

Senators Kobayashi, A., Chang, Holt, Fukunaga and Koki.
Managers on the part of the Senate.

Representatives Say, Kawakami, Nakasone, Tajiri and Thielen.
Managers on the part of the House.

Representative Thielen did not sign the report

Conf. Com. Rep. No. 95 on S.B. No. 1715

The purpose of this bill is to generate increased revenues to cover health care payments for the federally funded medicaid program and enable the department of human services to earn additional federal matching funds on this revenue.

This purpose is achieved by:

- (1) Establishing a six per cent tax on nursing facility income and a four per cent tax on hospital income except income subject to general excise tax provisions;
- (2) Establishing the health care revolving fund, into which the revenue derived from the tax on nursing facility and hospital income will be deposited; and
- (3) Requiring the department of human services to submit reports to the legislature prior to the convening of the 1994 and 1995 regular sessions regarding the status of the provider tax and an accounting of federal matching funds drawn down from the reimbursement rate resulting from the provider tax as well as other information necessary to assess the impacts of the tax.

This bill also includes an additional six per cent of nursing facilities expenses in calculating the amount of the medical services excise tax credit allowable under the income tax law.

Your Committee has amended this bill as follows:

- (1) Including in the definition of "hospital income" compensation for patients who are on a waiting list to be transferred to a nursing facility or in acute care "swing beds";
- (2) Excluding from the definitions of "hospital income" and "nursing facility income" income from an affiliated entity that operates as a health maintenance organization and settlements from third party payers for services delivered prior to the effective date;
- (3) Excluding from the definition of "nursing facility income" income from adult day health and adult day care programs, income from the provision of home health agency services, and income from the provision of "nursing homes without walls" programs;
- (4) Requiring operators, except hospitals in the state community hospital system, to keep books and records on an accrual basis for the purposes of determining the amount of taxes due;
- (5) Appropriating \$125,000 from the general revenues of the State for the purposes stated above; and
- (6) Other technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1715, 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. 1715, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., Grauly, Fernandes Salling, Levin and George.
Managers on the part of the Senate.

Senator George did not sign the report.

Representatives Chun, Duldulao, Say and Kawakami.
Managers on the part of the House.

Representative Duldulao did not sign the report.

Conf. Com. Rep. No. 96 on S.B. No. 1027

The purpose of this bill is to provide compensation for members of the Board of Trustees of the Office of Hawaiian Affairs.

Specifically, the bill:

- (1) Establishes a salary commission to study and make recommendations for the salary of the Board members beginning in 1997;
- (2) Sets forth the annual part-time salaries of \$37,000 for the Chairperson and \$32,000 for other Board members;
- (3) Includes Board members on the State's benefit program and provides them with a protocol allowance;
- (4) Provides for an audit of the Office of Hawaiian Affairs at least once every four years wherein the first audit report shall be submitted to the Governor and the Legislature no later than January 15, 1997; and
- (5) Appropriates \$586,000 for Fiscal Biennium 1993-1995 to carry out the purposes of the bill.

Upon further consideration, Your Committee has amended the bill by:

- (1) Excluding Office of Hawaiian Affairs Trustees from any State retirement programs;
- (2) Deleting the provisions stating that Office of Hawaiian Affairs Trustees are to be compensated on a part-time basis;
- (3) Providing that the appropriations made under the bill are to be matched by the Office of Hawaiian Affairs' pro rata share of public land trust revenues;
- (4) Requiring that the Auditor issue its first audit report of the Office of Hawaiian Affairs be issued no later than January 15, 1996;
- (5) Appropriating \$146,500 for each fiscal year to carry out the purposes of the bill; and
- (6) Correcting certain technical and stylistic errors.

Your Committee believes that the fiduciary responsibilities and obligations inherent in the Office of Hawaiian Affairs' Trusteeship justifies the recommended compensation package.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1027, 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. 1027, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., Chang, Holt, Fukunaga and Tungpalan.
Managers on the part of the Senate.

Representatives Okamura, Say, Apo, Kawakami and O'Kieffe.
Managers on the part of the House.

Representative O'Kieffe did not sign the report.

Conf. Com. Rep. No. 97 on S.B. No. 1028

The purpose of this bill is to enact provisions facilitating efforts to achieve Hawaiian sovereignty.

Specifically, the bill supports the efforts of native Hawaiians to establish a sovereign nation by providing for:

- (1) The convening of a Hawaiian constitutional convention to discuss various forms of nationhood and develop an organic document; and
- (2) The conduct of fair, impartial, and valid elections including:
 - (A) A referendum;
 - (B) An election of constitutional convention delegates; and
 - (C) A ratification election so that Hawaiian people may select the form by which they will govern their native lands, revenues, natural and cultural resources, and other possessions and institutions of an autonomous people.

During the deliberations of your Committee on this measure, we were deeply aware of the significance of 1993 as the centennial year of the overthrow of the Kingdom of Hawaii. The events of this past January, particularly the focus on the role of the United States in the destruction of the Hawaiian nation, has caused understandable pain and anger on the part of both Hawaiians and non-Hawaiians alike. For some, this examination of the past and its continuing consequences has been viewed as disloyalty to the United States of America. But the questions which have been raised -- how have Hawaiians been treated in the past, and how should they be treated in the future -- are important to the future of Hawaii.

This measure will begin a process to find answers to those questions. The State cannot and should not abridge the inherent right of native Hawaiians to freely determine a government of their own choosing. It is for the Hawaiian people to work out their own destiny, but this work will continue to require support and understanding. It will also demand full recognition of the rights of free speech and free thought guaranteed every American citizen.

Upon careful deliberation, your Committee has amended the bill by:

- (1) Deleting references to a "constitutional" convention to create an organic document for a Hawaiian sovereign nation;
- (2) Establishing a Hawaiian Sovereignty Advisory Commission to advise the Legislature on sovereignty proceedings and progress;
- (3) Authorizing the Governor to convene an interagency task force to support the needs of the Hawaiian Sovereignty Advisory Commission; and
- (4) Appropriating a total of \$420,000 of general and special funds to carry out the purposes of this measure.

Your Committee has deleted the constitutional references in order to enable debate over the merits of organic documents other than constitutions. It is not your Committee's intent to predetermine the creation of an organic document for a sovereign Hawaiian government.

Your Committee believes that establishing a Hawaiian Sovereignty Advisory Commission and authorizing the Governor to convene an interagency task force to support the Commission, is the appropriate mechanism by which to address the issues surrounding the apportionment of representative districts and the election of delegates for a Hawaiian convention. Your Committee is mindful that the Ahahui as well as the other Hawaiian organizations mentioned in this bill occupy an important place in the Hawaiian community and as such merit special consideration in matters relating to sovereignty. Therefore, the Governor is encouraged to recognize these traditional institutions and afford them full consideration and respect when making his appointments to the Commission.

Some questions have been raised regarding the authority of the State to grant sovereignty to a race of people. Your Committee notes that the American Civil War was fought over the question of sovereignty and acknowledges that it is not within the power of a state to confer sovereignty on behalf of the United States. The State of Hawaii's involvement in the sovereignty movement might run the risk of being considered seditious, and thus we must be cautious regarding the kind of assistance we give. However, your Committee believes that facilitating the process by which the Hawaiian people may achieve self-determination is within the scope of its jurisdiction and consistent with the principles of civil and human rights.

The State of Hawaii recognizes the sovereignty of the United States and will, in implementing this measure, conform to the legal contract between the State and the federal government.

Your Committee recognizes and affirms the inherent right of the indigenous Hawaiian people to sovereignty and self-determination and supports their efforts to establish a sovereign government with powers, duties, and land, ocean, water, and financial resources as they determine. This bill will aid in redressing the wrongs and inequities resulting from the overthrow of the Hawaiian Kingdom and usurpation of the government, lands, and treasury of the indigenous Hawaiian people.

Additionally, the bill will assist in ameliorating the spiritual, health, social, and economic plight of the indigenous Hawaiian people through empowerment of their self-determined institutions and repossession of their land, ocean, water, and financial resources.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1028, 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. 1028, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., Chang, Holt, Fukunaga, Solomon, Tungpalan and George.
Managers on the part of the Senate.

Representatives Okamura, Say, Apo, Beirne, Kawakami and O'Kieffe.
Managers on the part of the House.

Representative O'Kieffe did not sign the report.

Conf. Com. Rep. No. 98 on S.B. No. 603

The purpose of this bill is to facilitate the development of data for the establishment of a department of environmental protection. Specifically, the bill requires the legislative reference bureau to update its 1985 report on the feasibility of environmental reorganization for Hawaii and to examine the feasibility of alternative financing mechanisms to augment funding for a department of environmental protection. The bill also requires the governor to prepare an organizational and functional plan for a department of environmental protection and a plan for the orderly transition of functions to be transferred to the department.

Your Committee has amended this bill by:

- (1) Deleting the provision specifying that the study by the legislative reference bureau include estimates of funding losses to existing environmental management programs due to the lack of a department of environmental protection;
- (2) Requiring the legislative reference bureau to submit an interim report prior to the 1994 regular session and a final report prior to the 1995 regular session instead of submitting a report prior to the 1996 regular session of the legislature; and
- (3) Deleting the provision requiring the governor to prepare an organizational and functional plan prior to the 1996 regular session.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 603, 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. 603, S.D. 2, H.D. 2, C.D. 1.

Senators Kobayashi, A., Chang, Fukunaga, Holt and Reed.
Managers on the part of the Senate.

Senator Holt did not sign the report.

Representatives Bainum, Say, Nekoba and Ward.
Managers on the part of the House.

Representative Nekoba did not sign the report.

Conf. Com. Rep. No. 99 on S.B. No. 1126

The purpose of this bill is to add a new chapter governing public procurement by the State and the counties. Among other things, this bill:

- (1) Establishes a procurement policy office within the Department of Accounting and General Services to review all procurement concerns, policies, and practices; revise or develop new policies to implement the Hawaii Procurement Code; recommend amendments to the Code; and adopt rules to govern the procurement of goods, service, and construction;
- (2) Establishes the criteria and requirements for source selection and contract formation, including:
 - (a) Competitive sealed bids;
 - (b) Competitive sealed proposals;
 - (c) Small purchases;

(d) Sole source procurements;

(e) Emergency procurement; and

(f) Procurement of professional services; and

(3) Provides legal and contractual remedies for violations of the Procurement Code.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1126, 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. 1126, S.D. 2, H.D. 1, C.D. 1.

Senators Kobayashi, A., Fukunaga, Kobayashi, B., Matsuura, McCartney, Nakasato, George and Tungpalan.
Managers on the part of the Senate.

Representatives Say, Kawakami, Nakasone, Tajiri and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 101 on H.B. No. 570

The purpose of this bill is to amend chapter 586, Hawaii Revised Statutes (HRS), to provide for discretionary imprisonment of a violator for a first conviction for a violation of either a temporary restraining order or a protective order; and to provide for mandatory imprisonment of a violator for a second or subsequent violation of either a temporary restraining order or a protective order.

Your Committee has decided not to amend section 586-4, HRS, that deals with temporary restraining orders. Thus, the mandatory sentences for the violations of temporary restraining orders shall remain in effect.

However, your Committee has amended section 586-11, HRS, that deals with protective orders. Your Committee has made a distinction between domestic abuse violations and non-domestic abuse violations of the protective orders. "Domestic abuse" has been defined in section 586-1, HRS, to include such actions as physical harm, bodily injury, assault, threats, etc. Your Committee intends that the phrase "non-domestic abuse" cover violations of the protective order other than those amounting to "domestic abuse." For example, if the protective order specifies certain times for the children to be picked up or dropped off by a parent, the parent's failure to pick up or drop off the children on time may constitute non-domestic abuse, as long as this does not constitute "extreme psychological abuse" under the definition of "domestic abuse."

Your Committee has determined that the sentence to be imposed for a violation of a protective order should be dependent upon whether the violation is considered a domestic abuse violation or a non-domestic abuse violation. Your Committee deems domestic abuse violations to be generally more serious than non-domestic abuse violations.

Regarding first violations of protective orders:

1. Where the first violation of a protective order is domestic in nature, the violator shall be sentenced to a mandatory minimum jail sentence of not less than 48 hours; and
2. Where the first violation of a protective order is non-domestic in nature, the violator may be sentenced to jail for 48 hours.

Regarding second violations of protective orders:

1. Where the first violation is domestic in nature and the second violation is domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 30 days;
2. Where the first violation is non-domestic in nature and the second violation is non-domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours;
3. Where the first violation is domestic in nature and the second violation is non-domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours, unless the court, in writing, finds that the second violation does not warrant a jail sentence and the court provides reasons for its decision in writing; and
4. Where the first violation is non-domestic in nature and the second violation is domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours.

Regarding third and subsequent violations of protective orders, the court shall impose a mandatory minimum sentence of not less than thirty days imprisonment.

Your Committee has amended this measure as follows:

1. Deleted the existing Section 1, that deals with amendments to section 586-4, HRS, and re-numbered the remaining sections. Your Committee decided not to change the law regarding temporary restraining orders;
2. Deleted the existing penalties under section 586-11, HRS, in paragraphs 1 and 2 and substituted new penalty provisions, as described above, in new paragraphs 1, 2, and 3; and

3. Made technical changes for clarity purposes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 570, 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. 570, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Amaral and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 102 on H.B. No. 966

The purpose of this bill is to provide criminal sanctions for fraudulent encoding of a credit card.

Recently, criminal elements have gained the capability of changing the magnetic encoding on a credit card. Due to this advancement in technology, a person can obtain a card, change the code to match a usable code, and use the card without being detected. The potential loss to our State's commerce can be tremendous.

Your Committee finds that this type of crime is more serious and sophisticated than simple credit card fraud or simple theft because the potential for economic loss is so great. Hence your Committee finds that classification of this new offense as a Class B felony is appropriate.

Your Committee has amended H.B. No. 966, H.D. 1, S.D. 2, by 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. 966, 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. 966, H.D. 1, S.D. 2, C.D. 1.

Senators Levin, Ikeda, Iwase, Matsunaga, McCartney and Koki.
Managers on the part of the Senate.

Representatives Tom, Bunda, Amaral, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 103 on H.B. No. 1686

The purpose of this bill is to appropriate \$1 for fiscal year 1993-1994 to be deposited into the Criminal Injuries Compensation Fund to compensate victims of criminal acts, or their service providers, as determined and authorized by the Criminal Injuries Compensation Commission.

Your Committee has amended this bill by:

- (1) Changing the appropriated amount to \$882,353.24; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1686, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1686, S.D. 1, C.D. 1.

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

Representatives Say, Chang, Tam and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 104 on H.B. No. 1467

The purpose of this bill as received by your Committee on Conference is to provide that prisoners who have been granted parole, be paroled in the county where the offense convicted of occurred and where the prisoner was sentenced, unless the prisoner:

- (1) Can establish to the satisfaction of the Hawaii Paroling Authority that the prisoner had a permanent residence and occupation or employment in another county, prior to the prisoner's incarceration; or
- (2) Will reside in a county in which the population exceeds eight-hundred thousand persons; or
- (3) Will be released for immediate departure from the State.

Upon further consideration, your Committee has amended the bill by:

- (1) Clarifying that prisoners who have been granted parole, be paroled in the county where the prisoner had a permanent residence or occupation or employment prior to incarceration, unless the prisoner will:

- (a) Reside in a county in which the population exceeds eight-hundred thousand persons; or
- (b) Be released for immediate departure from the State.

This would prevent an influx of parolees whose roots are on Oahu from settling on the Neighbor Islands, as that could strain a county's social service infrastructure; and

- (2) Deleting the provision that would have required the completion of a State correctional facility with a capacity of at least 300 prisoners in a county in which the population does not exceed 800,000, before this bill could take effect.

This provision is too restrictive as the Department of Public Safety has already increased the prison population of correctional facilities on the Neighbor Islands.

In recommending the passage of this bill, your Committee would like to make it clear that this measure does not constitute an intent to restrict or preclude the Hawaii Paroling Authority from requiring or imposing, as a condition of parole, the participation of a prisoner in a treatment or counseling program as part of the rehabilitation of the prisoner in an appropriate county. Nor is it the intent of your Committee to restrict or preclude the Hawaii Paroling Authority from considering victim concerns when determining the parole of a prisoner to a particular county.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1467, 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. 1467, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Menor, Herkes, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 105 on H.B. No. 747

The purpose of this bill is to amend Section 291-4, Hawaii Revised Statutes (HRS), to reduce the penalties for first offenders, who are convicted of driving under the influence of intoxicating liquor (DUI). This is being done in order to emphasize the Legislature's intent that there is no right to a jury trial for a first time DUI offender. Also, this bill deletes the provision that allows the court to install an ignition interlock system. Additionally, this bill provides that the court shall not impose a license suspension or revocation if the person's license has been administratively revoked pursuant to Part XIV of Chapter 286. However, the court shall suspend and revoke the person's license if the administrative revocation is subsequently reversed.

Your Committee has amended this measure as follows:

1. Included language in Section 1 stating that the amended penalty provisions for first time offenders shall be retroactive for all pending first time DUI offense cases;
2. Deleted the underlined language in Section 2, which referred to administrative revocation of licenses. Your Committee believes that this matter is covered more thoroughly in the proposed amendments in Section 2, subsection (b)(5) of the Senate Draft 1;
3. Reduced the jail sentence under Section 2, subsection (b)(1)(C)(ii) from 30 days to five days;
4. Made technical and non-substantive changes for the purposes of style and clarity.

It is your Committee's firm intention, as expressed unequivocally in the purpose clause of the bill, as amended, to express this Legislature's intent that first time DUI offenders have committed a "petty offense" as that term is used in a Constitutional sense. Your Committee finds that recent appellate cases have expressed concern with whether previous Legislatures intended DUI cases to be deemed a "petty offense".

In 1985, the Hawaii Supreme Court, in *State v. O'Brien*, 68 Haw. 38, 704 P.2d 883 (1985), stated that driving under the influence is a constitutionally serious offense, essentially because of the increasingly severe sentencing provisions enacted by the Legislature beginning in 1982. The Court noted that it might be persuaded to view the offense as not constitutionally serious, if a first-time offender were to be subject to a possible incarceration lasting no more than five days.

In 1992 the Hawaii Supreme Court re-examined the DUI jury trial issue in light of Act 188 of 1990, that reduced the maximum jail time for first and second time DUI offenses from six months to thirty and sixty days respectively. In that case, *State v. Jordan*, 72 Haw. 597, 825 P.2d 1065 (1992), the Supreme Court determined that the right to jury trial still applied under the Hawaii State Constitution, noting that Act 188 imposed an additional penalty for a first offense (the installation of an ignition interlock system) and that the legislative history of Act 188 of 1990 and Act 1 of the Special Session of 1991 (that amended some of the provisions of Act 188) indicated that the Legislature continues to regard DUI offenses as a very serious crime and a very serious social problem.

Your Committee notes that in its amended form, this bill specifically sets forth the Legislature's view that it regards the repeat offenders as the serious social problem, for it is the repeat offenders who have demonstrated an unwillingness to modify their behavior. The amended bill sets forth the Legislative finding that the first-time offender is of a lesser concern, because most first-time offenders will respond to treatment, will modify their behavior, and will cease to be a

hazard to the general public. Repeat offenders, on the other hand, require firmer action and represent a serious social problem. Their actions demonstrate that they are less likely to reform their behavior and hence represent a continuing danger to other motorists, passengers, pedestrians and the public in general.

Additionally, your Committee believes that the ameliorative provisions of the bill should be applicable to all first offender cases that are currently pending, and, since those accused first offenders will be facing reduced penalties for what is clearly a Constitutionally "petty" offense, there should be no right to jury trial. Upon appropriate motion, those cases should be transferred back to District Court for a bench trial.

Your Committee notes that the Hawaii Supreme Court in State v. Von Geldern, 64 Haw. 210, 638 P.2d 319 (1981) indicated that where a new act is ameliorative in nature, i.e. it authorizes the trial court to impose less than the current mandatory minimum sentence, it is not an ex post facto law, and may be applied retrospectively to give defendants the advantage of the new act's "more enlightened sentencing provisions."

Section 1-3 of the Hawaii Revised Statutes, however, provides that no law has any retrospective application unless otherwise expressed or obviously intended. Your Committee, therefore, believes that the expression of retroactivity in the bill, as amended, is appropriately included so that there can be no uncertainty that the Legislature intends the reduced penalty provisions to be applied retrospectively.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 747, 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. 747, H.D. 1, S.D. 1, C.D. 1.

Senators Levin, Nakasato, Blair, Graulty and Koki.
Managers on the part of the Senate.

Representatives Tom, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 106 on H.B. No. 179

The purpose of this bill is to amend Chapter 291C, Hawaii Revised Statutes, by adding a new section designating the use of high occupancy vehicle (HOV) lanes, the time of usage of the HOV lane, establishing a non-moving violation fine, and exempting responding emergency use vehicles and motorcycles from the HOV lane requirements.

Your Committee finds that HOV lanes were established as an attempt to alleviate traffic backlogs by lessening commuting times during peak traffic periods. Your Committee further finds that due to a variety of traffic safety concerns, HOV requirements have been difficult to enforce.

Your Committee has amended this bill by authorizing the issuance of citations by mail for the violation of HOV minimum occupancy requirements. More specifically, your Committee has amended this bill by:

- (1) Providing guidelines for the designation of HOV lanes and clarifying that no motor vehicle be operated in the HOV lane unless in conformance with the requisites set forth;
- (2) Stipulating that when issuing citations by mail, that police officers make a reasonable effort to be seen by the operator of the vehicle, and clarifying that upon recording the evidence of an HOV violation that the citation or summons be mailed out within forty-eight hours from the time of incident except that if the ending period is a weekend or holiday, the period shall be extended to the end of the next day which is not a Saturday, Sunday, or holiday;
- (3) Stating that when issuing a citation or summons by mail that in any subsequent proceeding for a violation that the information contained within the summons or citation shall be deemed as evidence that the registered vehicle was violating the use of the HOV lane;
- (4) Clarifying that in the event a lessee of a rental or U-drive vehicle is found violating the use of the HOV lane, the administrative judge of the court having jurisdiction may waive the requirement of the lessor providing the name and address of the lessee and impose to the lessor an administrative fee of \$50;
- (5) Stipulating that any person who violates any provision of this part shall not be guilty of a violation for which points shall be assessed pursuant to Section 286-128, Hawaii Revised Statutes;
- (6) Establishing fines for violations;
- (7) Incorporating a provision to repeal this Act on June 30, 1995; and
- (8) Making technical, non-substantive amendments for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 179, 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. 179, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Oshiro, Tom, Hirono, Nakasone and Ward.

Managers on the part of the House.

Conf. Com. Rep. No. 107 on H.B. No. 2050

The purposes of this bill are to:

- (1) Raise the principal amount of special facility revenue bonds authorized;
- (2) Delete the provision prohibiting the Department of Transportation (Department) from issuing additional special facility revenue bonds; and
- (3) Allow the Department to issue special facility revenue refunding bonds for maritime and maritime operations.

Your Committee finds that the principal amount of special facility revenue bonds authorized needs to be increased from \$50 million to \$100 million to provide an option for private enterprise to finance the development of waterfront facilities. In light of recent declines in interest rates payable on bonds, your Committee finds that it is in the best interest of the State to allow the Department of Transportation to provide the maritime industry with the opportunity to refund outstanding special facility revenue bonds with special facility revenue refunding bonds at lower interest rates. Various housekeeping amendments to the statutes are needed to conform to the re-enactment of Part I and Part III of Chapter 39 by Act 28, Session Laws of Hawaii 1988.

Your Committee has amended this bill by making a technical, non-substantive amendment.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2050, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2050, S.D. 1, C.D. 1.

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

Representatives Oshiro, Kawakami, Nakasone, Suzuki and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 108 on H.B. No. 2051

The purposes of this bill are to:

- (1) Allow persons holding a Mexican commercial motor vehicle driver's license to drive commercial vehicles in Hawaii;
- (2) Conform the State's definition of "non-resident commercial driver's license" with the federal definition;
- (3) Prohibit a commercial driver's license holder from possessing more than one driver's license; and
- (4) Provide a legal basis to conduct hearings for drivers who operate a commercial motor vehicle while having in their body an alcohol concentration of 0.04 percent or more by weight.

Your Committee finds that the Commercial Motor Vehicle Safety Act of 1986 contains a penalty provision for states that do not meet all federal requirements specified in the Act. The Act requires the Secretary of Transportation to withhold a percentage of the amount required to be apportioned to any state, if a state does not comply with the requirements of the Act by October 1, 1993. The penalty for Hawaii's noncompliance would be the loss of \$4.4 million in the first year, and \$8.8 million for each subsequent year. This bill would ensure that the State does not lose these federal funds.

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

- (1) Incorporating a requirement that the testing of a person's blood alcohol concentration be done within three hours of the alleged violation for the results to be admissible as competent evidence, which is similar to Section 291-5(a), Hawaii Revised Statutes (HRS);
- (2) Adding a provision to clarify that Section 286-243, HRS, shall not be construed as limiting the introduction of relevant evidence of a person's blood alcohol content obtained more than three hours after an alleged violation, provided that the evidence is offered in compliance with the Hawaii Rules of Evidence, which is similar to Section 291-5(c), HRS; and
- (3) Deleting the requirement that an applicant for a nonresident commercial driver's license must surrender any nonresident commercial driver's license issued by another state or foreign country. Your Committee finds that this housekeeping amendment would have no substantive effect, as Section 286-102(c), HRS, presently stipulates that no person shall receive a driver's license without surrendering to the examiner of drivers all valid driver's licenses in the person's possession.

Your Committee on Conference is in accord with the intent and purposes of H.B. No. 2051, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2051, S.D. 1, C.D. 1.

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

Representatives Oshiro, Taniguchi, Herkes, Alcon and Ward.

Managers on the part of the House.

Conf. Com. Rep. No. 109 on H.B. No. 1276

The purpose of this bill is to encourage the proper disposal and recovery of used lead acid batteries. Specifically, the bill requires retail sellers of lead acid batteries to include in any advertisement pertaining to lead acid batteries, language stating that the purchase price of a new lead acid battery includes the cost of used lead acid battery disposal.

During deliberations your Committee decided the intent of the bill would be better served by:

- (1) Changing the word "sale" to "price" in subsection (3) on page 2 line 18;
- (2) Adding a new subsection (4) which states: For businesses utilizing advertising prepared out of the state a sign no smaller than 3 square feet, placed at the point of sale stating: "The price of the battery includes disposal of your old battery" may be substituted.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1276, 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. 1276, H.D. 2, S.D. 1, C.D. 1.

Senators Chang, Fukunaga, Nakasato and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Bainum, Tom, Herkes and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 110 on H.B. No. 1376

The purpose of this bill is to assist the Kauai Electric Division of Citizens Utilities Company in providing electric service to the general public by authorizing the issuance of special purpose revenue bonds to finance capital improvement programs for the local furnishing of electric energy.

Your Committee has amended this bill by extending the period under which special purpose revenue bonds can be issued from December 31, 1996 to December 31, 1998.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1376, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1376, S.D. 1, C.D. 1.

Senators Kobayashi, A., Matsunaga, Fernandes Salling, Matsuura and George.
Managers on the part of the Senate.

Representatives Bainum, Kawakami, Kanoho, Nekoba and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 111 on H.B. No. 673

The purpose of this bill is to define recycling as an integral part of a manufacturing process rather than a solid waste function. This bill:

- (1) Amends Chapters 342G (integrated solid waste management) and 342H (solid waste pollution) by including new definitions of "recycling" and "secondary resources";
- (2) Clarifies the definition of "composting" and establishes it as a recycling activity; and
- (3) Encourages composting as part of recycling for agricultural purposes.

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

- (1) Deleting the phrase "and compostable" from the definition of "secondary resources" in Sections 1 and 2 (page 1, line 4 and page 2, line 1);
- (2) Deleting the phrase "EPA approved" from the definition of "composting" used to describe the conditions under which organic solid wastes are decomposed and stabilized (page 2, line 10);
- (3) Stating that the process of composting under methods approved by the department, rather than under EPA approved methods, is a recycling activity (page 2, lines 16 - 17); and
- (4) Inserting a new definition of "solid waste disposal facility" in Section 1 that complements the new definition of "recycling" (page 1, lines 6 - 10).

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 673, 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. 673, H.D. 1, S.D. 1, C.D. 1.

Senators Chang, Kanno, Fukunaga, Levin, Solomon and Reed.
Managers on the part of the Senate.

Senators Solomon and Reed did not sign the report.

Representatives Bainum, Stegmaier, Morihara, Nekoba and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 112 on H.B. No. 2026

The purpose of this bill is to clarify the Hawaii Air Pollution Control Act by:

- (1) Allowing the Director of Health to determine standards governing what constitutes a "covered source";
- (2) Exempting odors emanating from agricultural operations from the Act;
- (3) Adding nitrogen oxides to the definition of "regulated air pollutant";
- (4) Requiring the Department of Health (DOH) to make information on emissions available to the public during normal office hours instead of in annual reports; and specifying that only information on enforcement actions that are completed or issued need be made available to the public;
- (5) Reducing the amount of time allowed for a person to request a public hearing or submit written comments under Chapter 342B, from sixty days to not less than thirty days;
- (6) Removing the requirement that a covered source shall not be assessed for emissions of a regulated air pollutant in excess of 4,000 tons per year, and assessing a fee of not less than \$100 per ton per year on emissions in excess of 8,000 tons;
- (7) Clarifying the civil and criminal penalty provisions of Chapter 342B;
- (8) Specifying that state of mind shall not be an element of proof for civil violations; and
- (9) Repealing the definition of "modification".

Following extensive discussions, your Committee has inserted specific language in Section 1 (page 1, lines 4 - 8) that exempts agricultural operations necessary for the raising of animals or the growing or processing of crops from the hydrogen sulfide standard adopted pursuant to Chapter 342B. Your Committee finds that this amendment exempts certain agricultural operations from only the ambient standard for hydrogen sulfide of 25 parts per billion established by Chapter 11-59, Hawaii Administrative Rules. Your Committee received assurances that DOH still retains its authority to continue its regulation of agricultural operations if such activities endanger human health or welfare. In addition, DOH also retains its authority to immediately halt any operation which poses an imminent peril to public health and safety.

Your Committee has also deleted the provisions of Section 7, thereby:

- (1) Restoring the language that exempts a covered source from being assessed for emissions of a regulated air pollutant in excess of 4,000 tons per year; and
- (2) Removing the assessment of a fee not less than \$100 per ton of emissions by covered sources in excess of 8,000 tons per year.

Having reviewed fees for covered sources, your Committee finds that this is an extremely complicated issue. Accordingly, rather than attempt to amend the fee structure this session, it would be more prudent to revisit this issue in 1994, following a comprehensive and exhaustive review over the interim.

Your Committee has further amended this bill by:

- (1) Restoring language in Section 3 that requires DOH to prepare annual reports on air pollution data, and deleting references to make air pollution data available for public inspection;
- (2) Restoring the phrase "or extremely hazardous substance" to Section 342B-49 (c) and (d) (page 9, lines 5 and 15); and
- (3) Making technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2026, 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. 2026, H.D. 2, S.D. 2, C.D. 1.

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

Senator Koki did not sign the report.

Representatives Bainum, Tom, Hirono, Menor and Thielen.
Managers on the part of the House.

Representative Hirono did not sign the report.

Conf. Com. Rep. No. 113 on H.B. No. 1883

The purpose of this bill is to strengthen and clarify State law pertaining to Hawaii's barbers. Specifically, this bill would:

- (1) Eliminate requirements pertaining to certificates of registration for the practice of barbering;
- (2) Provide that applicants for barber licenses fulfill the following requirements prior to the issuance of a license:
 - (A) Be at least seventeen years of age;
 - (B) Complete a total of fifteen hundred clock hours of barber training as either an apprentice, or as a student at a school having a barbering curriculum, or any combination thereof; provided that only classes related to barbering be applied toward this requirement; and
 - (C) Take and pass a licensure examination;
- (3) Establish permit requirements for barber apprentices, and licensure requirements for barber shop applicants;
- (4) Provide that barber apprentices holding permits in effect prior to January 1, 1994 who file an application for a barber's license prior to July 31, 1994, may satisfy the aforementioned training requirement by practicing as an apprentice under the supervision of a registered barber for a six month period;
- (5) Clarify that the foregoing substantive provisions related to barber licensure requirements, and permit requirements for barber apprentices take effect on January 1, 1994; and
- (6) Make various housekeeping revisions to Chapter 438, Hawaii Revised Statutes (Practice of Barbering), for the purposes of clarity and conformity.

Upon reconsideration, your Committee has amended this bill by making technical, nonsubstantive amendments to correct typographical and formatting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1883, 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. 1883, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Iwase, Matsuura, Tungpalan and Koki.
Managers on the part of the Senate.

Representatives Bunda, Hiraki, Hirono, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 114 on H.B. No. 603

The purpose of this bill is to require insurers to notify the Insurance Commissioner and the general public of its intent to withdraw from the State six months prior to its withdrawal. The bill, as received, also repeals the law requiring insurers to recoup through a surcharge on premiums assessments levied against them under the Hawaii Insurance Guaranty Association Act ("HIGA").

Your Committee has amended this bill by deleting the provision repealing section 431:16-115, Hawaii Revised Statutes, relating to the recoupment of HIGA assessments.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 603, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 603, S.D. 1, C.D. 1.

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

Representatives Bunda, Ishii-Morikami, Peters and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 115 on H.B. No. 1636

The purpose of this bill is to curb unlicensed activity in the motor vehicle repair industry by:

- (1) Authorizing the Motor Vehicle Repair Industry Board to issue citations to unlicensed mechanics and motor vehicle repair dealers; and
- (2) Establishing maximum civil penalties for violations of Chapter 437B, Hawaii Revised Statutes.

The bill, as received by your Committee, contains a repeal date of June 30, 1995. Prior complaints regarding overzealous investigations resulted in the inclusion of a repeal date in order to compel a future review of the investigative process for possible abuses.

Your Committee has amended this bill by extending the Act's repeal date from June 30, 1995 to June 30, 1996. In retaining a repeal date, it is not the intent of your Committee to condone unlicensed activity which occurs thereafter. However, it is the hope of your Committee that investigations pursuant to this Act will proceed in a civil, courteous manner, and having a "drop dead" date will allow the Legislature to revisit the matter of unlicensed motor vehicle repair in a few years to determine whether the process is working as intended.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1636, 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. 1636, H.D. 1, S.D. 2, C.D. 1.

Senators Levin, Ikeda, Blair, Gaulty and Koki.
Managers on the part of the Senate.

Representatives Bunda, Tom, Amaral, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 116 on H.B. No. 1034

The purpose of this bill is to prohibit price increases in the rental or sale of essential commodities during a state disaster.

Specifically, this bill, as received, would:

- (1) Prohibit any increase in the selling price of any commodity, whether at the retail or wholesale level, in areas subject to a disaster declaration by the Governor, or a severe weather warning by the National Weather Service;
- (2) Prohibit landlords from terminating any tenancy for a residential dwelling unit in areas subject to a disaster declaration or a severe weather warning except for a breach of a material term of a rental agreement or lease;
- (3) Clarify that if a rent increase was contained in a written instrument signed by the tenant prior to the disaster declaration or severe weather warning, the increase may take place;
- (4) Require that the above-mentioned prohibitions remain in effect until twenty-four hours after the severe weather warning is cancelled, or until the disaster declaration is altered, amended, revised, or revoked;
- (5) Provide that in any action for violation of the foregoing prohibitions, the defendant shall be deemed not to have violated the prohibitions if:
 - (A) The defendant proves that the violation was unintentional;
 - (B) The defendant voluntarily rolls back prices to appropriate levels; and
 - (C) The defendant institutes a restitution program for consumers who may have paid excessive prices; and
- (6) Provide that any violation of the price increase limitations shall constitute an unfair method of competition and unfair and deceptive act or practice in the conduct of trade and commerce.

Your Committee noted concerns that landlords may be subject to increased liability if they are prohibited from terminating the tenancy of a residential unit that is severely damaged from a natural disaster.

Upon reconsideration, your Committee has amended this bill by:

- (1) Authorizing the landlord to terminate any tenancy for a residential dwelling unit in an area subject to a disaster declaration or a severe weather warning if the unit is deemed to be structurally unsafe; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1034, 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. 1034, H.D. 1, S.D. 1, C.D. 1.

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

Senator Tungpalan did not sign the report.

Representatives Bunda, Tom, Ishii-Morikami, Peters and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 117 on H.B. No. 773

The purpose of this bill is to clarify laws pertaining to the recovery of premiums owned by an insolvent insurer. Specifically, this bill, as received, would clarify that the agent, broker, and premium finance company for an insolvent insurer shall not be obligated to pay uncollected unpaid unearned premiums to the liquidator.

Upon reconsideration, your Committee has made technical, nonsubstantive revisions for the purposes of correcting formatting and ramseying errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 773, 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. 773, H.D. 1, S.D. 1, C.D. 1.

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

Senator Koki did not sign the report.

Representatives Bunda, Oshiro, Peters and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 118 on H.B. No. 1630

The purpose of this bill is to reduce the proliferation of unlicensed activity in the State. Specifically, this bill, as received, would:

- (1) Authorize the issuance of citations to persons who engage in businesses regulated under the Professional and Vocational Licensing Act (Chapter 436B, Hawaii Revised Statutes (HRS)) without having obtained a license;
- (2) Provide that citations for unlicensed activities may contain an order of abatement and an assessment of civil penalties;
- (3) Clarify that penalties collected for unlicensed activity be deposited into the special fund established under Section 26-9(o), HRS;
- (4) Establish guidelines on civil penalties for unlicensed activities;
- (5) Establish administrative procedures for persons cited for unlicensed activities to appeal the citation;
- (6) Specify that the foregoing civil penalties be in addition to other civil and criminal penalties; and
- (7) Provide that the foregoing substantive provisions be repealed on June 30, 1995.

Upon reconsideration, your Committee has amended this bill by revising the repeal date from June 30, 1995, to June 30, 1996, and making technical, nonsubstantive revisions for the purposes of clarity and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1630, 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. 1630, H.D. 1, S.D. 2, C.D. 1.

Senators Levin, Ikeda, Blair, Gaulty and Koki
Managers on the part of the Senate.

Senator Gaulty did not sign the report.

Representatives Bunda, Tom, Amaral, Oshiro and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 119 on H.B. No. 1660

The purpose of this bill is to eliminate imprisonment as a penalty for an employer who willfully refuses or neglects to make any of the reports or to give any notice required by Section 386-95, Hawaii Revised Statutes. Under this measure, offenders would be subject to an administrative penalty of not more than \$10,000.

Upon careful consideration, your Committee has amended this bill by decreasing the administrative penalty from "not more than \$10,000" to "not more than \$5,000".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1660, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1660, S.D. 1, C.D. 1.

Senators Levin, McCartney, Blair, Gaulty, Kanno and Koki.
Managers on the part of the Senate.

Representatives Yonamine, Tom, Alcon, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 120 on H.B. No. 1665

The purpose of this bill is to make the State's occupational safety and health law relating to discrimination consistent with the federal law. Among other things, this bill states that no person shall discharge, suspend or discriminate in terms and conditions of employment against any employee because the employee has filed a complaint or instituted any other proceeding under Section 396-8, Hawaii Revised Statutes.

Your Committee has amended this bill to correct technical drafting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1665, 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. 1665, H.D. 1, S.D. 2, C.D. 1.

Senators Levin, McCartney, Blair, Grauly, Kanno and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Yonamine, Tom, Chun, Takumi and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 121 on H.B. No. 2028

The purpose of this bill is to:

- (1) Prohibit the disposal of used motor vehicle tires in landfills or at any municipal solid waste incinerator; and
- (2) Mandate that the retailer and the wholesaler who sell new tires shall collect and deliver the used motor vehicle tires to an authorized motor vehicle waste collection facility.

The disposal of tires at landfills or any municipal solid waste incinerator has presented several problems. When tires are disposed at landfills, the tires are extremely difficult to compact and tend to collect gases in the centers causing the tires to rise through the landfill. As the tires rise through the landfill, the tires disrupt the compaction and impact the integrity of the final cover. Moreover, the disposal of tires in landfills also contribute to the long burning landfill fires which are difficult to extinguish.

Additionally, when tires are disposed at municipal solid waste incinerator facilities, the steel belts within the tires clog the shredders which prepare the refuse derived fuel prior to incinerating. The passage of this measure would stimulate the recovery of used motor vehicle tires and minimize the administrative costs of insuring the proper disposal of tires by allowing the tire industry to develop its own market-driven solutions.

Since tire recycling facilities will be established as a result of this bill the feeling of the Committee was that county agencies could take used tires directly to these facilities.

Accordingly your Committee has amended this bill by:

- (1) Inserting the section entitled "Motor vehicle tires; disposal in landfill or municipal solid waste incinerator prohibited" proposed by the Department of Health;
- (2) Deleting paragraph (a)(2) under Section 342I- entitled "Motor vehicle tires; collection for recycling";
- (3) Changing the wording in subsection (c) from "sale" to "price" in connection with any advertising pertaining to the price of motor vehicle tires; and
- (4) Adding a new subsection (d) which states "For businesses utilizing advertising pre-printed out of the state a sign no smaller than 3 square feet, placed at the point of sale stating: "The price of tires includes disposal of your old tires" may be substituted."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2028, 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. 2028, H.D. 2, S.D. 1, C.D. 1.

Senators Chang, Fukunaga, Nakasato and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Bainum, Tom, Hirono, Menor and Thielen.
Managers on the part of the House.

Senator Hirono did not sign the report.

Conf. Com. Rep. No. 122 on H.B. No. 1971

The purpose of this bill is to prohibit certain activities related to the promotion or sale of time share plans or units which tend to deceive or mislead consumers.

Time share booths are identified as "activities booths" or "information booths" and advertise substantially reduced rates on tourist activities. Tourists are lured to the booths by these advertisements, and are then subjected to high pressure sales tactics of time share sales persons. These deceptive practices are not conducive to the promotion of the tourist industry in Hawaii. This bill would require that time share booths post at least one sign identifying themselves as such. In addition, this bill would regulate the representations which can be made to prospective purchasers regarding time share units or plans.

Your Committee finds that time share sales persons offer tourist activities at less than cost in order to induce prospective clients to purchase time share units or attend time share marketing events. Your Committee finds that these practices, if unchecked, would tend to drive independent retailers of tourist activities out of business, adversely affecting the tourist industry in Hawaii. Your Committee feels that the danger of this practice to the marketplace, once prohibited, may pass and thus has included a five-year sunset provision for the prohibition.

Upon further consideration, your Committee has amended the bill by:

- (1) Deleting the language regarding time share booth signage requirements from paragraph (2) and inserting it in paragraph (11);
- (2) Clarifying the language which prohibits time share sales agents or acquisition agents from selling tourist activities below cost in paragraph (13) by tracking the language of Section §481-3, Hawaii Revised Statutes;
- (3) Adding a sunset provision repealing paragraph (13) five years from the effective date of the Act; and
- (4) Making technical, non-substantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1971, 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. 1971, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Iwase, Tungpalan and Koki.
Managers on the part of the Senate.

Representatives Bunda, Ishii-Morikami, Bainum and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 123 on H.B. No. 1736

The purpose of this bill, as received, is to make various housekeeping amendments to Hawaii's Insurance Code by updating provisions, correcting ambiguous statutes, and streamlining the insurance laws to facilitate its administration.

Upon reconsideration, your Committee has amended this bill by making technical, nonsubstantive revisions for the purposes of correcting typographical and formatting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1736, 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. 1736, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Bunda, Say, Ishii-Morikami, Suzuki and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 124 on H.B. No. 775

The purposes of this bill, as received, are to:

- (1) Limit the number of motor vehicle insurance policies that an insurer may not renew or may conditionally renew each year;
- (2) Reduce the fines for a conviction of failure to have a no-fault policy in effect;
- (3) Eliminate the requirement that an insurer offer an insured the option to stack uninsured motorist and underinsured motorist coverage; and
- (4) Require an insurer to factor into its rates any savings realized as a result of the measures enacted under Acts 123 and 124, Session Laws of Hawaii 1992.

Your Committee finds that current conditions in the State's insurance market necessitate changes to Hawaii's insurance laws in order to attract more insurers into the market and to increase the availability of motor vehicle insurance for Hawaii's residents. Accordingly, your Committee has amended this bill by:

- (1) Repealing the requirement that insurers "take all comers" eligible for no-fault insurance coverage.
- (2) Expanding coverage under the Joint Underwriting Plan ("JUP") to include drivers unable to obtain motor vehicle insurance from at least two insurers;

- (3) Eliminating the ceiling on premium rates under the JUP;
- (4) Creating an additional exception to the prohibition against nonrenewal of no-fault policies to cover the limited number of nonrenewals or conditional renewals permitted under this Act;
- (5) Eliminating the requirement that an insurer offer an insured both the option to stack uninsured and underinsured motorist coverage, and the option of uninsured and underinsured motorist coverage in an amount not less than the maximum bodily injury liability coverage in the insured's policy; and
- (6) Providing that distributions of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members or employees, distributions of prepaid or capitated health care premiums, and payments of fee-for-service withheld amounts are subject to the requirements of section 431:10C-308.7.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 775, 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. 775, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Bunda, Herkes, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 125 on H.B. No. 1592

The purpose of this bill is to update the requirements and procedures for issuing Hawaii state identification cards and to increase the card fees.

Your Committee finds that requiring only the right thumbprint of applicants will reduce the amount of time it takes to process an identification card without compromising the accuracy of the card. Additionally, requiring applicants to provide their permanent address will decrease the number of cards that are processed for tourists using their hotel addresses on the application. Finally, your Committee finds that there has been no increase in the fee for the card since 1982. An increase in the fees is needed to reflect the actual costs of producing the cards.

Your Committee has amended H.B. No. 1592, H.D. 1, S.D. 2, by providing that until rules are established, the fee may be waived in cases of extreme hardship.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1592, 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. 1592, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Levin, Blair, Hagino and Koki.
Managers on the part of the Senate.

Senator Hagino did not sign the report.

Representatives Tom, Alcon, Menor and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 126 on H.B. No. 1730

The purpose of this bill is to amend Hawaii's Insurance Code to enable the Insurance Division of the Department of Commerce and Consumer Affairs to meet accreditation standards of the National Association of Insurance Commissioners (NAIC). Specifically, this bill would:

- 1) Establish standards by which to measure whether insurance companies are deemed to be in hazardous financial condition and provide authority for the Commissioner to take certain actions to protect consumers and cure the financial difficulty;
- 2) Update Chapter 431K to include clarification on purchase group taxation;
- 3) Amend Section 431:3-301 to require each insurer to prepare the annual statement in accordance with the NAIC Practices and Procedures Manual;
- 4) Amend Section 411:3-306 to forbid insurers to retain, net, any risk on any one subject of insurance that exceeds ten percent of its surplus to policyholders;
- 5) Amend Section 11-104 to clarify whether a person controlling a domestic insurer is included in the definition of domestic insurer;
- 6) Amend Section 431:11-106 to further define the determination of the extraordinary dividend; and
- 7) Make administrative corrections.

Upon reconsideration, your Committee has amended this bill by:

- 1) Using H.B. No. 1730, H.D. 2, as the vehicle for reinstating the deleted essential parts of S.D. 2, as H.D. 2 contained the final statutory requirements needed for Hawaii to achieve accreditation by NAIC;
- 2) Increasing funding for the Insurance Examiners' Revolving Fund by requiring each insurer licensed in the State to pay \$550 annually to the Fund;
- 3) Requiring quarterly reports to the Legislature on expenditures made from the Fund including non-payroll operating expenses;
- 4) Clarifying the authority of the Fund to employ and compensate examiners and administrative support personnel, and purchase equipment necessary for financial examinations;
- 5) Deleting the term "per diem" when discussing compensation and including the term when discussing living expenses;
- 6) Providing additional staff needed to comply with the NAIC requirements for accreditation and recommending that these positions be funded by the increase in the Insurance Examiners Revolving Fund;
- 7) Containing the provisions of the Model Law on Examinations without which Hawaii cannot be accredited by the NAIC deadline of January 1994;
- 8) Narrowing the scope of the immunity from liability provision to only examiners or any other independent contractors appointed by the Commissioner; and
- 9) Making technical and non-substantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1730, 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. 1730, H.D. 2, S.D. 2, C.D. 1.

Senators Kobayashi, A., Ikeda, Kobayashi, B., Tungpalan and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Bunda, Say, Bainum, Ishii-Morikami and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 127 on H.B. No. 1089

The purpose of the bill is to change the manner in which attorneys' fees are determined in assumpsit actions.

Your Committee finds that attorneys' fees in assumpsit actions are often based on a percentage as opposed to an hourly rate, and that the current law does not fairly compensate the creditor for the expense of retaining an attorney to prosecute its claim, nor does it fairly compensate the defendant who prevails against a creditor's faulty claim.

Your Committee also finds that §607-17, Hawaii Revised Statutes should be eliminated, and its provisions incorporated within §607-14. In doing so, it is not your Committee's intention to expand the category of cases in which attorneys fees are awarded, but instead to bring uniformity to the procedure for taxing attorneys fees in the type of cases described in this measure.

Further, your Committee finds that an increase in the fees permitted garnishees is long overdue for adjustment.

Therefore, your Committee has amended this measure by incorporating the applicable provisions of §607-17 into §607-14, repealing §607-17, and increasing garnishee fees in District and Circuit Courts to \$10.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1089, 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. 1089, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Hirono, Menor and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 128 on H.B. No. 1628

The purpose of this bill is to recodify the laws relating to financial institutions. Laws governing banks, savings and loans, trust companies, credit unions, and financial services loan companies have been amended in a piecemeal fashion throughout the years. This measure, which is the result of a joint three year effort between state regulators and the various financial industries, organizes and unifies the laws, and strengthens the regulatory framework for financial institutions. The bill also updates the laws to be consistent with changes which have occurred within the financial marketplace and the regulatory environment, including changes in federal law.

The bill, as received:

- (1) Requires that any financial institution which is a wholly owned subsidiary of a holding company in another state, have a board of directors consisting of at least five directors, including at least one who shall be a resident of this State when elected and while serving on the board;
- (2) Prohibits a bank, savings bank, savings and loan association, or trust company from engaging in any business for which a real estate broker's license is required, or in the business of a securities broker or dealer, subject to exceptions;
- (3) Allows a financial services loan company to collect a premium or fee for the sale or referral of credit related insurance products; and
- (4) Requires that before the Insurance Commissioner can examine a financial institution's holding company, good cause must exist to believe that the holding company is experiencing financial adversity which will have a material negative impact on the institution's safety and soundness.

Upon consideration, your Committee has amended the bill by reducing the minimum paid-in capital and surplus requirements set forth in section 412:3-209(a), as follows:

- | | |
|--|-------------|
| (1) Banks | \$5,000,000 |
| (2) Savings banks | \$3,000,000 |
| (3) Savings and loan associations | \$2,000,000 |
| (4) Trust companies | \$1,500,000 |
| (5) Depository financial services loan companies | \$1,000,000 |

Your Committee has also amended this bill by making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1628, 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. 1628, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Bunda, Cachola, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 129 on H.B. No. 1885

The purpose of this bill is to provide the Department of Commerce and Consumer Affairs with greater latitude and fiscal flexibility in administering Hawaii's regulatory laws.

Specifically, this bill, as received, would:

- (1) Provide that effective July 1, 1994, fees collected by the Professional and Vocational Licensing Division and the Business Registration Division be deposited into the Compliance Resolution Fund (Fund) and be used to defray administrative and personnel costs incurred by the two divisions;
- (2) Require professional solicitors and professional fund-raising counsels to pay a \$10 administrative fee, and an annual fee of \$10 upon registration;
- (3) Provide that moneys from the Fund also be used to defray administrative and personnel costs incurred by the Regulated Industries Complaints Office;
- (4) Require the Director of Commerce and Consumer Affairs (Director) to include the expenditures made from the Fund, including non-payroll operating expenses in an annual report to the Legislature;
- (5) Authorize the Department of Commerce and Consumer Affairs (Department) to change license renewal dates by administrative rules;
- (6) Authorize the Director to establish voluntary advisory committees, to be appointed from a list of licensees submitted annually by the Board for which the advisory committee is appointed, to serve as:
 - (A) Consultants to the Board during its review of licensees referred for possible disciplinary action; and
 - (B) Experts to the Department for investigations;

- (7) Eliminate provisions that required members of State Boards or Commissions to practice in the State for specific time periods for the following professions:
- (A) Barbers (Chapter 438, Hawaii Revised Statutes (HRS));
 - (B) Cosmetologists (Chapter 439, HRS);
 - (C) Chiropractic Examiners (Chapter 442, HRS);
 - (D) Contractors (Chapter 444, HRS);
 - (E) Dentists (Chapter 448, HRS);
 - (F) Hearing Aid Dealers (Chapter 451A, HRS);
 - (G) Massage Therapists (Chapter 452, HRS);
 - (H) Nurses (Chapter 457, HRS);
 - (I) Optometrists (Chapter 459, HRS);
 - (J) Pest Control Operators (Chapter 460J, HRS);
 - (K) Pharmacists (Chapter 461, HRS);
 - (L) Physical Therapists (Chapter 461J, HRS);
 - (M) Professional Engineers, Architects, Surveyors, and Landscape Artists (Chapter 464, HRS);
 - (N) Psychologists (Chapter 465, HRS);
 - (O) Real Estate Brokers (Chapter 467, HRS); and
 - (P) Veterinary Examiners (Chapter 471, HRS);

and

- (8) Make various housekeeping amendments to Hawaii's regulatory laws for the purposes of clarity, style, and conformity.

Upon reconsideration, your Committee has amended this bill by:

- (1) Revising the Act's effective date from July 1, 1994 to July 1, 1993;
- (2) Reinstating the experiential requirements for the aforementioned professions;
- (3) Eliminating the phrase "in the State" for the following professions:
 - (A) Barbers (Chapter 438, HRS);
 - (B) Chiropractic Examiners (Chapter 442, HRS);
 - (C) Dentists (Chapter 448, HRS);
 - (D) Nurses (Chapter 457, HRS);
 - (E) Pharmacists (Chapter 461, HRS);
 - (F) Physical Therapists (Chapter 461J, HRS);
 - (G) Veterinary Examiners (Chapter 471, HRS);

and

- (4) Making technical, nonsubstantive revisions for the purpose of correcting typographical and formatting errors.

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

Senators Kobayashi, A., Ikeda, Iwase, Kobayashi, B., Tungpalan and George.
Managers on the part of the Senate.

Senator George did not sign the report.

Representatives Bunda, Tom, Kanoho and Marumoto.

Managers on the part of the House.

Conf. Com. Rep. No. 130 on H.B. No. 25

The purpose of this bill is to require that minutes of the board of directors and association of apartment owners be approved at the next succeeding meeting, and that minutes of all meetings shall be available within seven calendar days after approval. The bill also amends Section 514A-21, Hawaii Revised Statutes, to clarify ambiguities in the section as it relates to leasehold condominium projects.

Upon reconsideration, your Committee has amended this bill by:

- 1) Stating that unapproved final drafts of minutes shall be made available within sixty days after the meeting.
- 2) Making technical, non-substantive amendments for the purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 25, 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. 25, H.D. 1, S.D. 1, C.D. 1.

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

Senator Kobayashi, B. and did not sign the report.

Representatives Bunda, Bainum, Cachola and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 131 on H.B. No. 1881

The purpose of this bill is to clarify state law pertaining to the regulation of charitable organizations, professional fund-raising counsel, and professional solicitors. This measure amends Chapter 467B, Hawaii Revised Statutes, to address free speech concerns arising out of the United States Supreme Court's decision in Riley v. National Federation of the Blind of North Carolina, Inc., et al., 108 S. Ct. 2667 (1988).

Your Committee has amended the bill by correcting a typographical error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1881, 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. 1881, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Iwase, Kobayashi, B., McCartney and Koki.
Managers on the part of the Senate.

Representatives Bunda, Tom, Menor, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 132 on H.B. No. 1370

The purpose of this bill is to establish the Mount Olomana state monument as a historic landmark and to direct the Department of Land and Natural Resources to acquire the lands necessary to preserve the site.

Your Committee finds that Mount Olomana is an important landmark that requires immediate protection before its beauty and integrity, as well as the Kanahau Heiau located on its slopes, are irreparably damaged by development. This bill will ensure the preservation of Mount Olomana as a natural and perpetually open area, protecting its scenic beauty and cultural value for future generations.

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

- 1) Broadening the definition of Mount Olomana's significance to include "visual, cultural, and historical" aspects;
- 2) Amending the designation of Mount Olomana to "historic landmark" from "historical site";
- 3) Specifying that the Department of Land and Natural Resources shall acquire through purchase, land exchange, or both, the lands which the Mount Olomana state monument will encompass; and
- 4) 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. 1370, 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. 1370, H.D. 2, S.D. 2, C.D. 1.

Senators Iwase, Kobayashi, A., Tungpalan, Kanno and Koki.
Managers on the part of the Senate.

Representatives Nekoba, Tajiri, Beirne, Kawakami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 133 on H.B. No. 1537

The purpose of this bill is to amend Section 291C-168.5, Hawaii Revised Statutes, to state that the lessor of a rental or U-drive motor vehicle may charge the lessee the actual amount of a parking citation plus an administrative fee not to exceed twenty dollars, if the rental agreement discloses in at least ten-point bold typeface plain language the amount of the administrative fee and language encouraging the lessee to pay the parking citation directly.

Upon reconsideration, your Committee has amended the bill by inserting H.B. No. 1537, H.D. 1 which amends Chapter 437D, Hawaii Revised Statutes and contains the same substantive language.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1537, 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. 1537, H.D. 1, S.D. 1, C.D. 1.

Senators Nakasato, Kobayashi, B., McCartney and George.
Managers on the part of the Senate.

Representatives Bunda, Herkes and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 134 on H.B. No. 1624

The purpose of this bill is, among other things, to:

- (1) Clarify provisions of Chapter 514C, Hawaii Revised Statutes, pertaining to the right of first refusal of the association of apartment owners (association) of a condominium project or a cooperative housing corporation (corporation) to purchase the leased fee interest under a project when the lessor wishes to sell that interest; and
- (2) Require that persons acquiring residential houselots pursuant to Chapter 516, Hawaii Revised Statutes, be bona fide residents of the State and actually reside on the lot within two years of its purchase, except in hardship circumstances as determined by the Housing Finance and Development Corporation on a case by case basis.

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

- (1) Establishing that a lessor may sell the leased fee interest under a condominium or cooperative project to individual lessees, provided that the certain requirements have been met. In essence, these requirements are as follows:
 - (A) No lessee shall be obligated to enter into a contract to purchase without having been afforded at least 90 days to consider the lessor's offer, and the lessee may terminate a contract to purchase without penalty anytime within 90 days from the contract execution date;
 - (B) The lessor, upon communicating an offer to sell to the lessee, shall provide the association or the corporation with written notice of the lessor's intent to sell that interest, together with a copy of the offer;
 - (C) The association or corporation shall have a right of first refusal to purchase the leased fee interest at the same price as the foregoing offer; provided that the board or directors of the association or corporation has written authorization to represent its members; and provided further that such acceptance is made within 120 days of the association's or corporation's receipt of written notice of the offer from the lessor/seller;
 - (D) Notwithstanding the foregoing provisions, the board has the right to waive or partially waive the association or corporation's right of first refusal at the written request of the lessee, without having to amend any bylaws, charter, or other governing documents;
 - (E) The individual lessee shall have the right to represent himself or herself in the lease-to-fee conversion by giving written notice of such desire to the lessor and the board of directors; and
 - (F) After the lessor has been able to hold one meeting with the lessees and has provided a written summary of the meeting to the lessees, then for a period of 90 days thereafter, the lessor shall not initiate communication with the lessees regarding the offer, other than responding to the lessee's inquiries;
- (2) Clarifying that the lessor shall not sell the leased fee interest under a project containing one or more residential units unless the association or corporation's right of first refusal has been rejected by the board of directors, except in the case of sales to individual condominium unit lessees or cooperative unit lessees as established above;
- (3) Deleting all language pertaining to amendments of Sections 514C-2, 514C-3, and 514C-6;
- (4) Requiring that no application to purchase a houselot under Chapter 516 shall be accepted and no sale of such lot shall occur unless the purchaser is a bona fide resident of the State and resides on the lot purchased;
- (5) Allowing exception to the foregoing Chapter 516 residency requirement in hardship circumstances as determined by the Housing Finance and Development Corporation on a case by case basis where such inability arises out of a temporary job or military transfer, a temporary educational sabbatical, or serious illness of the person;
- (6) Providing that if the foregoing purchaser or the lessor disagrees with the corporation's determination, they shall be entitled to a contested case proceeding under Chapter 91 in which both shall be parties; and

- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1624, 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. 1624, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Isbell, Bunda, Cachola, Peters, Santiago and Thielen.
Managers on the part of the House.

Representative Santiago did not sign the report

Conf. Com. Rep. No. 135 on H.B. No. 66

The purpose of this bill is to enhance the State's authority to regulate the sale of petroleum products in the State. Specifically, this bill would, among other things:

- (1) Require jobbers to post the wholesale prices of on the premises in which petroleum products are sold;
- (2) Prohibit refiners, jobbers, and distributors from:
 - (A) Refusing to sell to two or more purchasers any petroleum products; and
 - (B) Selling petroleum products to any retailers at a price higher than the lowest prices sold or offered for sale by the supplier to any wholesaler, jobber, or distributor;
- (3) Clarify that violations of the aforementioned substantive provisions shall constitute a misdemeanor offense, and that each day of each violation shall constitute a separate offense;
- (4) Exempt gasoline dealers who act solely as public utility engaging in the retail sale of gasoline to motor vehicles from registration requirements;
- (5) Prohibit manufacturers from operating a retail services station for the sale of petroleum products; and
- (6) Provide the Attorney General the authority to commence civil action to enforce the aforementioned provisions.

Upon reconsideration, your Committee has amended this bill by:

- (1) Inserting a period certain for the moratorium on the operation of service station by manufacturers;
- (2) Deleting the provision directing the Auditor to conduct a study on the feasibility of creating a commission to regulate the petroleum industry; and
- (3) Adding a provision requiring the Attorney General to continue its ongoing study and review of practices in the petroleum industry, including, but not limited to, the selling, purchasing, and pricing of petroleum products. The bill also requires that the Attorney General examine the impacts of the industry's organizational structure on manufacturers, jobbers, independent retailers, and consumers. The bill further and directs the Attorney General to submit an interim report no later than twenty days prior to the convening of the 1994 Regular Session, and a final report no later than twenty days prior to the convening of the 1995 Regular Session; and
- (5) Making technical, nonsubstantive revisions for the purpose of clarity, conformity, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 66, 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. 66, H.D. 1, S.D. 1, C.D. 1.

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

Senators McCartney and Koki did not sign the report.

Representatives Bunda, Bainum, Ishii-Morikami, Tom and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 136 on H.B. No. 1734

The purpose of this bill is to state that those persons licensed under Chapters 453 and 460, Hawaii Revised Statutes, who desire to practice acupuncture shall be subject to licensing under Section 436E-3.5.

Upon reconsideration, your Committee has amended the bill by making technical, non-substantive amendments for the purposes of style and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1734, 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. 1734, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Bunda, Cachola, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 137 on H.B. No. 1732

The purpose of this bill is to expand regulatory oversight of out-of-state pharmacies. Specifically, this bill, as received, would:

- (1) Require out-of-state pharmacies and entities engaging in the distribution, shipping, mailing, or delivery of prescription drugs into the State to obtain a permit from the Board of Pharmacy (Board);
- (2) Specify that applicants for a pharmacy permit provide the following prior to the issuance of a pharmacy permit:
 - (A) A list of the location, names, and titles of the principal corporate officers;
 - (B) Proof that the applicant has not been found in violation of state or federal drug laws; and
 - (C) Verification of a valid license, permit, or registration to conduct the pharmacy in compliance with applicable laws;
- (3) Authorize the Board to collect fees for the foregoing applications and permits; and
- (4) Allow the holder of an expired permit to renew the permit within three years of the expiration date, provided that the holder meets the requirements for the renewal of the permit.

Upon reconsideration, your Committee has amended this bill by:

- (1) Inserting language that would require out-of-state pharmacies or entities engaging in the practice of pharmacy to have in its employ a registered pharmacist prior to the issuance of a pharmacy permit; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1732, 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. 1732, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Bunda, Tom, Cachola, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 138 on H.B. No. 464

The purpose of this bill is to: (1) establish a marine and coastal affairs program within the Office of State Planning to strengthen the State's ability to coordinate various agency responsibilities for ocean policy development and ocean resource management, (2) add a provision which elevates the Ocean Resources Branch of the Department of Business, Economic Development, and Tourism to division status, and (3) repeal Chapter 228 in its entirety.

Your Committee finds that the measures specified in this bill would be helpful to the State in implementing the Hawaii ocean resources management plan.

Your Committee amended this bill by amending section -6 to focus the make-up of the advisory council to include sixteen members. The members would include representatives from: the planning directors of each of the counties, the department of the attorney general, the department of land and natural resources, the department of health, the department of transportation, the department of business, economic development, and tourism, the University of Hawaii's school of ocean and earth science and technology, five non-government members appointed by the governor to serve staggered terms of not more than four years, and the director of the Office of State Planning as chair.

In light of current fiscal constraints, it has been agreed that these advisory council members shall serve without compensation. Furthermore, your Committee has added a provision that the elevation of the Ocean Resources Branch of the Department of Business, Economic Development, and Tourism to division level be financed within the department itself.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 464, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 464, S.D. 1, C.D. 1.

Senators Matsunaga, Iwase, Kanno, Matsuura and George.
Managers on the part of the Senate.

Representatives Hiraki, Say, Apo, Chang and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 139 on H.B. No. 1047

The purpose of this bill is to extend the existence of the Convention Center Authority from June 30, 1994 to an undesignated date, by which time a development agreement must be approved.

Your Committee finds that an extension will provide the authority with additional time to continue to work on the development of a world-class convention center to revitalize the visitor industry.

Your Committee revised the bill by:

1. Removing the provision making the existence of the authority conditional upon the approval of the development agreement;
2. Changing the expiration date from June 30, 1994 to June 30, 1995, at which time the Convention Center Act will automatically expire; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1047, 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. 1047, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Cachola, Say, Chang, Chumbley and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 140 on H.B. No. 2042

The purpose of this bill is to create the Hawaii State Library Foundation Trust Fund to support library programs.

Upon consideration, your Committee has amended the bill by:

- (1) Including a provision that exempts the public library system from the law relating to the operation of concessions on public property by blind or visually- handicapped persons;
- (2) Repealing Section 312-4, Hawaii Revised Statutes, which requires income from the operation of libraries to be credited to the general 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. 2042, 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. 2042, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., McCartney, Fukunaga, Holt, Kanno and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 141 on H.B. No. 1473

The purpose of this bill is to spread the utility repair and restoration costs resulting from a state-declared disaster among electric and telephone ratepayers statewide.

Under this bill, any utility sustaining damages to its facilities which would require ratepayers in a service area to incur a rate increase of more than fifteen percent would be eligible to apply to the Public Utilities Commission (PUC) for recovery of these costs through a monthly surcharge assessed on a statewide basis. This bill:

- (1) Stipulates that the PUC may issue an order authorizing the implementation of a surcharge within sixty days after filing of an application, provided that the PUC determines upon notice and hearing that the surcharge is just, reasonable, and in the public interest;
- (2) Limits the surcharge assessment to not more than fifteen percent of average customer rates on other islands;
- (3) Requires the PUC to exclude ratepayers in service areas with rates which may be substantially higher than other service areas in the state;
- (4) Requires the PUC to ensure that the amounts collected by the utility through the surcharge will not exceed its net repair and restoration costs;

- (5) Limits the surcharge assessment time period to ten years;
- (6) Authorizes the PUC to revise the surcharge to reflect changes in actual repair and restoration net costs or outside sources of recovery; and
- (7) Requires utility companies authorized to assess the surcharge to separately state the amount of the assessment on each affected ratepayer's monthly bill.

Your Committee acknowledges that state-declared disasters such as Hurricane Iniki can devastate the operations and facilities of utilities that provide vital services to the people of Hawaii. In the aftermath of disasters such as Iniki, these utilities face immense costs to repair and restore their damaged facilities and would normally recover these costs through substantial rate increases on their customers.

Your Committee finds that assessing net repair and restoration costs solely against utility customers directly served by the damaged utility facilities imposes an extreme financial burden on persons who have already suffered significant physical, mental, emotional, and financial hardship as a result of the disaster. To alleviate this hardship, it is necessary and proper that the costs of repairing and restoring utility facilities be shared and borne by the entire community.

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

- (1) Requiring the PUC to periodically review the order to ensure that the amounts collected do not exceed the actual repair and restoration net costs;
- (2) Extending the time from sixty to ninety days in which the PUC may issue an order authorizing the implementation of a surcharge after the filing of an application;
- (3) Defining "restoration and repair costs" as those costs necessary to restore facilities to a functional level substantially the same as that existing immediately before the disaster, and not to include the costs of upgrades or enhancements; and
- (4) Exempting from tax liability under Chapters 235 (income tax), 239 (public service company tax), and 240 (franchise tax), Hawaii Revised Statutes, a utility company serving as a collector, and not the final recipient of surcharge assessments.

In determining that this bill is for the public good, it is your Committee's intent that ratepayers statewide should not be burdened beyond the actual costs of repairing and restoring damaged facilities, aside from inherent and reasonable administrative charges. In exempting a collecting utility from state taxes and fees otherwise payable under Chapters 235, 239, and 240, Hawaii Revised Statutes, state and federal taxing authorities should not conclude that the affected utility should pay taxes on the amounts it receives from the surcharge.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1473, 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. 1473, H.D. 2, S.D. 2, C.D. 1.

Senators Kobayashi, A., Iwase, Matsunaga, Fernandes Salling, Kanno and George.
Managers on the part of the Senate.

Representatives Bunda, Say, Kanoho, Ishii-Morikami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 142 on H.B. No. 1563

The purpose of this bill is to explore a cost effective alternative to, and improve the State's water quality monitoring program by empowering the Department of Health to establish a pilot program in which volunteers will survey and sample the State's water. The general target area of the proposed pilot program is the water system draining into the Kailua and Waimanalo Bay areas on Oahu.

Your Committee finds that a program utilizing volunteers to monitor water quality may provide an effective and inexpensive method of supplementing the Department of Health's current water quality monitoring program. Such programs have proven their effectiveness in other states. To determine their feasibility in this state, the program should be examined in the context of Hawaii's water quality monitoring problems and issues.

After further consideration, your Committee has agreed to adopt H.B. No. 1563, H.D. 2, with an amended dollar amount of \$45,000. Your Committee further amended this bill by 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. 1563, 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. 1563, H.D. 2, S.D. 2, C.D. 1.

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

Senator Holt did not sign the report.

Representatives Duldulao, Chang, Isbell, Morihara and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 143 on H.B. No. 434

The purpose of this bill is to enable emergency medical service personnel to administer early defibrillation to victims of cardiac arrest.

Your Committee has agreed to adopt the Senate version of H.B. No. 434 with the following amendments:

- (1) Changing the specific appropriation of \$1 to \$45,000 and specifying that the foregoing sum is for the purposes of purchasing six defibrillation devices at \$7,500 each; and
- (2) 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. 434, 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. 434, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Duldulao, Tajiri, Arakaki, Morihara and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 144 on H.B. No. 1374

The purpose of this bill is to appropriate funds for a dialysis machine for North Hawaii.

Your Committee, being aware of the extreme hardships being experienced by North Hawaii patients needing dialysis treatment, strongly supports the purchase of a dialysis machine for the North Hawaii area. Your Committee believes that through the purchase of such a machine, accessibility of such an important service to the people of North Hawaii will be greatly improved.

Your Committee has agreed to adopt HB 1374 HD1 with an amendment appropriating \$16,000 for the purchase of a dialysis machine.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1374, 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. 1374, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Duldulao, Tajiri, Isbell and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 145 on H.B. No. 785

The purpose of this bill is to appropriate funds to the Legislative Reference Bureau (LRB) for publication of replacement volumes to the Hawaii Revised Statutes, to employ temporary staff to accomplish this task, and to require the Lieutenant Governor and LRB to explore various methods and procedures for printing and distributing the replacement volumes to hold costs to a minimum.

The replacement volumes will contain all laws in the 1985 replacement volumes as amended and supplemented by the Legislature from 1986 through 1993, and a replacement index in an edition year to be designated by the revisor of statutes.

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

- (1) Clarifying that a single-volume, 1993 in-lieu supplement will be published instead of the 1993 cumulative pocket part supplements in Section 2;
- (2) Amending the appropriation amount to \$1,000,000 for fiscal year 1993-94 in Section 4; and
- (3) Changing the date the funds will lapse from June 30, 1996 to June 30, 1994 in Section 5.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 785, 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. 785, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Kobayashi, B., Hagino, Matsuura and George.
Managers on the part of the Senate.

Representatives Kanoho, Nekoba and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 146 on H.B. No. 1771

The purposes of this bill as received by your Committee on Conference are to:

- (1) Ensure that moneys deducted from the wages of inmates participating in Correctional Industries venture agreements be deposited into the Correctional Industries Revolving Fund (Fund);
- (2) Allow the proceeds in the Fund to be used to reimburse the incarceration costs of inmates related to the inmates' participation in Correctional Industries venture agreements; and
- (3) Make a one-time appropriation to recover moneys previously paid to the general fund from the wages earned by inmates participating in Correctional Industries venture agreements.

Essentially, the Senate Draft differs from the House Draft in one respect, that is, the Senate Draft provides for a one-time appropriation to recover moneys previously paid to the general fund from the wages earned by inmates participating in Correctional Industries venture agreements. The Senate included this provision to indicate its intent to support and expand the Correctional Industries program. Your Committee has agreed to accept this provision, and in effect has agreed for the most part to accept the Senate Draft.

Your Committee has amended the Senate Draft by inserting \$65,000, as the amount to be appropriated.

Your Committee on Conference is in accord with the intent and purposes of H.B. No. 1771, 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. 1771, H.D. 2, S.D. 1, C.D. 1.

Senators Kobayashi, A., Koki, Blair, Hagino and McCartney.
Managers on the part of the Senate.

Senator McCartney did not sign the report.

Representatives Menor, Kawakami, Amaral, Santiago and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 147 on H.B. No. 1154

The purpose of this bill is to provide financial relief to certain parties to encourage and assist the tourist industry and other businesses on Kauai in the wake of Hurricane Iniki.

More specifically, this bill:

- (1) Exempts from the general excise tax (GET) and the transient accommodations tax (TAT), amounts received by qualified facilities furnishing transient accommodations and businesses located on their premises;
- (2) Excludes remuneration in excess of \$7,000 paid by employers to persons employed at qualified facilities or businesses located on their premises from the requirement of a contribution under the employment security law; and
- (3) Exempts from the GET, amounts received under property and casualty insurance policies by a business or trade for damage or loss of inventory due to a natural disaster.

On September 11, 1992, one of nature's most destructive forces, named Hurricane Iniki, ran a course of destruction over parts of our State. Hardest hit was the island of Kauai, which found itself devastated in the hurricane's wake. Many Kauai residents saw their life's work and possessions destroyed by Hurricane Iniki's mighty winds and waves. People were injured and a few lost their lives in the storm. Jobs and businesses were gone. Houses were uplifted and tossed about. The infrastructure was destroyed. Families and friends were uprooted and separated.

Hurricane-caused damage to property on Kauai has been estimated at \$1,600,000,000. Along with the destruction to property is the overall economic loss from the production and sale of Kauai's products and services, including the loss of tourists to agricultural crop loss from sugar and other Kauai-grown products.

Through it all, the people of Kauai have been unwavering in their support of each other and in their goal to rebuild Kauai. Along with assistance from other residents of the State, Kauai has survived the immediate devastation caused by the hurricane. Your Committee applauds the courage and dedication of the people of Kauai and the generous spirit of the rest of Hawaii's people to help each other in times of need. However, your Committee recognizes that much more work and assistance are needed to help Kauai.

As a result, the Legislature has put together a package of bills to help Kauai recover and rebuild. This bill is part of that package, along with H.B. No. 1121, H.D. 1, S.D. 1, "Relating to Tax Relief from Natural Disaster Losses," H.B. No. 1124, H.D. 1, S.D. 2, C.D. 1, "Making an Appropriation for Recovery Costs Associated with Hurricane Iniki," and portions of H.B. No. 1152, H.D. 1, S.D. 1, C.D. 1, "Relating to the State Budget" that provides moneys for the Koloa Transfer Station and County emergency housing.

The intent of this measure is to encourage hotel facilities and other businesses to reopen and recover their losses more quickly by providing certain tax exemptions. Your Committee believes that this bill, along with the rest of the hurricane relief package of bills, will provide much help in the economic revitalization of Kauai and set in motion efforts to

counteract the overall net effect of lost or reduced business activities on employment, income, and public sector revenues for Kauai.

Upon careful deliberation, your Committee has amended this bill by:

- (1) Specifying that the exemptions under the TAT are for amounts received between May 1, 1993, through December 31, 1994;
- (2) Changing the definition of "qualified facility" to mean a hotel/hotel-condo as defined in Section 486K-1, Hawaii Revised Statutes;
- (3) Deleting the exemptions under the GET for amounts received by qualified facilities furnishing transient accommodations or businesses located on their facilities;
- (4) Deleting provisions that excluded remuneration in excess of \$7,000 paid by employers from the requirement of a contribution under the employment security law; and
- (5) Providing that the amounts received from insurance for inventory loss is exempt from the GET from September 11, 1992; 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. 1154, 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. 1154, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Iwase, Ikeda, Fernandes Salling and George.
Managers on the part of the Senate.

Representatives Kawakami, Alcon, Kanoho and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 148 on H.B. No. 1124

The purpose of this bill is to appropriate funds for recovery costs associated with Hurricane Iniki.

More specifically, this bill:

- (1) Reimburses the County of Kauai for real property taxes remitted, refunded, or forgiven under Chapter 234, Hawaii Revised Statutes;
- (2) Increases the moneys in the State Disaster Revolving Loan Fund; and
- (3) Provides a grant-in-aid to the County of Kauai for tourism promotion.

On September 11, 1992, one of nature's most destructive forces, named Hurricane Iniki, ran a course of destruction over parts of our State. Hardest hit was the island of Kauai, which found itself devastated in the hurricane's wake. Many Kauai residents saw their life's work and possessions destroyed by Hurricane Iniki's mighty winds and waves. People were injured and a few lost their lives in the storm. Jobs and businesses were gone. Houses were uplifted and tossed about. The infrastructure was destroyed. Families and friends were uprooted and separated.

Hurricane-caused damage to property on Kauai has been estimated at \$1,600,000,000. Along with the destruction to property is the overall economic loss from the production and sale of Kauai's products and services, including the loss of tourists to agricultural crop loss from sugar and other Kauai-grown products. In addition, the County will lose approximately \$10,000,000 in revenues from real property taxes, fees, and other miscellaneous sources as a result of the hurricane. This shortfall in revenues will be exacerbated by increased operational costs as the County deals with major public works projects, housing assistance, and economic revitalization.

Through it all, the people of Kauai have been unwavering in their support of each other and in their goal to rebuild Kauai. Along with assistance from other residents of the State, Kauai has survived the immediate devastation caused by the hurricane. Your Committee applauds the courage and dedication of the people of Kauai and the generous spirit of the rest of Hawaii's people to help each other in times of need. However, your Committee recognizes that much more work and assistance are needed to help Kauai.

As a result, the Legislature has put together a package of bills to help Kauai recover and rebuild. This bill is part of that package, along with H.B. No. 1121, H.D. 1, S.D. 1, "Relating to Tax Relief from Natural Disaster Losses," H.B. No. 1154, H.D. 1, S.D. 2, C.D. 1, "Relating to Taxation," and portions of H.B. No. 1152, H.D. 1, S.D. 1, C.D. 1, "Relating to the State Budget" that provides moneys for the Koloa Transfer Station and County emergency housing.

The intent of this measure is to aid the County of Kauai in recovering from the devastation caused by Hurricane Iniki through reimbursements for lost real property taxes and grant-in-aids for tourism promotion and recovery efforts. Your Committee believes that this bill, together with the rest of the hurricane relief package of bills, will provide much needed financial assistance to Kauai and set in motion efforts to restore the loss of infrastructure and property, as well as counteract the overall net effect of lost or reduced business activities on employment, income, and public sector revenues for Kauai.

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

- (1) Inserting the amount of \$3,500,000 for fiscal year 1993-1994 and \$5,000,000 for fiscal year 1994-1995 in place of the nominal sums of \$2 to reimburse the County of Kauai for real property taxes remitted, refunded or forgiven under Chapter 234, Hawaii Revised Statutes;
- (2) Inserting the amount of \$2,000,000 for fiscal year 1993-1994 and \$1,000,000 for fiscal year 1994-1995 in place of nominal sums of \$2 for a grant-in-aid to the County of Kauai to promote tourism;
- (3) Adding the amount of \$1,500,000 for fiscal year 1993-1994 for a grant-in-aid to the County of Kauai to help in recovery and specifying the use of these moneys for public works projects, housing assistance, and economic revitalization;
- (4) Deleting the appropriation to the State Disaster Revolving Loan Fund; and
- (5) Making 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. 1124, 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. 1124, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Kawakami, Kanoho, Morihara and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 149 on H.B. No. 2060

The purpose of this bill is to mandate a transfer of land from the University of Hawaii to the Department of Education to provide for a new district library in Manoa.

Your Committee notes that the legislature has included \$100,000 in the state capital improvement project budget to plan for a new Manoa district library.

Your Committee finds that it is in the best interest of the citizens of Hawaii that public agencies cooperate and share resources wherever possible. Therefore, your Committee has amended the bill by:

- (1) Deleting the provision mandating a transfer of land from the University of Hawaii to the Department of Education;
- (2) Deleting provisions concerning the Department of Land and Natural Resources' acquiring title to the property and reporting back to the Legislature if title is not acquired before December 3, 1993;
- (3) Deleting the provision mandating the title transfer whether or not funds have been appropriated for construction of the library;
- (4) Requiring the Department of Education and the University of Hawaii to develop a cooperative agreement on the eventual construction of a new library facility that will:
 - (a) Not exceed an area of 23,000 square feet; and
 - (b) Be located on the property of the University of Hawaii currently used as a parking lot and the present library site;
- (5) Requiring the Chair of the Board of Education, the President of the University of Hawaii, and the Chair of the University of Hawaii Board of Regents to submit a report to the Legislature on the status of the cooperative agreement;
- (6) Specifying that if a lease agreement is needed, it shall be valid for as long as the property is used as a library, and any rent charged under that agreement shall not exceed \$1 per year;
- (7) Clarifying that at the termination of any lease agreement, all improvements shall become the property of the University of Hawaii; and
- (8) Changing the effective date to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2060, 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. 2060, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., McCartney, Tungpalan, Holt, Kanno and Koki.
Managers on the part of the Senate.

Representatives Lee, Ige, D., Say, Takumi, Taniguchi and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 150 on H.B. No. 1694

The purpose of this bill is to require claims for credit or refund of an overpayment of income taxes be filed within three years from the time the return was filed or from the due date prescribed for the filing of the return, or within two years from the time the tax was paid, whichever is later.

Upon further consideration, your Committee has amended the bill by:

- (1) Providing that no credit or refund shall be allowed or made after three years from the due date of the return unless a claim for credit or refund is filed within that time; and
- (2) Deleting language which provided that the time limitations would not apply if the taxpayer can show reasonable cause why the claim for credit or refund was not made when the return was filed.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1694, 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. 1694, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Say, Alcon, Suzuki and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 201 on H.B. No. 694

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for the drilling of test borings from underground sources near the Kapahulu street end of the Ala Wai Canal to establish the quantity and quality of water available from these sources.

Your Committee recognizes that nonpoint source pollution is a serious problem affecting the water quality of the canal, and finds that these contaminants are a source of great concern to elected officials, the Department of Health, area residents, and sports enthusiasts who use the canal. The Noda study focuses specifically on various measures designed to control and mitigate nonpoint source pollution. Your Committee requests that the Department of Land and Natural Resources review the study and consider all other information available on the mitigation of nonpoint source pollution when developing plans for the clean-up and maintenance of the Ala Wai Canal to prevent and control, to the extent possible, the further introduction and increase of nonpoint source pollutants.

Your Committee has amended this bill by providing for an appropriation in the sum of \$300,000, for the purposes of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 694, 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. 694, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Takamine, Bainum, Tajiri and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 202 on H.B. No. 1055

The purpose of this bill is to resolve the jurisdictional dispute between the State and the counties over the ownership of certain public highways.

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

- (1) Stating that for counties with populations exceeding 500,000 persons, this Act will abrogate the requirement that the county remit to the State the proceeds from the sale of any county public highway that was previously a State public highway; and
- (2) Clarifying that the counties will be responsible for the preparation of the conveyancing documents which shall include, but not be limited to, a metes and bounds survey of the abandoned public highway, if necessary.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1055, 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. 1055, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Nakasone, Taniguchi, Tajiri, Shon and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 203 on H.B. No. 1208

The purpose of this bill is to appropriate funds for the Department of Business, Economic Development, and Tourism to continue biomass research for energy and alternate uses.

The State's almost total dependency on petroleum as an energy source requires the State to explore alternative forms of energy. Furthermore, with the reduction of sugarcane acreage in the State, tree plantation biomass could become a serious contender for crop replacement if proven to be technically and economically feasible.

Your Committee has agreed to adopt the Senate version of H.B. 1208, with an amendment to the amount appropriate to fund the biomass project.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1208, 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. 1208, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Kanno, Hagino, Matsuura and George.
Managers on the part of the Senate.

Representatives Bainum, Chang, Herkes, Takamine and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 204 on H.B. No. 525

The purpose of this bill is to establish a nonpoint source pollution control program within the State Department of Health to protect Hawaii's waters from pollutants such as soil runoff, urban contaminants, agricultural residues, and other substances from diffuse sources. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary for the fiscal year 1993-1994, to finance the program.

Your Committee also finds that nonpoint source pollution is a major contributor to water degradation in Hawaii. The statutory authority created by this bill will lay the foundation for the development of a nonpoint source pollution control program consistent with the State's overall objective to improve the quality of Hawaii's waters.

Your Committee agreed to adopt the Senate version of this bill, with an amendment to clarify inspection authority. Other technical, non-substantive 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. 525, 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. 525, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Bainum, Tom, Kanoho, Santiago and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 205 on H.B. No. 1178

The purpose of this bill is to authorize the issuance of up to \$10,000,000 in special purpose revenue bonds, subject to prior approval from the Public Utilities Commission (PUC), to assist Waimana Enterprises, Inc., in the establishment of a cogeneration facility on Oahu.

In addition, this bill specifies that approval must include a finding by the PUC that the savings from the sale of special purpose revenue bonds will be passed on to public electric utility customers.

Upon careful consideration, your Committee has amended this bill by deleting the requirement that the issuance of special purpose revenue bonds be subject to prior approval from the PUC.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1178, 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. 1178, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Stegmaier, Okamura, Kanoho and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 206 on H.B. No. 1327

The purpose of this bill is to assist the Encogen Hawaii, L.P. develop a power plant and related facilities on the island of Hawaii to provide electric energy to Hawaii Electric Light Company, Inc., by authorizing the issuance of special purpose revenue bonds.

Your Committee on Conference is in accord with the recommended changes in the Senate version of this bill. The date change of December 31, 1996, to December 31, 1998 as written in the Senate version would allow the Hawaii Electric

Company enough time to utilize the revenue bonds. An amount not to exceed \$10,000,000, in special purpose revenue bonds may be issued.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1327, 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. 1327, H.D. 1, S.D. 1, C.D. 1.

Senators Kobayashi, A., Matsunaga, Matsuura, Kanno and George.
Managers on the part of the Senate.

Representatives Bainum, Tajiri, Chang, Herkes and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 207 on H.B. No. 1653

The purposes of this bill are to:

- (1) Establish the Hawaii Emergency Planning and Community Right-to-Know Act in conformance with the federal Emergency Planning and Community Right-to-Know Act, including the creation of the Hawaii State Emergency Response Commission and Local Emergency Planning Committees;
- (2) Require that all moneys for environmental health education and program enhancement shall be appropriated by the Legislature from the State general fund;
- (3) Establish an environmental response tax of five cents per barrel of petroleum product sold by a distributor to any end user, other than a refiner, of petroleum product;
- (4) Provide that the revenues generated from the environmental response tax shall be deposited into the environmental response revolving fund and used for:
 - (a) Oil spill planning, prevention, preparedness, education, research, training, removal, and remediation;
 - (b) County used oil recycling programs; and
 - (c) Concerns related to underground storage tanks, including the acquisition of a soil remediation site and facility;
 and
- (5) Require that when the total revenues in the environmental response revolving fund exceeds \$5,000,000, the imposition of the tax shall be discontinued. It shall be reinstated when the total balance of the fund declines to less than \$2,000,000.

After considerable discussion, your Committee has amended this bill by:

- (1) Deleting the requirement that the environmental health education and program enhancement activities shall be supported by appropriations out of the general fund (Sections 2, 3, and 4 of the S.D. 2);
- (2) Deleting the definitions of "disposal" and "treatment" from Section 128D-1, Hawaii Revised Statutes (Section 5 of the S.D. 2);
- (3) Increasing both thresholds relating to the environmental response revolving fund so that the tax shall be:
 - (a) Discontinued when the balance exceeds \$7,000,000, instead of \$5,000,000 (page 23, line 18); and
 - (b) Reinstated when the balance declines to less than \$3,000,000, instead of \$2,000,000 (page 24, line 3);
- (4) Clarifying the tax collection procedures relating to the environmental response tax as recommended by the Department of Taxation (pages 23 - 24);
- (5) Authorizing, rather than requiring, that environmental response tax revenues be used to address concerns relating to underground storage tanks and soil remediation activities (page 24, line 22);
- (6) Specifying that there shall be imposed a five cents tax on each barrel of petroleum product sold by a distributor to any retail dealer in addition to any end user (page 21, line 10);
- (7) Specifying that an "end user" means any person or government entity who acquires petroleum products for their own use and not for resale (page 22, lines 18 - 19);
- (8) Authorizing the Department of Health to spend \$500,000 during fiscal year 1993-1994 from the environmental response revolving fund, and requiring a report on the use of these funds be submitted to the 1994 Legislature (page 25, lines 4 - 8);
- (9) Specifying that Sections 2, 3, and 4 shall take effect on July 1, 1993, and Sections 2 and 3 shall apply to the sale of petroleum products made after June 30, 1993 (page 25, lines 16 - 18); and

- (10) Correcting certain typographic, technical, and stylistic errors.

The revenues generated from the environmental response tax are estimated to be approximately \$2,000,000, but the impact to the consumer is estimated at only one-tenth of a cent per gallon of petroleum product from automobile users. Your Committee feels this is a very small price to pay to further safeguard Hawaii from the disastrous consequences of an oil spill, to institute immediate oil cleanup in affected waters, and to initiate a county used oil recycling program.

Your Committee on Conference is in accord with the intent and purposes of H.B. No. 1653, 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. 1653, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Bainum, Takamine, Say and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 208 on H.B. No. 625

The purpose of this bill is to authorize the governor to confer the title of "Emissary of the People of Hawaii," and issue certificates and miniature poi pounders to those designated.

Your Committee finds that this bill would provide an opportunity to honor distinguished individuals, enabling local residents and visitors to learn about the culture and history of Hawaii, and would also promote Hawaii at little or no cost.

Your Committee also finds that displays located at Honolulu International Airport honoring members of the Aloha Order of Merit would give arriving and departing visitors an opportunity to learn about local culture and people, thereby enhancing their knowledge of Hawaii.

Your Committee revised the bill by removing the provisions regarding the official title of "Emissary of the People of Hawaii," making technical, non-substantive changes for the purposes of style and clarity, and adding the following provisions:

1. Establishment of the Aloha Order of Merit within the Office of the Governor for administrative purposes;
2. Individuals receiving the lifetime title of "Member of the Aloha Order of Merit" shall be inducted after receiving the approval of the legislature by concurrent resolution;
3. Honorees shall have received world or national recognition in their field; and have:
 - a. Contributed to the attainment of statehood for Hawaii;
 - b. Devoted themselves to the betterment of the state, embodying the concept of the Aloha Spirit;
 - c. Provided extraordinary service to the state; or
 - d. Brought honor to the state;
4. Creation of a selection committee consisting of a member of the House of Representatives appointed by the Speaker of the House of Representatives, a member of the Senate appointed by the President of the Senate, and a person appointed by the governor;
5. Establishment of procedures for the nomination and selection of members of the Aloha Order of Merit;
6. Authorization for the governor to award appropriate mementos to members of the Aloha Order of Merit and request them to represent the governor and state;
7. Designation of an area within the Honolulu International Airport as the location for commemorative displays honoring members of the Aloha Order of Merit; and
8. Changing the effective date from the date of approval to July 1, 1993, except that the section designating the airport location of displays shall take effect on July 1, 1994.

Examples of people who have achieved wide recognition for their work, such as making pioneering achievements, and have devoted themselves to the betterment of the state, provided extraordinary service and brought honor to the state include:

1. Danny Kaleikini, the State of Hawaii Ambassador of Aloha, who has devoted decades of his life to service at home and promotion of Hawaii around the world, providing immeasurable contributions to the visitor industry and the state of Hawaii;
2. Chad Rowan, also known as Akebono, the first non-Japanese sumo wrestler to earn the rank of yokozuna, or grand champion, the highest rank and honor in that sport;
3. Jesse Kuhaulua, also known as Takamiyama, the first prominent non-Japanese sumo wrestler, who pioneered the way for other successful non-Japanese in that sport; and
4. Carolyn Sapp, the first Miss Hawaii to win the Miss America Scholarship Pageant.

Although all of the above come from Hawaii, persons need not be of Hawaii to be inducted into the Aloha Order of Merit.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 625, 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. 625, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Chang, Fukunaga and Holt.
Managers on the part of the Senate.

Representatives Cachola, Taniguchi, Chumbley and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 209 on H.B. No. 924

The purpose of this bill is to appropriate funds for the development and implementation of a Juvenile Justice Information System.

The Juvenile Justice Information System will:

- (1) Provide governmental agencies with around-the-clock access to statewide information on juveniles;
- (2) Permit agencies to track individual offenders through the state criminal justice system; and
- (3) Provide data for management and research purposes to determine patterns of juvenile crime and divert children from the adult criminal justice system.

Your Committee has amended the bill as follows:

- (1) Inserting the sum of \$261,400 for fiscal year 1993-1994; and
- (2) Deleting the reference to an appropriation for fiscal year 1994-1995.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 924, 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. 924, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Levin, Blair, Hagino and Koki.
Managers on the part of the Senate.

Senators Blair and Hagino did not sign the report.

Representatives Tom, Say, Chun, Nekoba and Marumoto.
Managers on the part of the House.

Representative Nekoba did not sign the report.

Conf. Com. Rep. No. 210 on H.B. No. 741

Act 291, Session Laws of Hawaii 1983, appropriated funds to form a committee on Penal Code revision and reform to do a comprehensive review of the Penal Code and to make recommendations to the Legislature.

During the past several years, numerous amendments have been made to the code on a piecemeal basis. However, there has not been a comprehensive review as to the effect these amendments have on the principles and philosophy on which the code is based. Moreover, there are concerns as to the structural and systematic impact these amendments have on the entire criminal justice system, including the courts and the correctional system. Accordingly, your Committee finds that an additional review is needed to address the periodic changes made to the Penal Code with reference to the concept that the Code is not an isolated body of law, but rather a part of the entire criminal justice system of the State.

Your Committee has amended H.B. No. 741, H.D. 2, S.D. 2, by changing "shall" to "may" in providing for the advisory committees inclusion of certain representatives on the committee which will assist the judicial council, and by including the county police departments on the list. Your Committee does not intend the list to be exclusive.

In addition, your Committee has restored the \$50,000 appropriation included in the House version.

Your Committee urges the council and its advisory committee to seek consensus where possible and to allow for the expression of divergent opinions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 741, 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. 741, H.D. 2, S.D. 2, C.D. 1.

Senators Kobayashi, A., Levin, Blair, Hagino and Koki.
Managers on the part of the Senate.

Senator Hagino did not sign the report.

Representatives Tom, Say, Menor, Tam and Marumoto.
Managers on the part of the House.

Representative Menor did not sign the report.

Conf. Com. Rep. No. 211 on H.B. No. 1988

The purpose of the bill is to provide procedures for withdrawal of signatures from an election petition, to allow the chief election officer to make voting systems and election services available to state agencies and private agencies, to set forth procedures for a substitution of an alternative vice presidential candidate, to create more flexibility regarding election dates in the case of a natural disaster and to make various revisions to the election laws to make voting easier and more convenient.

Your Committee has amended the bill by requiring that the notice seeking to withdraw a voter's signature on a petition must contain, just as the original petition did, the name, social security number, address and birthdate of the voter and must be signed by the voter with the name under which the voter is registered to vote. In the same section, your Committee eliminated language providing a method for withdrawal of a signature on a petition after the petition was filed.

Your Committee has also amended the measure by eliminating language permitting the chief election officer to require that all votes in a particular area must be cast by absentee ballot in the event of a natural disaster. Also deleted was a provision regarding who may vote by absentee ballot, and the requirement that the chief election officer, in cooperation with the clerks of the respective counties, must provide educational election materials to schools. Your Committee notes with approval that the chief election officer is currently performing this function without a statutory mandate.

Last, your Committee has inserted \$47,000 in the appropriation section of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1988, 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. 1988, H.D. 1, S.D. 1, C.D. 1.

Senators Levin, Kobayashi, A., Blair, Grauly and Koki.
Managers on the part of the Senate.

Representatives Tom, Say, Cachola, Suzuki and Marumoto.
Managers on the part of the House.

Representative Cachola did not sign the report.

Conf. Com. Rep. No. 212 on H.B. No. 1773

The purpose of this bill is to establish a program of regimental discipline implemented by the Department of Public Safety for certain defendants. The court sentences the defendant to the program as a condition of probation or a deferred acceptance of guilty plea. If the defendant does not complete the program, as certified by the Director, it is considered a failure to comply with the condition for deferred acceptance of guilty plea or a violation of probation.

Your Committee is vitally concerned with the problem of prison overcrowding. Your Committee finds that a viable alternative to incarceration is to establish a regimental discipline program for first time offenders as they are more likely to respond to rehabilitative efforts.

Your Committee has amended H.B. No. 1773, HD2, SD1, by making a change to the language regarding qualification for the program so that it is clear that those who are not "convicted" because their plea has been deferred, are eligible for the program. Your Committee has also amended H.B. No. 1773, HD2, SD1, by deleting the section making an appropriation for the purposes of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1773, 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. 1773, H.D. 2, S.D. 1, C.D. 1.

Senators Kobayashi, A., Levin, Koki, Blair and Hagino.
Managers on the part of the Senate.

Senator Hagino did not sign the report.

Representatives Tom, Say, Herkes, Tam and Ward.
Managers on the part of the House.

Representative Ward did not sign the report.

Conf. Com. Rep. No. 213 on H.B. No. 2098

The purpose of this bill is to appropriate funds to develop a curriculum to educate public school students and the general public about Hawaiian sovereignty through a purchase of service contract with Hui Na'auao.

Your Committee has been informed that Hui Na'auao Hawaiian sovereignty education presentations and workshops have been well-received by its participants. Your Committee is aware that federal grants to Hui Na'auao can be expended to educate only Hawaiians on Hawaiian sovereignty. Therefore, your Committee finds that it is in the best

interest of the people of Hawaii, both Hawaiians and non-Hawaiians, that the State provide funds to assist Hui Na'auao in educating the general public on this important issue of Hawaiian sovereignty.

Your Committee has agreed to amend this bill by:

- (1) Deleting the provision which specifies public school students as recipients of the program since the general public includes public school students (page 2, line 16 and line 23);
- (2) Inserting an appropriation of \$300,000 for fiscal year 1993-1994 to carry out the purposes of this bill; and
- (3) Deleting any appropriation for fiscal year 1994-1995.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2098, 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. 2098, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Okamura, Kawakami, Alcon, Beirne and O'Kieffe.
Managers on the part of the House.

Representative O'Kieffe did not sign the report.

Conf. Com. Rep. No. 214 on H.B. No. 2010

The purpose of this bill is to provide additional time for beneficiaries under the Hawaiian Home Lands Trust to file and resolve claims as provided for in Chapter 674, Hawaii Revised Statutes.

Specifically, the bill:

- (1) Extends the deadline for filing claims until August 31, 1995;
- (2) Extends the terms of office of Hawaiian Home Lands Individual Claims Review Panel (Panel) members until December 30, 1997;
- (3) Extends the deadline for filing written notice rejecting legislative action on a claim until October 1, 1997;
- (4) Requires that no action for judicial relief be filed prior to October 2, 1997;
- (5) Extends the statute of limitations for commencing action for judicial relief until September 30, 1999;
- (6) Requires the Panel to include investigative reports in claims records. Unless otherwise provided under the information practice law, the reports shall remain confidential, except upon the Panel's discretion for disclosure to the parties, until completion of the claims hearing.
- (7) Protects statements made by witnesses in the course of an investigation from use in legal proceedings;
- (8) Requires the Panel to file annual reports prior to each regular legislative session and a final report prior to the 1997 Regular Session; and
- (9) Appropriates funds to administer Chapter 674.

Your Committee finds that there is a need to extend the Panel's existence in order to afford aggrieved beneficiaries a full opportunity to resolve their claims.

Your Committee has agreed to amend Section 674-5(b) to allow the Panel to provide, rather than retain and provide, legal services to assist a claimant in preparation and presentation of a claim for review by the Panel under this chapter.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2010, 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. 2010, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Okamura, Say, Arakaki, Santiago and O'Kieffe.
Managers on the part of the House.

Representative O'Kieffe did not sign the report.

Conf. Com. Rep. No. 215 on H.B. No. 2015

The purpose of this bill is to establish the Kaho'olawe Island Reserve Commission which shall have policy and management oversight of the Kaho'olawe Island Reserve.

Your Committee finds that a new management regime, sensitive to the archaeological, cultural, and historic sites and the native and endangered flora and fauna, is needed to restore and preserve the island of Kaho'olawe.

Your Committee has agreed to the following amendments:

- (1) Reduce the area designated as the Kaho'olawe Island Reserve from "three" miles from the shoreline seaward to "two" miles (page 2, lines 20 and 21);
- (2) Require the Department of Land and Natural Resources to implement, rather than develop, controls and permitted uses for the Kaho'olawe Island Reserve (page 3, line 21);
- (3) Clarify the language relating to the manner in which the members of the Commission are to be appointed to conform with Section 26-34, Hawaii Revised Statutes (from page 4, line 15 to page 5, line 2);
- (4) Insert a new Section 7 requiring the Commission to adopt rules to permit fishing in the waters around Kaho'olawe (page 7, line 3 to line 7);
- (5) Insert an appropriation of \$137,500 to carry out the purposes of this bill (page 8, line 15);
- (6) Re-phrase language in the purpose section (page 1, line 4); and
- (7) Correct a typographic error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2015, 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. 2015, H.D. 2, S.D. 2, C.D. 1.

Senators Kobayashi, A., Tungpalan, Iwase, Kanno and Koki.
Managers on the part of the Senate.

Representatives Okamura, Kanoho, Apo, Beirne, Morihara and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 216 on H.B. No. 2014

The purpose of this bill is to provide compensation for past wrongful takings of Hawaiian home lands. Specifically, the bill would:

- (1) Appropriate funds and provide additional means to remedy the State's past wrongful, improper, or unauthorized withdrawals, transfers, takings, or uses of Hawaiian home lands since August 21, 1959;
- (2) Authorize the State to pursue claims against the United States for the federal government's wrongful, improper, and unauthorized uses, transfers, or takings of Hawaiian home lands; and
- (3) Authorize the State to initiate land exchanges to resolve wrongful transfers and grants of Hawaiian home lands to non-government entities.

Your Committee finds that native Hawaiian beneficiaries have suffered due to the illegal takings of land from the Hawaiian Home Lands Trust. Your Committee further finds that as trustee of Hawaiian home lands, it is the State's responsibility to remedy past wrongs committed by the State and pursue claims against the federal government for violations of the trust. Your Committee agrees that the inclusion of a state court appointed independent representative in the claims resolution process would be in the best interest of the beneficiaries.

Your Committee has agreed to the following amendments:

- (1) Delete "and in consultation with the office of Hawaiian affairs" (OHA) from the provision that allows the Department of Land and Natural Resources to convey parcels of land purchased by the Department of Hawaiian Home Lands (DHHL), (Section 4);
- (2) Insert a sunset date of December 1, 1994, for the Independent Representative (Section 5);
- (3) Insert an appropriation of \$200,000 for fiscal year 1993-1994, for the purpose of paying the independent representative and any additional services that may be required (Section 5);
- (4) Delete the provision that the conveyance of public lands to DHHL cannot diminish OHA's pro rata revenue entitlement (Section 8);
- (5) Insert an appropriation of \$475,000 for fiscal year 1993-1994, to assist the State Task Force on Department of Hawaiian Home Lands Title and Related Claims in preparing the remaining claims package for submission to the Legislature in 1994 (Section 9); and
- (6) Insert an appropriation of \$350,000 for fiscal year 1993-1994, to allow the State to continue the pursuit of Hawaiian home lands trust claims against the federal government (Section 10).

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2014, 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. 2014, H.D. 2, S.D. 2, C.D. 1.

Senators Kobayashi, A., Chang, Fukunaga, Holt and Koki.
Managers on the part of the Senate.

Representatives Okamura, Say, Apo, Nakasone and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 217 on H.B. No. 173

The purpose of this bill is to assist the State's inter-island airlines through guaranteed loans pursuant to Chapter 211, Hawaii Revised Statutes.

Your Committee finds that because of Hawaii's unique geography, inter-island air transportation is essential in meeting the mobility needs of both residents and visitors within our State. The absence of a connecting highway system between the various islands of our State emphasizes the need to maintain an efficient and stable inter-island air transportation system.

Your Committee further finds that the guaranteed loans would assist those inter-island airlines whose operations and revenues have been adversely affected by the downturn in tourism. These guaranteed loans would ultimately protect the public welfare by ensuring a continued means of travel between the islands of our State.

Essential inter-island passenger and cargo air services can be effectively assured through the establishment of a comprehensive process to regulate inter-island air transportation. This process is envisioned to ensure adequate service to our various communities at reasonable rates and fares.

Your Committee has amended this bill by authorizing the establishment of a comprehensive process for the re-regulation of inter-island air carriers to the extent possible under the Constitution and laws of the United States. In addition, various modifications were made to the provisions of the loan guarantee for the inter-island air carriers, including the following:

- (1) Authorizing the Department of Business, Economic Development, and Tourism (DBEDT) to guarantee up to 90 percent of the principal balance of a loan made by a private lending institution to a Hawaii inter-island air carrier;
- (2) Stipulating that the term of the loan be for not more than seven years and that the State's liability on loans guaranteed not exceed \$12.6 million;
- (3) Stipulating that all loans guaranteed under this Act be collateralized on a basis at least equal to the outstanding balance of the loan guaranteed.
- (4) Providing that the balance of the collateral shall be in the form of real property interests or such other marketable assets as may be approved by the Director of DBEDT;
- (5) Requiring that all parts and equipment pledged as collateral be subject to a buyback or re-stock agreement such that the value of the collateral and method of securing payment from the collateral will be guaranteed;
- (6) Mandating that as part of the collateral, the borrower shall deposit an amount equal to 20 percent of the principal balance of the loan into the Hawaii InterIsland Airline Loan Guarantee trust fund (trust fund) to be held by the State;
- (7) Providing that a loan guarantee only be considered when there is proof that the loan is not available from other sources;
- (8) Stipulating that DBEDT conduct a due diligence examination of the carrier applying for a loan guarantee and that the borrower secure agreements from principal creditors that they will withhold any collection actions for a minimum of two years from the effective date of the guarantee which may result in the Hawaii air carrier ceasing operations;
- (9) Stipulating that the loan guarantee may be used for working capital but may not be used to satisfy debts arising prior to the effective date of the guarantee;
- (10) Mandating that the loan not be granted unless the carrier raises equity equal to the amount of the loan;
- (11) Stating that at the retirement of the loan, the deposit made into the trust fund by the Hawaii air carrier will be returned to the air carrier pursuant to the terms of the agreement with the carrier;
- (12) Stating that in the event the carrier defaults on the loan, the lender will receive all monies deposited into the trust fund, and shall commence all actions necessary to protect or enforce its rights to the properties used as collateral;
- (13) Appropriating \$100,000 to conduct due diligence examinations on any Hawaii air carrier applying for a loan guarantee from the State, as well as for monitoring, auditing, and administering the trust fund;
- (14) Providing that the collateral required by section 4(c) of the Act be deposited into the trust fund on such terms and conditions acceptable to the Director of DBEDT by June 30, 1993; and

- (15) Incorporating a provision to repeal this Act on June 30, 2002.

Your Committee has also clarified in the purpose clause of the Act that the Legislature finds that the "current" policies adopted on the national level may be inappropriate to the unique environment of Hawaii interisland and local service.

Additionally, technical modifications have 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. 173, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 173, H.D. 3, S.D. 1, C.D. 1.

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

Representatives Oshiro, Bunda, Say, Ishii-Morikami, Kawakami, Nakasone, Tajiri and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 218 on H.B. No. 628

The purpose of this bill is to repeal or modify the special and revolving funds currently administered by the various departments, agencies, and offices of the State.

This bill is based on the recommendations made by the Office of the State Auditor, pursuant to Act 240, Session Laws of Hawaii 1990. Act 240 directed the Auditor to evaluate all State special and revolving funds to determine whether the funds should be continued and whether the moneys in these funds should be deposited in the general fund.

Your Committee recognizes that the review of all special and revolving funds is in the early stages of an ongoing process of analysis. After performing a case by case review of the information presented, your Committee has found that circumstances necessitate the continuation of some of the special and revolving funds. Some must remain in place to meet federal obligations, while others are needed to provide the flexibility to accommodate variable or unpredictable program demands.

In addition, your Committee has found that some funds contained moneys that were in excess of the needs of the programs the funds supported and have provided for the transfer of those moneys into the general fund. Your Committee notes that the transfer of the \$5,000,000 from the Works of Art Special Fund is a one-time transfer and will be used to assist Kauai recover from the devastation caused by Hurricane Iniki.

Upon careful consideration, your Committee has amended this bill by making the following amendments:

Department of Accounting and General Services

- (1) Maintaining the State Educational Facilities Improvement Special Fund;

Department of Budget and Finance

- (2) Repealing the Hawaii Information Network Special Fund and continuing the program through the general fund appropriations process;

Housing Finance and Development Corporation

- (3) Decreasing from \$350,000 to \$250,000, the amount of funds to be transferred from the Hawaii Development Revolving Fund to the state general fund;
- (4) Maintaining the Rental Assistance Revolving Fund;

Department of Business, Economic Development, and Tourism

- (5) Decreasing from \$2,000,000 to \$1,000,000, the amount of funds to be transferred from the Foreign Trade Zones Special Fund to the state general fund;
- (6) Maintaining the Hawaii Community-Based Development Revolving Fund;
- (7) Maintaining the Hawaii Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Revolving Fund, and transferring \$2,000,000 of unexpended or unencumbered moneys remaining in the Fund to lapse into the state general fund;
- (8) Maintaining the Hawaii Small Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Program Revolving Fund, and transferring \$1,000,000 of unexpended or unencumbered moneys remaining in the Fund to lapse into the state general fund;
- (9) Maintaining the High Technology Special Fund;
- (10) Repealing the Natural Energy Laboratory of Hawaii Authority Special Fund on June 30, 1994;
- (11) Maintaining the Petroleum Products Control Fund;

(12) Repealing the Out-of-State Offices Special Fund on June 30, 1994;

(13) Maintaining the Convention Center Development Revolving Fund;

Department of Commerce and Consumer Affairs

(14) Repealing the Insurance Examiner's Revolving Fund on June 30, 1994;

Department of Education

(15) Transferring the Driver Education Fund Account to the Department of Commerce and Consumer Affairs;

(16) Maintaining the Storeroom Revolving Fund;

Department of Health

(17) Repealing the Revolving Fund for Kalaupapa Store on June 30, 1994;

University of Hawaii System

(18) Repealing the University of Hawaii at Manoa Intercollegiate Athletics Revolving Fund on June 30, 1994;

(19) Repealing the University of Hawaii at Hilo Intercollegiate Athletics Revolving Fund on June 30, 1994;

(20) Maintaining the University of Hawaii at Manoa Malpractice Special Fund;

(21) Maintaining the University of Hawaii Manoa Campus Center for Student Development Special Fund;

Department of Labor and Industrial Relations

(22) Maintaining the Prepaid Health Care Benefits Premium Supplementation Fund;

Department of Land and Natural Resources

(23) Deleting the transfer of \$3,600,000 from the Industrial Park Special Fund to the state general fund;

(24) Deleting the transfer of \$2,300,000 from the Special Land and Development Fund to the state general fund and specifying the lapse of all unexpended or unencumbered moneys which are in excess of the needs for the following fiscal year to lapse to the general fund;

Department of the Attorney General

(25) Deleting the transfer of \$100,000 from the Criminal Forfeiture Fund to the state general fund; and

Department of Public Safety

(26) Maintaining the Correctional Industries Revolving Fund and making the Fund self-sustaining.

In addition, your Committee has amended this bill by:

- (1) Deleting the repeal of all special and revolving funds which have been in existence as of June 30, 1993 and the requirements for establishing new special and revolving funds;
- (2) Retaining the current statutory definition of "revolving fund" and "special funds";
- (3) Requiring the Office of the State Auditor to review revolving and trust funds over a five-year period; and
- (4) 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. 628, 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. 628, H.D. 1, S.D. 1, C.D. 1.

Senators Kobayashi, A., Kanno, Kobayashi, B., Matsuura and George.
Managers on the part of the Senate.

Representatives Say, Kawakami, Suzuki and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 219 on H.B. No. 1890

The purpose of the bill, as received by your Committee, is to establish the Hawaii Reinsurance Assistance Corporation as a mechanism for providing homeowners' and hurricane reinsurance coverage to insurers, including county insurance trusts.

Recent catastrophic property insurance losses throughout the world over the past five years, along with Hurricanes Andrew and Iniki, have rendered the commercial insurance market unable or unwilling to insure against hurricane losses in Hawaii. This has resulted in a crisis that undermines the underlying reason for the existence of the property insurance industry, i.e., the protection of property held as security for loans. If reliable, reasonably priced insurance, acceptable by lenders, mortgage bankers and U.S. governmental agencies, such as Freddie Mac and Fannie Mae, is not readily available, residential borrowings and lending activity in the State will be threatened, accompanied by financial reverberations throughout the residential building, construction, and services industries.

Hawaii insurers have been largely unresponsive to the hurricane coverage crisis. There is strong evidence that the problem may be spreading to commercial property and liability lines as well. Your Committee finds that a bold initiative is needed to protect the interests of the public and the state economy as a whole.

After extensive hearings and deliberations on this issue, your Committee has reached consensus on a blended approach that pools the resources and risks of consumers, the insurance industry, and the State. Accordingly, your Committee has amended the bill by:

- (1) Establishing a new Chapter in the Hawaii Revised Statutes, to be known as the Hawaii Hurricane Relief Fund ("Fund");
- (2) Providing that the Fund be responsible for monitoring the availability of property insurance, and be authorized to issue policies covering hurricane property losses to residential homeowners and small businesses;
- (3) Providing that the Fund assume liability for losses resulting from a hurricane that directly causes windstorm damage, subject to limitations;
- (4) Establishing a tiered system of loss coverage under which policyholders assume losses up to their applicable mandatory deductibles, after which losses are covered through post-catastrophic industry assessments, pre-catastrophic industry assessments, premium payments, special mortgage recording fees, line of credit or other reinsurance, proceeds from State bond issuances, and federal loans;
- (5) Authorizing the counties to provide homeowners' insurance, subject to the requirement that the counties implement an insurance program within two years of this Act;
- (6) Directing the Fund's board of directors to submit a report reviewing and evaluating the Fund's operations, finances, and investments, and making recommendations to the Legislature three years following the Fund's operational date; and
- (7) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1890, 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. 1890, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Kobayashi, A., Iwase, McCartney and Koki.
Managers on the part of the Senate.

Representatives Bunda, Say, Herkes, Ishii-Morikami, Nakasone, Oshiro and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 220 on H.B. No. 195

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations of the Office of Hawaiian Affairs during the 1993-1995 fiscal biennium.

100TH ANNIVERSARY OF THE OVERTHROW OF THE HAWAIIAN MONARCHY

In considering the operating budget request of the Office of Hawaiian Affairs (OHA), your Committee was aware of several significant factors that are pervasive throughout the State. Of particular importance were the events leading to the centennial observation of the overthrow of the sovereign Hawaiian Kingdom in 1893, the centennial observation itself, the subsequent calls for action, and continued resolve concerning solutions to past and present injustices suffered by the Hawaiian Community. The Legislature's support of the centennial observation and associated activities leading to and following the observation demonstrates the Legislature's continued commitment to resolve issues concerning Hawaiians and Native Hawaiians.

FINANCIAL AND BUDGETARY OVERVIEW

In deliberating on this OHA Budget and the other bills that affect state finances, including the State Executive Budget and the Judiciary Budget bills, your Committee also had to deal with one of the most serious financial predicaments that the State has had in recent years. Hawaii's economy is at its slowest rate of growth in recent years. Added to that are the additional financial burdens placed on the State as a result of the destruction caused by Hurricane Iniki. These pressures and strains imposed difficult fiscal decisions on your Committee in drawing up this OHA Budget bill.

Your Committee acknowledges that Hawaii is facing and will continue to face major financial challenges that will require innovative responses, responsible budgeting, cutbacks in funding, and scaling back of programs to ensure that

Hawaii remains fiscally solvent. These safeguards are necessary to enable the State to deal with the expenses of rebuilding after a major natural disaster and helping to improve a sluggish economy.

The negative impact and long-term effects of the devastation and damage caused by Hurricane Iniki has and will continue to wreak havoc on our already fragile economy for years to come. In addition, fiscal uncertainties have been spurred by the continuing national recession, local downturns in the visitor industry, shifts in foreign investment policies, and federal mandates.

The recent Council on Revenues report released in March, 1993, projected that revenues would be lower than past projections and continues to forecast a negative growth factor for the 1993-1995 fiscal biennium.

Because the fiscal integrity of the State is fundamental to sound and responsible government, the impact of changing economic conditions and other financial developments were closely examined by your Committee in developing this Budget. As a consequence of Hurricane Iniki, the slowdown of Hawaii's economy, and the uncertainty of our future financial resources, prudence dictates that all state agencies take a cautious approach regarding future expenditures and program expansions over the next two fiscal years.

FINANCIAL PLAN: A BALANCED BUDGET

In these critical times, your Committee believes that sound judgment and rational decisions must be made to assure that the Budget addresses the needs of the people of Hawaii, while also reflecting a zero-growth objective. For these reasons, your Committee is unable to accommodate many program requests which have merit but will result in a negative impact upon the economic well-being of the State.

Your Committee finds that the need for a conservative approach was reflected in the budgets submitted by the Executive and Judiciary branches. However, your Committee is concerned that the Office of Hawaiian Affairs chose to submit a proposed budget with limited regard to the economic conditions currently confronting the State and the Legislature.

Moreover, your Committee is concerned that the OHA Budget requests for the 1993-1995 fiscal biennium contained a number of inaccuracies. Methods used to calculate budget requests were inconsistent and information was not presented in a timely manner. Several of your Committee's actions were to resolve differences in interpretation of the material submitted by the Office of Hawaiian Affairs to the House Committee on Finance and the Senate Committee on Ways and Means.

Although the Office of Hawaiian Affairs was vested at its inception with a considerable amount of autonomy, it is a state agency, and like all other governmental entities, has the responsibility and obligation to operate in a fiscally responsible manner. The level of responsibility must increase as the Office receives greater amounts of ceded land funds.

Despite the inconsistencies and inaccuracies, your Committee endeavored to evaluate each request based on its merits. All requests were considered with respect to other Office of Hawaiian Affairs' budget items, the State's commitment to issues affecting Hawaiians and Native Hawaiians, and the economic constraints currently facing the State.

Your Committee's evaluation of the Office of Hawaiian Affairs utilized the following guidelines in making its final decisions:

- Given the present economic situation, the Office of Hawaiian Affairs' budget was adjusted to reflect the Legislature's objective of a zero-growth budget.
- The Office of Hawaiian Affairs should continue to identify, pursue, and expand utilization of existing community resources that are available to Hawaiians and Native Hawaiians before creating its own programs. Programs such as Alu Like, Inc., and the Center for Gifted Native Hawaiian Children (Na Pua No'eau) have established track records, financial support, and established systems to deliver services. The Office of Hawaiian Affairs should work closely with groups of this type for effective delivery of services and benefits to Hawaiians and Native Hawaiians. Your Committee has funded several requests which demonstrate the Office of Hawaiian Affairs' utilization of such resources.
- The Office of Hawaiian Affairs identified several areas that meet their criteria, to be fully funded with special funds. Your Committee evaluated these programs and funded several programs with special funds only. Your Committee notes that there are no definitive criteria for what qualifies for special funding, but has accepted the Office of Hawaiian Affairs' statements confirming the eligibility of these specific program requests for the purposes of this budget.
- Your Committee emphasizes that the various programs within the Office of Hawaiian Affairs should coordinate their actions to assure efficiency of operation, assurance of work completion, complete and compatible data, and should demonstrate that the work will achieve its objectives. For these reasons, several data collection requests have been denied until a more coordinated proposal can be prepared.
- Your Committee funded requests which will result in increased funding from other sources such as the Native Hawaiian Revolving Loan Fund program.
- Your Committee also funded a study to conduct a comprehensive analysis of the "Territorial Homestead" or "999-Year" leases to clarify title and tenancy rights.

SUMMARY

In summary, your Committee believes that this OHA Budget provides a responsible allocation of valuable, finite resources to the Office of Hawaiian Affairs to meet the immediate needs of Hawaiians and Native Hawaiians. Your Committee believes that this Budget was carefully formulated, and is realistic and fiscally responsible under the State's current economic conditions. Several significant programs have been funded and many existing programs have continued funding.

Your Committee encourages the Office of Hawaiian Affairs to work closely with other community groups and services to develop an effective support network for Hawaiians and Native Hawaiians.

And finally, your Committee urges OHA, along with other state agencies, to adopt the position that economic uncertainty must be approached with an attitude of fiscal responsibility and restraint.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 195, 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. 195, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Blair, Fernandes Salling, Fukunaga, Hagino, Holt, Kanno, Kobayashi, B., Levin, Matsuura, McCartney, Tungpalan and George.
Managers on the part of the Senate.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 221 on H.B. No. 2024

The purpose of this bill is to eliminate the Board of Vocational Rehabilitation established under Section 26-14, Hawaii Revised Statutes (HRS), and to set up councils as required by the Federal Rehabilitation Act Amendments of 1992.

After carefully considering H.B. No. 2024, H.D. 1, S.D. 1, your Committee on Conference has amended the measure by:

- (1) Providing that Section 26-34, HRS, governs appointments to the State Advisory Council on Rehabilitation and the Statewide Council on Independent Living;
- (2) Requiring that both councils elect a chairperson from the membership;
- (3) Replacing language regarding compensation of council members with the standard language:

The council members shall serve without compensation but shall be reimbursed for reasonable expenses, including travel expenses, necessary for the performance of their duties;

and

- (4) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2024, 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. 2024, H.D. 1, S.D. 1, C.D. 1.

Senators Kobayashi, A., Grauly, Fernandes Salling, Levin and Koki.
Managers on the part of the Senate.

Representatives Chun, Say, Arakaki, Santiago and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 222 on H.B. No. 241

The purpose of this bill is to appropriate funds to provide respite care services to adult residential care home operators.

Upon careful reconsideration, your Committee has amended this bill by:

- (1) Establishing the adult residential care home respite care special fund as proposed in H.B. No. 241, H.D. 2;
- (2) Removing all references to an appropriation; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 241, 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. 241, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Chun, Duldulao, Say, Pepper and Marumoto.

Managers on the part of the House.

Conf. Com. Rep. No. 223 on H.B. No. 203

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations and capital improvements of the Judiciary branch during the 1993-1995 fiscal biennium.

FINANCIAL AND BUDGETARY OVERVIEW

Fiscal deliberations to formulate the 1993-1995 fiscal biennium budgets began in the aftermath of one of nature's most destructive forces to ever hit Hawaii, and at a time when Hawaii's economy is at its slowest rate of growth in recent years. These pressures and strains imposed difficult fiscal decisions on your Committee in drawing up this Judiciary Budget bill, along with the other bills that affect state finances, including the State Executive Budget and the Office of Hawaiian Affairs Budget bills.

Your Committee acknowledges that Hawaii is facing and will continue to face major financial challenges that will require innovative responses, cutbacks in funding, and scaling back of programs to ensure that Hawaii remains fiscally solvent. These safeguards are necessary to enable the State to deal with the expenses of rebuilding after a major natural disaster and helping to improve a sluggish economy.

Hurricane Iniki

On September 11, 1992, one of nature's most destructive forces headed straight towards Hawaii. This category 4 maelstrom known as Hurricane Iniki left in its wake a devastated island of Kauai and a ruined Waianae coast of Oahu.

The negative impact and long-term effects of the devastation and damage caused by this hurricane has and will continue to wreak havoc on our already fragile economy for years to come. Damage to property on Kauai alone has been estimated at \$1,600,000,000. Coupled with the property destruction are the financial losses from the production and sale of Kauai's services and products, including the loss of tourists to agricultural crop loss from sugar and other Kauai-grown products.

Slow Economic Growth

In addition, Hawaii's fiscal uncertainties have been spurred by a number of factors outside the control or influence of the State. During the past two years, socio-economic changes nationally and worldwide have placed immense pressures and strains on Hawaii's financial structure and revenues. The national recession, changes in foreign monetary and investment policies, and increasing federal mandates being placed on states to provide or expand services without the concomitant federal dollars, have caused financial worries for Hawaii.

In its March, 1993, report, the Council on Revenues indicated that actual general revenue collections were below earlier estimates, with the forecasted growth rate for fiscal year 1993-1994 at 0.3 percent and for fiscal year 1994-1995 at 5.0 percent. In deliberating on this Budget, your Committee considered these factors and weighed the uncertainty of the State's economic future with the Judiciary's immediate and future needs in certain program areas.

FINANCIAL PLAN

Your Committee finds that the fiscal integrity of the State is fundamental to sound and responsible government. Your Committee believes that the public has the right to expect that the State's fiscal integrity is maintained, that public funds are expended wisely, and that government operations are executed efficiently.

In these critical times, your Committee believes that sound judgment and rational decisions must be made and that everyone must be prepared for a scaledown in services and programs, or to do without certain services and programs until the economy improves significantly. At the same time, your Committee recognizes that as the demand for government services increases, fiscal responsibility dictates the identification of innovative ways to maximize the return on State investment through increased productivity and the efficient delivery of public services.

In 1974, the Legislature granted the Judiciary autonomy to manage its budget. With the removal of executive controls, the Judiciary gained budgetary independence with the clear expectation that comprehensive plans, sound controls, and fiscal accountability would be developed and implemented. Your Committee believes that responsible budgeting focuses management's attention on carefully contemplated goals and objectives and the determination of resources needed to achieve these goals and objectives. Budgeting decisions guide and influence the activities of an organization, and should provide accountability and control in the expenditure of public funds. Your Committee believes that the Judiciary needs to incorporate historical spending trends, anticipated workload increases, program adjustments, and short- and long-term planning in determining its budget request and its operational expenditure plan for the upcoming fiscal biennium.

With this in mind, your Committee's decisions in formulating the Judiciary Budget were characterized by a fiscal responsibility to create a balanced budget in light of economic uncertainties and the harsh realities of limited financial resources. Each and every service and program area was scrutinized to ensure that appropriated state dollars would be prudently and efficiently spent.

RECOMMENDATIONS

Your Committee took a very conservative approach and developed a Budget that focuses on meeting the most urgent needs of the Judiciary and takes a cautious approach to future expenditures and program expansion. Your Committee believes that the Judiciary will address the critical judicial problem facing the State by increasing productivity and promoting efficient delivery of services to the citizens of this State with its current resources.

Your Committee has amended the Budget by providing an additional sum of \$1,000,000 to address only current and anticipated future caseload needs in the following areas:

- (1) Driving under the influence of intoxicating liquor (DUI);
- (2) Domestic violence; and
- (3) Felony cases.

Your Committee finds that the case backlog is tremendous. However, your Committee took a cautious approach and provided phase-in funding to address only current and anticipated future caseload needs. The Judiciary will have an opportunity to report on the status of its efforts to address the current caseload needs during the 1994 legislative session. The Legislature will then judge the performance of the Judiciary on addressing current caseload needs and if warranted, will provide additional funding to reduce the tremendous backlog of cases. It is the expectation of your Committee that the Judiciary will consider this problem a priority, and will explore alternatives for reducing the backlog, such as renting office space for more courtrooms, holding court hearings at night or on weekends, and other sound options, and if deemed appropriate, include these options and alternatives in the Judiciary's long-range plans and future budget requests.

SUMMARY

In summary, your Committee believes that this Budget provides a responsible allocation of valuable, finite resources to the Judiciary to provide needed court services and programs to assure timely adjudications. Your Committee believes that this Budget balances the need for fiscal austerity and maintains an efficient, unified, and independent state judicial system that meets the myriad of needs of an ever-changing and dynamic society.

And finally, your Committee urges the Judiciary, along with other state agencies, to take a cautious and fiscally conservative approach regarding future expenditures and program expansions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 203, 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. 203, H.D. 1, S.D. 2, C.D. 1.

Senators Kobayashi, A., Levin, Blair, Fernandes Salling, Fukunaga, Hagino, Holt, Kanno, Kobayashi, B., Matsuura, McCartney, Tungpalan and George.
Managers on the part of the Senate.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 224 on H.B. No. 1453

The purpose of this bill is to establish the Hawaii Children's Trust Fund to strengthen families with the intent of preventing child abuse and neglect.

Your Committee on Conference has amended this measure by:

- (1) Providing a definition for "child abuse and neglect"
- (2) Including grants and gifts in the section controlling receipt of funds; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1453, 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. 1453, H.D. 2, S.D. 2, C.D. 1.

Senators Kobayashi, A., Grauly, Fernandes Salling, Levin and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Chun, Kawakami, Arakaki, Santiago and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 225 on H.B. No. 1152

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations and capital improvements of the Executive branch during the 1993-1995 fiscal biennium.

FINANCIAL AND BUDGETARY OVERVIEW

Fiscal deliberations to formulate the State Executive Budget bill for the 1993-1995 fiscal biennium began in the aftermath of one of nature's most destructive forces to ever hit Hawaii and at a time when Hawaii's economy was at its slowest rate of growth in recent years. Additionally, your Committee was confronted with a number of major policy issues and difficult fiscal decisions regarding other fiscal bills, including the Judiciary budget and the Office of Hawaiian Affairs budget bills, that impact state fund appropriations.

Your Committee recognizes that Hawaii is facing and will continue to face major financial challenges that will require creative responses, cutbacks in funding, and scaling back of programs to ensure that Hawaii remains fiscally solvent, while dealing with the expenses of rebuilding the areas that were destroyed after a major natural disaster and helping to improve a sluggish economy.

Hurricane Iniki

On September 11, 1992, one of nature's most destructive forces ran a course of deadly destruction over portions of Hawaii, ravaging natural landscapes, destroying homes, roads, utilities, and businesses, and taking human lives. This category 4 maelstrom known as Hurricane Iniki left in its wake a devastated island of Kauai and a ruined Waianae coast of Oahu.

The long-term effects of Hurricane Iniki are only now being realized and assessed, with problems ranging from diverse issues such as loss of housing to mental health problems to lack of affordable property insurance.

But the major long-term effect of Hurricane Iniki is the negative impact this Hurricane has had and will continue to have on our fragile economy. Damage to property on Kauai alone has been estimated at \$1,600,000,000. Coupled with the property destruction is the financial loss suffered from the drop in production and sale of Kauai's products, the decrease in tourism activity, and the loss of sugar and other agricultural crops.

In this regard, the State must be unwavering in its support to help these areas recover and rebuild. Steps must be taken to counteract the net effects of lost or reduced business activities on employment, income, output, and public sector revenues for Kauai and the rest of the State.

Slow Economic Growth

Unfortunately, Hurricane Iniki caused damage to the State's economy at a time when our overall economy was already sluggish.

During the past two years, socio-economic changes nationally and worldwide have placed immense pressures and strains on Hawaii's financial structure and revenues. The national recession, changes in foreign monetary and investment policies, and increasing federal mandates, which have been placed on states to provide or expand services without the concomitant federal dollars have caused immense financial worries for Hawaii.

In its March, 1993 report, the Council on Revenues indicated that actual general revenue collections were below earlier estimates, with the forecasted growth rate for fiscal year 1993-1994 at 0.3 percent and for fiscal year 1994-1995 at 5.0 percent. After considering these factors, your Committee has developed a Budget that focuses on meeting the most urgent needs of the State and takes a cautious approach to future expenditures and program expansion.

FINANCIAL PLAN: A BALANCED BUDGET

Your Committee finds that fiscal prudence and foresight are also fundamental to sound and responsible government. To ensure the State's fiscal solvency, your Committee maintains that the Budget be balanced by using a broad-disciplined approach through:

- (1) Prudent budgeting of dwindling state resources; and
- (2) Working in partnership with the people of Hawaii to find new ways to meet their needs.

Prudent Budgeting

Your Committee believes that the public has the right to expect that the State's fiscal integrity is maintained, that public funds are expended wisely, and that government operations are executed efficiently.

In deliberations on this Budget, your Committee focused on meeting the most urgent needs of our State and maintaining funding for economic and social safeguards. Each and every service area and department was scrutinized to ensure that appropriated state dollars would be prudently and efficiently spent.

It is your Committee's belief that in these changing times, sound judgment and rational decisions must be the basis for accountable government actions. Everyone must be willing to contend with the reduction or elimination of certain services and programs, until the economy improves significantly. Everyone must "give a little" to ensure a sound future.

Moreover, the uncertainty of the State's future economic growth dictates that state expenditures over the next fiscal year and future fiscal years be approached cautiously with respect to expenditures from the general fund and bond issuance and debt service, which have a great impact on the general fund. At the same time, the demand for more government services requires the identification of new ways to further maximize productivity and efficiency in the delivery of public services and to maximize returns on our state investments.

In Partnership with the People

To deal with these changing times, your Committee believes that the people must change their mind-set and redefine what government is and what its role should be in Hawaii today.

Your Committee believes that as an instrument of the people, government must forge new partnerships with the community. Only by working in partnership with the people can we create the kind of Hawaii we want for our children and grandchildren.

Together in partnership with business and the community, we can develop new solutions and prove that no natural disaster or economic woe can intimidate the people of Hawaii. Together in partnership with the people, your Committee believes that we can revitalize Hawaii and ensure that our people are able to live productive lives with respect and dignity.

Your Committee believes that we must also set a new agenda. No longer can we continue to do business as usual. No longer can we look upon government as the provider of all needs and wants. We must learn to govern more effectively and more efficiently, and cut unnecessary spending.

As part of this new agenda, your Committee proposes that the Legislature examine ways to restructure government so that it facilitates the progress of the people, businesses, and the community-at-large.

Faced with revenue shortfalls, slower economic growth, and increasing needs in certain program areas, your Committee has been confronted with the unenviable task of reallocating program funds and making difficult fiscal decisions.

Highlighted below are some of the major program areas contained in this bill to set a new direction for Hawaii's future.

PROGRAMS AND SERVICES

Education

Hawaii's future will one day be in the hands of today's children, and therefore our young people must be prepared to meet the great challenges of tomorrow. To this end, your Committee has provided an additional \$20,000,000 over and beyond what was requested by the Governor in the Executive Budget proposal. Your Committee has focused on programs that will enhance the quality of education for students.

The sum of \$5,000,000 has been provided in each year of the 1993-1995 fiscal biennium to meet the Department of Education's ever increasing need to hire more teachers to meet the increases in student enrollments statewide.

The utilization of modern technology is a key factor in keeping up with the advances and discoveries in these changing times. Funds have been allocated to provide supplies, equipment, textbooks, and educational support for anticipated increases in enrollment resulting from the new science and math graduation requirements.

The Fifteenth Legislature made a commitment toward a decentralized school management system by supporting School/Community-Based Management (SCBM) in 1989. Your Committee reaffirms this commitment by providing \$10,000,000 in each year of the 1993-1995 fiscal biennium to facilitate the implementation of School-Based Budgeting for Hawaii's public schools and to provide for additional school needs.

School-Based Budgeting collapses 17 previous programs of the Department of Education into five program areas. The five program areas are: EDN 100 (School Based Budgeting), EDN 200 (Instructional Support), EDN 300 (State and District Administration), EDN 400 (School Support), and EDN 500 (School Community Service). The intent of the new program structure is to facilitate school-level decision making by providing schools with the flexibility to address individual school needs and to maximize the amount of total funding that goes directly to the schools.

Your Committee has placed special emphasis on helping Kauai schools rebuild after the hurricane damage. The sum of \$6,484,000 has been appropriated to replace and upgrade the cafeteria and library at Hanalei Elementary School and the sum of \$3,016,000 has been provided to replace and upgrade the auditorium and classrooms at Kapaa Elementary School. In addition, \$829,000 has been provided to replace and upgrade classrooms at Waimea High School.

Your Committee supports quality post-secondary educational programs through the University of Hawaii system. Funds in the amounts of \$4,699,783 for fiscal year 1993-1994 and \$5,633,510 for fiscal year 1994-1995 have been appropriated to alleviate cutbacks and shortages brought on by budgetary restrictions during the 1992-1993 fiscal year and reallocations of positions and funds.

Economic Development

Your Committee believes that economic strength is the source of wealth that provides financial stability for the people of Hawaii. Your Committee is determined that Hawaii's economy regain its vitality and that opportunities for economic success are made available to every citizen of the State.

Strengthening our economy will require a long-term outlook. It means all of us must make some sacrifices now so that we can reap benefits later. This belief is found on the principle that an economically diverse Hawaii is a strong Hawaii, which can provide for the needs of its people.

Your Committee has also provided a variety of recovery and other assistance measures and funds to help the people on Kauai and on the Waianae coast of Oahu rebuild their lives and homes, which were destroyed by Hurricane Iniki last year. In this measure and other measures, funds have been provided for infrastructure improvements, tax relief, and school reconstruction to help Kauai.

In order to rejuvenate Hawaii's economy, your Committee has made a concerted effort through this bill and others to support and promote the stronghold of Hawaii's economy--tourism--which provides thousands of jobs and generates millions of dollars for our state economy. Emphasis will be on stimulating the visitor industry by repositioning Hawaii's image as a visitor destination through product-oriented marketing campaigns that express more closely the fine qualities that Hawaii has to offer. Your Committee has provided funding of \$8,500,000 for each year of the 1993-1995 fiscal biennium for advertising, public relations, promotions, and business marketing efforts. In addition, your Committee will concentrate its efforts to develop a convention center to attract convention travelers, who have more favorable spending patterns than regular vacation travelers.

Your Committee supports the development of a diversified economic base, especially industries that are non-polluting. To this end, your Committee has provided funding to further develop the film industry. To encourage the continued development of a promising and multi-faceted industry, your Committee has provided \$5,500,000 to construct a mill and a portion of the general film administration complex for the Diamond Head Film Studio. In the past, the film industry has not only provided employment and brought in millions of dollars to the State, but the industry has also been one of the most effective promoters of tourism through the exposure of Hawaii abroad as an exciting and exotic location to vacation and to conduct business.

Aware of the need for a skilled labor force to meet the demands of the Twenty-first Century, your Committee has emphasized strengthening the labor exchange process to assist job seekers in obtaining valuable skills and to provide the business community with additional employees to meet current labor needs. Funds for the combination of the business expansion division have been appropriated in the sum of \$750,000 for fiscal year 1993-1994 to streamline the process and increase efficiency by coordinating the efforts of the Department of Business, Economic Development, and Tourism (DBEDT) and the Department of Labor and Industrial Relations. These funds will merge the Loan/Grant Program, job creation, and skill upgrading programs.

Energy independence has been an ongoing commitment of your Committee. The sum of \$4,000,000 has been appropriated to construct a precommercial biomass research plant on Maui.

Health and Human Services

It is your Committee's belief that optimal health care services are fundamental to ensure the overall well-being of the community. In this regard, your Committee focused its efforts on supporting and providing for the continuance of existing health care programs and services, as well as appropriating funds that will guarantee the most benefits to the community statewide. Programs to ensure basic financial, medical, housing, social, and rehabilitative needs were carefully reviewed and considered.

Additional funding has been provided to meet the needs of additional enrollees into the State Health Insurance Plan, particularly in light of the downturn in Hawaii's economy. Additional funding was also appropriated to the Department of Human Services to initiate support for the Families Together Initiative (FTI). The benefits of providing new and expanded early intervention and family-based services to children and families at-risk, combined with the capture of additional federal funds from a diminishing pool of resources have put high expectations on the results of this program. Your Committee is confident that over the long-term, any costs incurred for preventive programs will offset the reactive and correctional expenses that the State currently faces.

Additional support was given to enhance the hospitals in medically underserved areas. Funding in the amount of \$6,701,000 was appropriated to replace the 50-bed Honokaa structure to meet Medicare standards and \$7,020,000 was appropriated for the second phase of the Kona Hospital renovation and expansion.

Throughout its deliberations, your Committee strengthened its resolve to support Hawaii's families and to address the undue stresses placed on family life. Funding has been provided for early intervention and family-based services to families at-risk and to restore domestic shelter services and support for victims in need of assistance.

Transportation

Rapid economic and population growth in the State over the past several years calls for changes to improve the State's transportation system. State airports are experiencing difficulty in accommodating travelers in a timely manner, state harbors must meet ever increasing volumes of cargo, and state highways are burdened with worsening traffic congestion.

Your Committee has provided funds for various airport improvements, including funds for continued renovations and expansions at Honolulu International Airport's Main Terminal and Interisland Terminal Complex. In addition, funds

have been appropriated for a phase of the new terminal building and other improvements as part of the Kahului Airport runway extension.

In addition, increasing cargo volume has placed a high demand on the State's harbors. To meet this demand, your Committee has provided additional funds to improve container facilities at Honolulu Harbor and Nawiliwili Harbor, expand the harbor basin, and add berthing space at Barbers Point Harbor.

Environmental Protection

A healthy environment is fundamental to our quality of life. To ensure a safe and clean environment, your Committee has provided funds to ensure the protection and conservation of the State's natural resources.

The State's efforts to continue the protection and management of threatened and endangered plant and animal species is supported by your Committee. With over seventy-five percent of all native plants located in state Natural Area Reserves, the community can continue to be assured that these areas will be protected for future generations to experience and enjoy.

To ensure that the disposal of wastewater does not contaminate Hawaii's precious water sources, \$3,900,000 has been provided to enhance the State Wastewater Treatment Revolving Fund for Pollution Control to provide assistance to projects statewide.

Culture and Recreation

Your Committee supports the revitalization of Hawaii's local communities and has appropriated funds to administer the Main Street Program on all islands. Since Main Street's inception, Hawaii has seen the preservation of historic sites, renewal of economic vitality, and growth in civic pride in numerous towns throughout the State. Recognizing the need to keep these communities vigorous and sound, and to extend the program to other areas in need, your Committee supports Main Street Hawaii's efforts by providing an additional \$75,000 for each year of the 1993-1995 fiscal biennium.

Your Committee also recognizes the importance of preserving treasures of the ancient Native Hawaiian culture. Your Committee has appropriated \$100,000 for fiscal year 1993-1994 for the Mo'okini Heiau in Kohala, Hawaii to support its renovation, security, and operational needs. These funds will also allow the continuation of programs for school children and the public that increases awareness and enhances understanding of Mo'okini's unique history.

Realizing the importance of the Waikiki Aquarium as a tool for teaching Hawaii's school students about environmental issues and its value as a major tourist attraction, your Committee has appropriated \$100,000 for fiscal year 1993-1994 for operations while the Aquarium undergoes major renovation and expansion.

Public Safety

Your Committee has provided funds for positions and operating costs of a new 80-bed regimental discipline minimum security prison facility being constructed on the Big Island. Funds have also been provided to operate a new 101-bed medium security correctional facility and 80-bed minimum security correctional facility on Maui.

Funds have also been provided to establish a substance abuse program for the female inmate population of state-operated correctional facilities.

Government-Wide Programs

Your Committee has dedicated positions and funds within the Office of the Attorney General for aggressive civil recovery efforts in the areas of construction contract claims, damages to state property, breach of consultant and procurement contracts, and misuse of state funds. Upon becoming fully operational, this upgraded unit is expected to recover or save the State an additional \$1,000,000 annually.

In order to restore the public's confidence in the Department of Taxation's ability to collect delinquent taxes, your Committee has authorized an additional 22 positions and operating funds to increase the State's tax collection efforts.

In addition, the Office of the Attorney General has been assigned positions and funds to counsel and represent the Department of Taxation in litigation of tax appeals, bankruptcy cases, and foreclosures. The funding of \$238,000 and three positions in the 1993-1995 fiscal biennium is expected to increase tax collection revenues in the bankruptcy area by approximately \$3,000,000 each year.

SUMMARY AND RECOMMENDATIONS

In summary, your Committee has carefully reviewed the numerous and varied funding requests and concerns, with respect to the tremendous needs of the people of this State. Your Committee believes it has developed a Budget that meets the needs of the State and addresses the concerns highlighted in this report.

Your Committee notes that, as a consequence of Hurricane Iniki and the slowdown of Hawaii's economy and the uncertainty of our future financial resources, prudence dictates that all state agencies over the next fiscal year and future fiscal years take a cautious approach regarding future expenditures and program expansions.

Finally, your Committee urges all government agencies to adopt the position that economic uncertainty must be approached with an attitude of fiscal responsibility and restraint to ensure the availability of state funds in the future.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1152, 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. 1152, H.D. 1, S.D. 1, C.D. 1.

Senators Kobayashi, A., Blair, Fernandes Salling, Fukunaga, Hagino, Holt, Kanno, Kobayashi, B., Levin, Matsuura, McCartney, Tungpalan and George.
Managers on the part of the Senate.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 226 on H.B. No. 570

The purpose of this bill is to amend chapter 586, Hawaii Revised Statutes (HRS), to provide for discretionary imprisonment of a violator for a first conviction for a violation of either a temporary restraining order or a protective order; and to provide for mandatory imprisonment of a violator for a second or subsequent violation of either a temporary restraining order or a protective order.

Your Committee has decided not to amend section 586-4, HRS, that deals with temporary restraining orders. Thus, the mandatory sentences for the violations of temporary restraining orders shall remain in effect.

However, your Committee has amended section 586-11, HRS, that deals with protective orders. Your Committee has made a distinction between domestic abuse violations and non-domestic abuse violations of the protective orders. "Domestic abuse" has been defined in section 586-1, HRS, to include such actions as physical harm, bodily injury, assault, threats, etc. Your Committee intends that the phrase "non-domestic abuse" cover violations of the protective order other than those amounting to "domestic abuse." For example, if the protective order specifies certain times for the children to be picked up or dropped off by a parent, the parent's failure to pick up or drop off the children on time may constitute non-domestic abuse, as long as this does not constitute "extreme psychological abuse" under the definition of "domestic abuse."

Your Committee has determined that the sentence to be imposed for a violation of a protective order should be dependent upon whether the violation is considered a domestic abuse violation or a non-domestic abuse violation. Your Committee deems domestic abuse violations to be generally more serious than non-domestic abuse violations.

Regarding first violations of protective orders:

1. Where the first violation of a protective order is domestic in nature, the violator shall be sentenced to a mandatory minimum jail sentence of not less than 48 hours; and
2. Where the first violation of a protective order is non-domestic in nature, the violator may be sentenced to jail for 48 hours.

Regarding second violations of protective orders:

1. Where the first violation is domestic in nature and the second violation is domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 30 days;
2. Where the first violation is non-domestic in nature and the second violation is non-domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours;
3. Where the first violation is domestic in nature and the second violation is non-domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours, unless the court, in writing, finds that the second violation does not warrant a jail sentence and the court provides reasons for its decision in writing;
4. Where the first violation is non-domestic in nature and the second violation is domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours;

Regarding third and subsequent violations of protective orders, the court shall impose a mandatory minimum sentence of not less than thirty days imprisonment.

Your Committee, in Conference Draft 1, amended this measure as follows:

1. Deleted the existing Section 1, that deals with amendments to section 586-4, HRS, and re-numbered the remaining sections. Your Committee decided not to change the law regarding temporary restraining orders;
2. Deleted the existing penalties under section 586-11, HRS, in paragraphs 1 and 2 and substituted new penalty provisions, as described above, in new paragraphs 1, 2, and 3; and
3. Made technical changes for clarity purposes.

Upon reconsideration, your Committee has further amended this bill by correcting a typographical error in the last paragraph in Section 1.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 570, 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. 570, H.D. 1, S.D. 1, C.D. 2.

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

Representatives Tom, Amaral and Thielen.
Managers on the part of the House.

Representative Thielen did not sign the report.

Conf. Com. Rep. No. 227 on H.B. No. 2156

The purpose of this bill is to put the needs of Hawaii's children first, and provide them with a first-rate education by:

- (1) Authorizing budget and fiscal flexibility to encourage innovation and creativity in the schools;
- (2) Improving educational assessment and accountability programs;
- (3) Encouraging innovation by changing incentives and stabilizing public school leadership;
- (4) Reinventing and renewing a commitment to quality school facilities.

There is no issue before the Legislature that has generated more discussion, more ideas, more debate, and more innovative recommendations than public education. Your Committee finds, after extensive collaborative discussion with the Board of Education (BOE), the Superintendent of Education (Superintendent), public school employee unions, and parents of children in the public schools, that a major restructuring of all aspects of education in Hawaii is both necessary and, perhaps most important, achievable. This bill is designed to provide the framework within which the reinvention of our public school system can proceed. The bill is divided into four sections for greater clarity:

- (1) Budget and funding reform;
- (2) Assessment and accountability;
- (3) Innovation, incentives, and leadership; and
- (4) Facilities.

Budget and funding reform

Your Committee strongly supports and believes in empowering schools and communities with greater flexibility and autonomy. One key to empowering schools and communities is removing unnecessary fiscal controls.

To do this, the bill exempts the DOE from restrictive accounting requirements, and allows the Department and schools to carry funds over from one fiscal year to the next. In this way, schools will no longer be pressured to spend their funds at the end of the fiscal year, but will be able to save for larger-ticket items according to individual school needs.

The Legislature is proposing to amend certain provisions of Chapter 37, Hawaii Revised Statutes (HRS), to allow schools more flexibility in directing their budgets towards desired student outcomes. Your Committee notes that a requirement exists in Section 7 of Act 295, SLH 1992, which stipulates that provisions of Chapters 26 and 37 affecting public schools that are not reenacted or amended during the 1993 Legislative session shall no longer apply to the Department of Education (DOE). Because of the budget and funding proposals put forth in this bill, this provision is no longer needed.

Your Committee also notes that the biennium budget was restructured to direct maximum resources to the schools and provide flexibility to reshape expenditure plans to focus on students.

Assessment and accountability

Providing schools with greater flexibility in managing their budgets should enable them to tailor their focus to student needs. In turn, the Legislature believes schools should be more accountable for student outcomes. The bill requires that the board of education report to the legislature on the results of school assessments, and allows SCBM schools to develop their own assessment mechanisms.

Innovation, incentives, and leadership

Your Committee finds that current practices in the public school system separate the school improvement and student performance planning process from the budget and funding process. Often, schools with student-centered plans for school improvement have very limited options in seeking funds for their programs.

Your Committee intends that the public school system develop and maintain a student-centered approach in every aspect, and integrate school improvement planning with the budgetary and funding process. Teachers, administrators, and other public school employees should focus their efforts on the needs of the students, and be rewarded for doing so. The bill provides for flexibility in the structure of the school day and year, and allows the DOE to propose performance-based pay adjustments--with performance measured against a focus on student needs--for public school employees.

As we restructure and reform the public school system, we must also examine our compensation and incentive plans for school-based personnel. Your Committee has provided a window for all parties to collective bargaining to negotiate salaries and classification so that administrators and teachers--those closest to the classroom and the students--are the highest-paid individuals in the school system.

In addition, to maintain a focus on innovation, student outcomes, and concrete results, the bill provides for incentive and innovation grants to schools with unique proposals for improving student performance. The Legislature has demonstrated its commitment to innovation by providing funding in the state budget for the incentive and innovation grants.

Reform requires that all school personnel question and re-examine each and every aspect of their jobs. During this critical period of transformation, stable and visionary leadership is required. As part of its commitment to stabilizing leadership in the public schools, your Committee would like to encourage the BOE to appoint a superintendent for a term of up to four years. The Committee intends that this provision apply to future hires, although the BOE may exercise its option to remove the Superintendent for cause at any time.

School Facilities

Improving school facilities is a major priority for your Committee. The bill maintains the Legislature's commitment to funding facilities by making the State educational facilities improvement special fund permanent, and providing for the authorization of general obligation bonds into the fund.

Currently, the DOE is moving forward with a comprehensive effort to evaluate innovative and creative methods aimed at closing the gap between school facility needs and resources ("facilities gap"). Your Committee supports this effort wholeheartedly.

One method for closing the facilities gap is through use of a non-traditional construction method known as "design-build," which could result in cost savings and more timely facility completion. Your Committee has authorized a pilot program to test this "design-build" method with the projects at Nanakuli High School on Oahu and Princess Nahienaena Elementary School on Maui. The DOE will submit an evaluation report to the Legislature on these pilot building projects following their completion and occupancy.

Another aspect of school facilities is technology-related items. Currently, there is a lack of computers, telecommunications equipment, and other items vital to bringing our school system into the twenty-first century. The Committee notes that the DOE will be incorporating technology-related items into new school facilities as they are constructed or improved. Your Committee supports the department in this effort.

Finally, a very concrete aspect of school facilities is the cleanliness of the classrooms themselves. The DOE has \$2,872,212 in its current services budget allocated to room-cleaning, but is unable to find enough personnel willing to do this part-time, temporary work. Your Committee believes that the large amount of funds allocated to room-cleaning might be better used if schools in the school/community-based management program were permitted to develop their own innovative projects.

Upon consideration, your Committee has amended the bill by:

(1) Clarifying the budget and funding provisions:

- Specifying that the DOE may retain up to five percent of any appropriation remaining at the end of a fiscal year, and clarifying that the funds retained shall not lapse until the first year of the next fiscal biennium;
- Repealing a provision in Act 295, SLH 1992, which required the reenactment or amendment of all provisions in Chapters 26 and 37, HRS, during the 1993 Legislative session;

(2) Restructuring DOE assessment and accountability efforts:

- Clarifying the reporting requirements for the new educational status report to the Governor and the Legislature, and indicating the Legislature's intent that they be implemented over time;
- Repealing the provisions of Section 296-11, HRS, concerning assessment reporting requirements;
- Allowing school/community-based management (SCBM) schools to develop their own student assessment mechanisms, provided that the results are included in the DOE's educational status report to the Governor and the Legislature;

(3) Including findings and purpose language in the section on innovation, incentives, and leadership that specifies a focus on educational outcomes;

(4) Clarifying provisions relating to collective bargaining:

- Specifying that the DOE forward a proposal for any pay adjustments to the Legislature with its budget request or in a separate appropriation, and including differentiated pay among the possible adjustments;
- Including a sunset provision for the provisions concerning pay adjustments in the enacting clause of the bill;
- Clarifying that pay adjustments may be considered for groups, as well as individual public school employees;

- Specifying that SCBM schools will retain the right to initiate a waiver from provisions of collective bargaining agreements;
 - Including purpose language on the negotiating for public school employee reclassification and salaries;
 - Including a sunset provision in the enacting clause of the bill specifying that permission to teachers to negotiate on reclassification and salaries shall be repealed by June 30, 1995;
 - Requiring a review by the Legislative Auditor of Part III, Chapter 297, HRS, and specifying that Sections 297-31.2 through 297-31.5 of the HRS shall be repealed beginning July 1, 1995 unless they are reenacted or amended during the 1994 or 1995 Legislative Session;
- (5) Enhancing leadership stability by repealing Section 296-2, HRS, to correct a technical error in the statute, and reenacting that section with a provision allowing the BOE to appoint a Superintendent for a term of up to four years, without regard to State residency requirements, and with termination only for cause;
- (6) Authorizing flexibility for the DOE in regard to positions:
- Clarifying that the DOE may reallocate vacant positions without regard to the Department of Budget and Finance's position variance requirements, and including a sunset on June 30, 1995, for this provision in the bill's enacting clause;
 - Clarifying that the DOE has the authority to create temporary positions as needed;
 - Adding a reporting requirement to the Legislature and the Governor;
- (7) Reworking the provisions concerning incentive and innovation grants:
- Deleting the provision concerning the use of incentive and innovation grant funds to compensate administrators and teachers for school improvement work;
 - Specifying that the BOE shall establish and appoint a panel to review incentive and innovation grant proposals, and that the panel shall consist of at least one representative from the groups currently involved in the SCBM process, with representation from each district;
 - Specifying that the review panel members will serve two-year terms without compensation, but may be reimbursed for expenses;
 - Including a provision allowing review panel expenses to be offset with moneys in the incentive and innovation grant trust fund, not to exceed one percent of the moneys in the fund;
 - Specifying that if a school or schools submits a renewal request for an incentive and innovation grant, the proposal must include a plan for establishing the program in the school or schools permanently;
 - Clarifying that the review panel shall assist the Superintendent in the evaluation of proposals on a continuing basis;
 - Including a reporting requirement to the Legislature on the status of the incentive and innovation grant program;
 - Requiring a review of the operations of the incentive and innovation grant panel by the Legislative Auditor;
- (8) Removing tax provisions and clarifying other issues relating to school facilities:
- Deleting provisions concerning an excise tax surcharge for education, a telecommunications provider surcharge, and a cable television operator surcharge;
 - Deleting provisions pertaining to using a portion of moneys in the State educational facilities improvement special fund (special fund) to amortize revenue bonds;
 - Establishing a classroom cleaning program;
 - Specifying that no collective bargaining agreement or executive policy may preclude the implementation of a classroom cleaning program, unless a contract waiver process exists;
 - Including a provision that allows the DOE to enter into lease-purchase agreements;
 - Deleting the provision that included technology-related items under the definition of facilities;
 - Deleting the provision requiring projects funded by the special fund to be identified under the DOE capital improvement program priority system;
 - Changing the reporting agency on the special fund from the DOE to the Department of Accounting and General Services (DAGS);

- Deleting the provision pertaining to DAGS acquiring non State-owned facilities for use by or as public school facilities;
- Deleting the provision that established the facilities review advisory committee;
- Providing for flexible funding by allowing a portion of the \$90,000,000 appropriated to the special fund to be financed with general obligation bonds;
- Authorizing the issuance of general obligation bonds in the amount of \$90,000,000 for fiscal years 1994 and 1995;
- Authorizing two design-build pilot projects from the special fund;
- Specifying the dollar amounts in the appropriation for performance-based, retention, and differentiated pay for qualifying school principals;
- Deleting the appropriation for incentive and innovation grants; and

(9) Making other technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2156, 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. 2156, H.D. 2, S.D. 2, C.D. 1.

Senators Kobayashi, A., McCartney, Fukunaga, Holt, Iwase, Kanno and Koki.
Managers on the part of the Senate.

Representatives Ige, D., Say, Chumbley, Kawakami, Tajiri and O'Kieffe.
Managers on the part of the House.

Representative O'Kieffe did not sign the report.

Conf. Com. Rep. No. 228 on H.B. No. 1610

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 2 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 2 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 2.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1610, 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. 1610, H.D. 1, S.D. 1, C.D. 1.

Senators Kobayashi, A., McCartney, Holt, Kanno and Koki.
Managers on the part of the Senate.

Representatives Say, Kawakami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 229 on H.B. No. 1613

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 5 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 5 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the actual amounts to be appropriated to cover the costs of the cost items and salary adjustments for unit 5.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1613, 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. 1613, H.D. 1, S.D. 1, C.D. 1.

Senators Kobayashi, A., McCartney, Holt, Kanno and Koki.
Managers on the part of the Senate.

Representatives Say, Kawakami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 230 on H.B. No. 1614

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 6 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 6 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the actual amounts to be appropriated to cover the costs of the cost items and salary adjustments for unit 6.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1614, 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. 1614, H.D. 1, S.D. 1, C.D. 1.

Senators Kobayashi, A., McCartney, Holt, Kanno and Koki.
Managers on the part of the Senate.

Representatives Say, Kawakami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 231 on H.B. No. 1616

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 8 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 8 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 8.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1616, 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. 1616, H.D. 1, S.D. 1, C.D. 1.

Senators Kobayashi, A., McCartney, Holt, Kanno and Koki.
Managers on the part of the Senate.

Representatives Say, Kawakami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 232 on H.B. No. 1621

The purpose of this bill is to provide funds for fiscal biennium 1993-1995 for officers and employees excluded from collective bargaining.

Your Committee has amended this bill by:

- (1) Inserting in SECTION 1 of the bill, the actual amounts to be appropriated or authorized to fund the cost items and salary adjustments pertaining to state officers and employees excluded from collective bargaining (Program Planning, Analysis, Budgeting (BUF 101));
- (2) Deleting PART II of the bill pertaining to cost items and salary adjustments pertaining to state officers and employees excluded from collective bargaining (Administrative Director Services (JUD 201)); 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. 1621, 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. 1621, H.D. 1, S.D. 1, C.D. 1.

Senators Kobayashi, A., McCartney, Holt, Kanno and Koki.
Managers on the part of the Senate.

Representatives Say, Kawakami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 233 on H.B. No. 126

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 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 ceiling 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. 126, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 126, S.D. 1, C.D. 1.

Senators Kobayashi, A., Blair, Fernandes Salling, Fukunaga, Hagino, Holt Kanno, Kobayashi, B., Levin, Matsuura, McCartney, Tungpalan and George.

Managers on the part of the Senate.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward.

Managers on the part of the House.

Conf. Com. Rep. No. 234 on H.B. No. 1202

The purpose of this bill is to provide for the financing of the development and construction of a convention center by increasing the transient accommodations tax rate from five to six percent and by allocating one percent of transient accommodations tax collections for funding the construction of a convention center from fiscal year 1993-1994 to an unspecified year.

Your Committee finds that Hawaii's lack of world-class convention facilities will continue to exacerbate the economic lethargy afflicting Hawaii. The continuing absence of adequate facilities will allow other destinations with convention centers to improve their positions at Hawaii's expense in a competitive market that gives no quarter and quickly leaves behind those who fail to commit sufficient resources to ensure their own economic health.

Your Committee finds that, although the initial cost of the project appears daunting, a fully operational center will draw enough conventioners to Hawaii to generate approximately \$336 million in state tax revenues, essentially reimbursing the state for its entire construction cost in one year of operation. Therefore, the development of a world class convention center forms the keystone for any plan for the economic recovery of the state.

Your Committee revised the bill by providing the funding and a funding mechanism to finance the convention center.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1202, 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. 1202, H.D. 2, S.D. 2, C.D. 1.

Senators Kobayashi, A., Nakasato, Holt, Kanno and George.

Managers on the part of the Senate.

Representatives Say, Cachola, Chang, Chumbley, Kawakami and Marumoto.

Managers on the part of the House.

STANDING COMMITTEE REPORTS

SCRep. 1 Ways and Means on H.B. No. 1

The purpose of this bill is to appropriate funds to provide for the general operating expenses of the legislature, the legislative auditor, the legislative reference bureau, and the ombudsman.

Your Committee finds that this bill, as received, provides the funding necessary to permit these agencies to carry out their mandated functions over the 1993-1994 fiscal year.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1, 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 Kanno and George.

SCRep. 2 Tourism, Recreation and Transportation on S.B. No. 111

The purpose of this bill is to appropriate \$250,000 in fiscal year 1993-1994 for the planning and construction of lights for a playing field at the Kailua Recreation Center.

Your Committee finds that more nighttime facilities are needed on the windward side of Oahu to accommodate the increased number of participants in organized sports who must practice during evening hours.

Your Committee has amended SECTION 2 of this bill by making a technical change that has no substantive effect.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 111, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 3 Tourism, Recreation and Transportation on S.B. No. 178

The purpose of this bill is to appropriate \$195,000 in fiscal year 1993-1994 and \$255,000 in fiscal year 1994-1995 to assist Destination Hilo in its efforts to stimulate tourism activity in East Hawaii.

Your Committee finds that continued legislative funding of Destination Hilo will allow its sixty-eight volunteer members to continue their worthy and effective efforts to promote and market East Hawaii as an attractive and desirable tourist destination.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 178 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 4 Tourism, Recreation and Transportation on S.B. No. 204

The purpose of this bill is to amend Section 291C-161, Hawaii Revised Statutes, to clarify that the court may require a person to attend a driver retraining course as an additional or alternative penalty for violation of the Statewide Traffic Code.

Your Committee received testimony in support of this bill from the Judiciary and the Department of Transportation.

Your Committee finds that district court judges have utilized driver education as a sentencing alternative for traffic-related offenses; however, under current law, a driver education penalty is not expressly permitted. This housekeeping measure eliminates any confusion or doubt by clearly authorizing the court to impose driver retraining instruction as an optional penalty.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 204 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 5 Tourism, Recreation and Transportation on S.B. No. 297

The purpose of this bill is to authorize the issuance of general obligation bonds and to appropriate funds for safety improvements on Kahekili Highway.

Your Committee finds that improvements to Kahekili Highway at the Ahuimanu Place intersection, the Ahuimanu Road intersection, Ahaolelo Road, and Kamehameha Highway are necessary to alleviate the serious traffic congestion and dangerous conditions that currently exist in those areas.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 297 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 6 Tourism, Recreation and Transportation on S.B. No. 1224

The purpose of this bill is to appropriate \$200,000 in fiscal year 1993-1994 for the continuation of the Aloha State Games.

In 1992, over 8,000 amateur athletes of all ages and from all islands participated in the Aloha State Games. The festivities provide Hawaii's amateur athletes with the opportunity to experience the thrill of athletic competition similar to the Olympic games. Your Committee finds that public funding is necessary to support and promote the Aloha State Games to showcase the athletic talents of Hawaii's people.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1224 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 7 (Joint) Planning, Land and Water Use Management and Judiciary on S.B. No. 472

The purpose of this bill is to designate the city of Kapolei as the site for the establishment of a Family Court Center.

This bill examines two major issues: the need for a centralized Family Court Center and the development of the secondary urban center on Oahu.

Your Committees find that the establishment of a centralized Family Court Center integrating a full range of judicial and social services for its clientele is clearly warranted. Since its inception in 1965, the Family Courts statewide have been responsible for addressing and resolving the unique problems of the family and helping those who are unable to help themselves. The purview of Family Court's jurisdiction includes issues such as divorce, separation, child support and custody, adoption, guardianship, parentage actions, domestic abuse and neglect, juvenile criminal violations, and involuntary hospitalization due to mental illness.

Family Court matters tend to affect people at their most vulnerable level, therefore, a unified Family Court was created to provide needed social services to its clients in addition to judicial intervention. Due to the increasing demands on the Family Court, services are fragmented and many divisions and sections within the Family Court are physically separated, creating extreme hardship on clients and court personnel. A Family Court Center enabling judges, court support staff, administrative and social service functions, and ancillary agencies to be in one location would facilitate and expedite the provision of necessary services.

Regarding the location of the proposed Family Court Center, your Committees find several compelling reasons to support the construction of the facility in the city of Kapolei.

Kapolei, in the Ewa plains on the island of Oahu, has been designated as the site of the secondary urban center to shift some of the island's population growth away from the overcrowded urban Honolulu area. State officials estimate that by the year 2010, the population of the Ewa plains area will increase from 39,000 in 1988 to 132,000.

In 1988, the State administration set a priority to establish affordable housing as the first step toward the successful development of the secondary urban center. Today, over 40,000 people live in the State-developed Villages of Kapolei and other surrounding housing projects. In his 1993 State of the State address, Governor Waihee called upon government officials to take the next step toward the realization of the city of Kapolei by initiating a bold decentralization program to relocate needed government services to the area. Your Committees determine that the establishment of a Family Court Center in Kapolei is consistent with the State's development plans for the island and will serve as the impetus for the city to grow and flourish. It will make a strong contribution to the stability and success of the secondary urban center by creating employment opportunities, mitigating the worsening traffic congestion by redirecting traffic away from downtown Honolulu, and providing accessible, needed government services that will enhance the quality of life for all of Hawaii's citizens.

Finally, adequate land area is currently available in the secondary urban center for the construction of a suitable Family Court facility. The land in Kapolei is free, and given the uncertain revenue situation and the need to be fiscally prudent, it represents the State's most cost-effective and economically viable option.

Testimony in strong support of this measure was submitted by Honolulu City Councilman John DeSoto, who represents the West Oahu area and chairs the Committee on Planning, the James Campbell Estate, the Waipahu, Makakilo, and Ewa Neighborhood Boards, the Makakilo, Honokai Hale/Nanakai Gardens, and Ewa Beach Community Associations, and several area residents. While the Family Court supported the establishment of a centralized Family Court Center, it took no position on the proposed location of the Center. Members of the Hawaii State Bar Association's Family Law Section opposed this bill.

Your Committees have amended this bill by making a technical, nonsubstantive amendment for purposes of clarity.

Your Committees on Planning, Land and Water Use Management and Judiciary are in accord with the intent and purpose of S.B. No. 472, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 472, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 8 (Joint) Planning, Land and Water Use Management and Judiciary on S.B. No. 642

The purpose of this bill is to appropriate funds for the construction of a Family Court Center in Kapolei, Oahu.

This bill examines two major issues: the need for a centralized Family Court Center and the development of the secondary urban center on Oahu.

Your Committees find that the establishment of a centralized Family Court Center integrating a full range of judicial and social services for its clientele is clearly warranted. Since its inception in 1965, the Family Courts statewide have been responsible for addressing and resolving the unique problems of the family and helping those who are unable to help themselves. The purview of Family Court's jurisdiction includes issues such as divorce, separation, child support and custody, adoption, guardianship, parentage actions, domestic abuse and neglect, juvenile criminal violations, and involuntary hospitalization due to mental illness.

Family Court matters tend to affect people at their most vulnerable level, therefore, a unified Family Court was created to provide needed social services to its clients in addition to judicial intervention. Due to the increasing demands on the Family Court, services are fragmented and many divisions and sections within the Family Court are physically separated, creating extreme hardship on clients and court personnel. A Family Court Center enabling judges, court support staff, administrative and social service functions, and ancillary agencies to be in one location would facilitate and expedite the provision of necessary services.

Regarding the location of the proposed Family Court Center, your Committees find several compelling reasons to support the construction of the facility in the city of Kapolei.

Kapolei, in the Ewa plains on the island of Oahu, has been designated as the site of the secondary urban center to shift some of the island's population growth away from the overcrowded urban Honolulu area. State officials estimate that by the year 2010, the population of the Ewa plains area will increase from 39,000 in 1988 to 132,000.

In 1988, the State administration set a priority to establish affordable housing as the first step toward the successful development of the secondary urban center. Today, over 40,000 people live in the State-developed Villages of Kapolei and other surrounding housing projects. In his 1993 State of the State address, Governor Waihee called upon government officials to take the next step toward the realization of the city of Kapolei by initiating a bold decentralization program to relocate needed government services to the area. Your Committees determine that the establishment of a Family Court Center in Kapolei is consistent with the State's development plans for the island and will serve as the impetus for the city to grow and flourish. It will make a strong contribution to the stability and success of the secondary urban center by creating employment opportunities, mitigating the worsening traffic congestion by redirecting traffic away from downtown Honolulu, and providing accessible, needed government services that will enhance the quality of life for all of Hawaii's citizens.

Finally, adequate land area is currently available in the secondary urban center for the construction of a suitable Family Court facility. The land in Kapolei is free, and given the uncertain revenue situation and the need to be fiscally prudent, it represents the State's most cost-effective and economically viable option.

Testimony in strong support of this measure was submitted by Honolulu City Councilman John DeSoto, who represents the West Oahu area and chairs the Committee on Planning, the James Campbell Estate, the Waipahu, Makakilo, and Ewa Neighborhood Boards, the Makakilo, Honokai Hale/Nanakai Gardens, and Ewa Beach Community Associations, and several area residents. While the Family Court supported the establishment of a centralized Family Court Center, it took no position on the proposed location of the Center. Members of the Hawaii State Bar Association's Family Law Section opposed this bill.

Your Committees on Planning, Land and Water Use Management and Judiciary are in accord with the intent and purpose of S.B. No. 642 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. 9 Science, Technology and Economic Development on S.B. No. 987

The purpose of this bill is to authorize the issuance of general obligation bonds and to make an appropriation for the plans and design for a renewable energy and biotechnology facility at the natural energy laboratory at Keahole, Hawaii.

Your Committee finds that the 1992 Congress authorized an appropriation for the Spark M. Matsunaga Renewable Energy and Ocean Technology Center at the natural energy laboratory at Keahole Point. Your Committee further finds that a state appropriation to initiate plans and design of the Center would demonstrate the State's commitment to the project, and assist in enhancing the probability of receiving additional federal and private funds for the construction and operation of the facility.

Your Committee received testimony in support of this proposal from the Executive Director of the natural energy laboratory of Hawaii authority (NELHA) and the Dean of the school of ocean and earth science and technology (SOEST), University of Hawaii-Manoa. Additional testimony indicated that in previous discussions about the Center, it was anticipated that the State would make an appropriation of \$1,000,000 rather than \$100,000.

Your Committee, therefore, has amended this bill by increasing the amounts of the general obligation bond authorization and the appropriation to \$1,000,000.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 987 and recommends that it pass Second Reading in the form attached hereto as S.B. No. 987, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 10 Science, Technology and Economic Development on S.B. No. 1130

The purpose of this bill is to authorize the issuance by the Department of Budget and Finance of special purpose revenue bonds for Wailuku River Hydroelectric Power Company, Inc.

Your Committee finds that Wailuku River Hydroelectric Power Company, Inc., is currently constructing a 10-megawatt hydroelectric power plant and ancillary facilities on the Wailuku River in Hawaii County. Your Committee further finds that Hawaii Electric Light Company, Inc. (HELCO) customers continue to experience electric energy shortages due to an inadequate supply of electric energy, and assistance for the development of an additional energy generation project would be beneficial to Hawaii County residents.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, and the Wailuku River Hydroelectric Power Company. Both indicated that a similar bill was passed by the 1992 Legislature, but vetoed by the Governor due to a technical error, and they requested that this measure be expeditiously passed by the 1993 Legislature. The Governor has in fact recommended immediate passage of this measure pursuant to Article VII, Section 9 of the State Constitution.

Your Committee has amended this bill by making technical non-substantive changes for the purposes of proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1130, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 11 Science, Technology and Economic Development on S.B. No. 1209

The purpose of this bill is to authorize the issuance by the department of budget and finance of special purpose revenue bonds for Encogen Kawaihae, L.P.

Your Committee finds that Encogen Kawaihae, L.P., is a Delaware limited partnership presently engaged in the development of a power plant project which will sell electric energy to the Hawaii Electric Light Company, Inc. (HELCO), an electric utility serving the public. Your Committee further finds that HELCO customers on the Big Island continue to experience electrical energy shortages due to an inadequate supply of electrical energy, and assistance for the development of an additional energy generation project would be very beneficial to Big Island residents.

Your Committee received testimony in support of this bill from Encogen Hawaii, L.P. which asked that the bill be amended to clarify the partnership's name as Encogen Hawaii, L.P.

Your Committee, therefore, has amended this bill by clarifying the partnership name as Encogen Hawaii, L.P.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1209, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 12 Science, Technology and Economic Development on S.B. No. 1345

The purpose of this bill is to authorize the issuance by the department of budget and finance of special purpose revenue bonds for Intellect, Inc.

Your Committee finds that Intellect, Inc., is a Hawaii corporation which designs, manufactures, markets, trains and supervises the installation of voice and data communications systems to a worldwide market. Your Committee further finds that additional capital will enhance Intellect's potential for further expansion and diversity of its operations and products, which in turn will provide additional employment opportunities and revenues for the State.

Your Committee received testimony in support of this bill from the High Technology Development Corporation and Intellect, Inc.

Your Committee has made a technical, non-substantive amendment for the purpose of proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1345, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 13 Science, Technology and Economic Development on S.B. No. 1475

The purpose of this bill is to require the review and written opinion by a registered, professional engineer of the design of solar energy and heat pump systems for installation on new and existing multiunit buildings in order to qualify for an income tax credit. This is an administration measure.

Currently, the statute provides for approval and certification. This bill changes approval to review and changes certification to providing a written opinion, in accordance with recognized engineering practice.

Your Committee finds that the present statutory language is an impediment to claiming an income tax credit for installation of these systems in a multiunit residential complex. Your Committee further finds that the intent of the legislation is to assure that these energy conservation systems are well-designed and of adequate size to justify the tax credit, and not to penalize designers for non-performance due to circumstances beyond their control.

Your Committee received testimony in support of this bill from the department of taxation, department of business, economic development, and tourism, and Hawaiian Electric Company.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1475 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 14 Health on S.B. No. 804

The purpose of this bill is to appropriate funds to subsidize dentists who practice in presently underserved areas as designated by the Director of Health.

The money would pay for necessities such as dental malpractice insurance premiums.

Your Committee finds it appropriate to encourage dentists to practice in areas of the State that are presently underserved. A partial solution for Maui and Hilo is currently being developed through cooperative efforts of the Department of Health and the Department of Human Services within existing funding.

However, there may be a problem with Lanai not being adequately served, and this bill may be useful for Lanai and possibly other neighbor islands, including Maui and Hawaii, if current efforts prove unsuccessful or inadequate.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 804 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 15 Health on S.B. No. 952

The purpose of this bill is to exempt from the general excise tax amounts received for providing medical services.

Health care facilities and individual practitioners would directly benefit from the proposed exemption and most likely pass their savings on to customers and patients in the form of reduced charges for services. However, according to Tax Department estimates, the State would lose \$41.5 million in fiscal year 1993-1994, and in these economic times loss of so much tax revenues, without appropriate offset, would be unsupportable.

In consideration of the above, your Committee has amended this bill by deleting the proposed exemption and inserting a general excise tax exemption for amounts received by private nonprofit rehabilitation facilities, as defined in Part V of Chapter 103, Hawaii Revised Statutes, for contractual services provided to the State or a county. This narrow exemption will not have an unmanageable impact on state tax collections but will afford some measure of relief for organizations that operate in the interest of and employ handicapped individuals.

Your Committee has also amended this bill by making technical changes that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 952, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 16 Health on S.B. No. 1149

The purpose of this bill is to extend the Community-Based Teenage Health Clinic Demonstration Project to June 30, 1996.

The bill also appropriates \$158,475 for fiscal year 1993-1994, and \$163,380 for fiscal year 1994-1995, for additional Project funding.

The Project, established by Act 162, Session Laws of Hawaii 1990, is scheduled to end on June 30, 1993.

The Community-Based Teenage Health Clinic Demonstration Project, known as "YO," is operating as an outreach function of the Waikiki Health Center and Hale Kipa. The Project's objective is to improve health care of street youths in Waikiki, and since its inception it has assisted approximately 500 individuals for a total of 6,500 encounters.

Your Committee finds that many runaway or disoriented adolescents find Waikiki an amenable place to congregate because its dense population provides camouflage from authorities. The Demonstration Project has ability to reach these young people and provide basic primary and preventive health care and treatment and ancillary social services.

Your Committee, in consideration of today's economic and fiscal realities, has amended this bill by deleting the appropriations. Your Committee is confident that Waikiki Health Center and Hale Kipa will continue to provide services to the target group under the authority granted in this measure.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1149, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 17 Tourism, Recreation and Transportation on S.B. No. 423

The purpose of this bill is to authorize the issuance of general obligation bonds in the sum of \$2,411,000 and to appropriate the funds generated by the bond issuance to acquire land for improvements to the Kahekili Highway-Likelike Highway interchange and to the Kahekili Highway area between Likelike Highway and Hui Iwa Street.

The Department of Transportation submitted testimony in support of the bill with the reservation that the State's current financial status may preclude this project's priority.

Your Committee finds that the improvements requested in the bill are necessary to protect the public's safety in the area.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 423 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 18 Tourism, Recreation and Transportation on S.B. No. 538

The purpose of this bill is to appropriate \$3,500,000 for fiscal biennium 1993-1995 to the Department of Business, Economic Development, and Tourism for the worldwide promotion of Hawaii as a premier golf and vacation destination.

Your Committee received supporting testimony from the Hawaii Hotel Association, the Aloha Section PGA, and a number of resort hotels throughout the State. The Department of Business, Economic Development, and Tourism supported the intent of the bill but stated that it could not support any appropriation not already contained in the Executive Budget for 1993-1995.

Your Committee finds that golf is a very important component of the State's visitor industry, generating millions of dollars in revenue annually for the economy. By developing and implementing a comprehensive and focused strategy, the State could reap significantly increased economic benefits from golf and golf-related industries.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 538 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 19 Tourism, Recreation and Transportation on S.B. No. 546

The purpose of this bill is to appropriate \$200,000 to the Department of Business, Economic Development, and Tourism for the promotion of the 1993 Senior PGA Tour Kaanapali Classic Golf Tournament.

Your Committee received testimony in support of the bill from the Hawaii Hotel Association, the Professional Golfers' Association, the Maui Visitors Bureau, and other interested parties. The Department of Business, Economic Development, and Tourism supported the intent of the bill but could not support any additional funding outside of what was already allocated in the Executive Budget for fiscal biennium 1993-1995.

Your Committee finds that golf is an extremely important component of the State's tourism industry. Promoting activities such as a Senior PGA Tour event helps focus the world's attention on Hawaii as a premier golfing and vacation destination.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 546 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 20 Tourism, Recreation and Transportation on S.B. No. 867

The purpose of this bill is to appropriate \$20,000 to the Department of Business, Economic Development, and Tourism to support the World University Rowing Challenge in Hawaii.

Your Committee received supporting testimony from the Waikiki Improvement Association. The Department of Business, Economic Development, and Tourism supported the intent of the bill but was unable to support any appropriation outside of what was already allocated to the department in the 1993-1995 Executive Budget.

Your Committee finds that encouraging activities such as these helps the State diversify its tourism base by broadening the State's appeal worldwide as an attractive sports and leisure venue.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 867 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 21 Tourism, Recreation and Transportation on S.B. No. 967

The purpose of this bill is to appropriate \$20,000 for a grant-in-aid to the World Cup Youth Soccer Association for start-up promotional expenses for the World Cup Youth Soccer Tournament to be held in Hawaii from July 30 to August 6, 1994.

The World Cup Youth Soccer Tournament will be the largest youth sporting event ever held and will include the largest assemblage of international teams ever gathered, bringing much prestige to our island State. To date, commitments have been received from Austria, Australia, Guam, Italy, Korea, Okinawa, Marshall Islands, Western and American Samoa, Trinidad and Tobago, as well as ten teams from the mainland United States. An anticipated 150 teams are expected to participate, including at least thirty-six teams from Hawaii.

The World Cup Youth Soccer Tournament will be held at a time when soccer interest in the United States will be at its peak, two days after the conclusion of the World Cup finals in Los Angeles. Your Committee finds that the World Cup Youth Soccer Tournament will benefit an estimated 20,000 local boys and girls as well as the State as a whole. Participants, their families and friends, and soccer fans from around the world will stimulate and contribute to the local economy during the ten-day event, and the tournament itself will bring welcome international exposure to our "Aloha State."

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 967 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 22 Human Services on S.B. No. 664

The purpose of this bill is to amend the Uniform Probate Code to increase the value of personal property that can be collected by the family or beneficiaries of a decedent without court action from a net value of \$5,000 to a gross value of \$20,000.

The Code, when enacted in 1976, allowed the transfer of personal property to a beneficiary if the net value of a decedent's estate did not exceed \$100. This limit was increased to \$1,000 in 1978 and further increased to \$5,000 in 1988 to conform with the original affidavit limit recommended by the drafters of the Code and to adjust for inflation.

This bill provides that estates with a net value of \$20,000 or less in personal property will not be required to go through probate proceedings and no probate fees will be incurred by the beneficiaries.

According to testimony presented at the hearing by attorney John R. Conrad, a member of the Judiciary's Commission on the Uniform Probate Code and Probate Court Procedures, a large portion of the estates administered by the circuit court between \$5,000 and \$20,000 are comprised solely of an automobile. The second largest portion usually consists of a single bank account.

Your Committee finds that this bill will simplify the settlement of decedent's estates, save beneficiaries the costs and delays of complicated probate proceedings, and lessen the administrative burden of the circuit courts in handling small estates.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 664 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 23 Human Services on S.B. No. 831

The purpose of this bill is to prohibit smoking in all group child care homes, group child care centers, and family child care homes during their hours of operation.

The Environmental Protection Agency (EPA) has identified and declared environmental tobacco smoke (ETS) or secondhand smoke as a Class A carcinogen, and the Surgeon General has concluded that nonsmokers who inhale tobacco smoke greatly increase their risk of heart disease, lung and other cancers, and respiratory diseases.

According to the Department of Health, young children exposed to ETS are more likely to experience sickness in their early years and develop chronic illnesses as they grow older. The EPA estimates that exposure to ETS accounts for 150,000 to 300,000 serious respiratory problems in children each year and increases their risk of developing bronchitis and pneumonia, asthma, and disturbances in the middle ear and lungs.

Current Department of Human Services child care licensing rules provide limited restrictions on smoking in child care facilities aimed at minimizing some of the direct hazards associated with smoking, including injuries, burns, and fires, and eliminating opportunities for highly impressionable young children to witness adults smoking cigarettes. Smoking is currently prohibited in the presence of the children in care, but allows for smoking in other parts of the home, facility, or playground.

Your Committee finds that the health and well-being of Hawaii's children is of utmost importance, and this bill will provide added protection for the health of children in child care facilities by decreasing their exposure to secondhand smoke.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 831 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 24 Human Services on S.B. No. 1420

The purpose of this bill is to request emergency appropriations to continue financial assistance payments to recipients of the Aid to Families with Dependent Children (AFDC), General Assistance (GA), and Aid to the Aged, Blind and Disabled (AABD) programs.

Your Committee finds that a critical funding emergency exists and these payment programs will experience a shortfall in state funding before the end of the fiscal year. According to testimony submitted by the Department of Human Services, this shortfall is due primarily to: (1) an increase in caseload, (2) an increase in the unemployment rate, (3) an annual increase in the standard of assistance, averaging approximately three to five per cent each year, and (4) a decrease in the federal financial participation rate.

Your Committee further finds that if this emergency appropriation is not provided, the Department will be forced to discontinue payment to qualified individuals and families at the end of March 1993.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1420 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 25 Human Services on S.B. No. 1713

The purpose of this bill is to request an emergency appropriation for the state medical assistance (Medicaid) program.

Your Committee finds that a critical funding emergency exists and the Medicaid program will experience a shortfall in state funding before the end of the fiscal year. According to testimony submitted by the Department of Human Services, this shortfall is due primarily to: (1) an increase in the Medicaid recipient population, (2) higher utilization of health care services, (3) adoption of federal services mandates, (4) Medicaid eligibility expansions, (5) a reduction of federal Medicaid matching funds, (6) payment rates reconsideration, and (7) double digit health care inflation rates.

Your Committee further finds that if this emergency appropriation is not provided by the Legislature, the Department will be forced to discontinue payments to provide health care services to Medicaid recipients on April 15, 1993.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1713 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 26 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 519

The purpose of this bill is to establish within the Department of Accounting and General Services a provisional State History Museum Advisory Council to oversee the creation of a State History Museum.

Testimony in support of the bill was received from the Department of Education, the State Foundation on Culture and Arts, and other interested parties.

Your Committee finds that the State has no coordinated program or center which could act as a clearinghouse and depository for Hawaiian history. A museum dedicated to such activities would greatly increase the dispersion of existing information and enhance educational opportunities for the people of the State.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 519 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 27 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 798

The purpose of this bill is to appropriate \$13,660,000 for fiscal year 1993-1994 for the Department of Land and Natural Resources to renovate and restore the Waikiki War Memorial Natatorium.

Your Committee received supporting testimony from the State Department of Defense's Office of Veterans Services, the Friends of the Natatorium, and a number of interested parties. The Department of Land and Natural Resources could not support the bill due to the State's current financial position which has deprioritized such construction projects.

Your Committee finds that the Waikiki War Memorial Natatorium was intended to honor and remember the sacrifices made by World War I veterans. The State has an obligation to those who lost their lives defending our country and the rights of people around the world. By restoring the Waikiki War Memorial Natatorium, the State will ensure that the sacrifices made by these veterans will not be forgotten.

Your Committee has made technical amendments which have no substantive effect.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 798, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 28 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1323

The purpose of this bill is to appropriate \$1,000,000 for the 1993-1995 Fiscal Biennium to the Department of Business, Economic Development, and Tourism to help retire the existing debt of the Hawaii Maritime Museum.

Your Committee received testimony in support of the bill from the Hawaii Maritime Center, Sause Brothers, Incorporated, and the Hawaii Chamber of Commerce.

Your Committee finds that the Hawaii Maritime Center depicts an integral and essential segment of Hawaii's unique maritime history. The services and displays offered by the Hawaii Maritime Center provide residents and visitors alike with valuable insights into Hawaii's past. By assisting the Hawaii Maritime Center in retiring its outstanding debt, the State will help ensure the continuance of these services.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1323 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 29 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1528

The purpose of this bill is to appropriate \$1,000,000 for fiscal biennium 1993-1995 to the Department of Business, Economic Development, and Tourism for the general operating expenses of the Hawaii International Film Festival.

Your Committee received testimony in support of the bill from the Department of Business, Economic Development, and Tourism, the Mayors of the Counties of Maui and Kauai, and a number of interested parties.

Your Committee finds that the Hawaii International Film Festival annually showcases a multitude of world-class international films and is one the premier venues of its kind in the Pacific region. As in the past, the State will continue to benefit not only from the attention and acclaim brought about by the Festival, but from its direct impact on the travel industry as well. Your Committee strongly believes that the Festival needs and deserves the State's continued financial support.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1528 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 30 Housing on S.B. No. 275

The purpose of this bill is to allow the Housing Finance and Development Corporation (HFDC) to issue bonds to purchase low-income housing projects financed by the United States Department of Housing and Urban Development in order to preserve these projects.

Your Committee received testimony in support of this bill from the HFDC and the Hawaii Housing Authority (HHA). The bill also addresses the operation and maintenance and repair responsibilities of the HHA prior to the payment of all interest and principal stemming from the issuance of these bonds as well as the transfer of title to these projects under certain stated conditions.

Your Committee finds that it would be cost-effective to retain these projects in the State's low-cost housing inventory after the federal subsidies run out.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 275 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 31 Housing on S.B. No. 1476

The purpose of this bill is to enable the Hawaii Community Development Authority (HCDA) to impose administrative penalties for land use, zoning and other violations which occur within the Kakaako Community Development District.

Under Chapter 206E, the HCDA is responsible for overseeing the redevelopment of Kakaako and regulating all projects developed within the area through land use and zoning regulations. While the law authorizes the HCDA to pursue criminal prosecution of any person violating these regulations, it does not have the authority to enforce its regulations through an administrative procedure.

As an agency with a regulatory function, administrative enforcement of its laws is a fundamental means to facilitating compliance with its regulations. The ability to levy administrative fines is a more efficient and cost-effective alternative to criminal prosecution of violators.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1476 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 32 Housing on S.B. No. 1683

The purpose of this housekeeping bill is to correct several incorrect citations in Chapter 201E, Hawaii Revised Statutes.

Act 28, SLH 1988, made numerous amendments to Chapter 39, Hawaii Revised Statutes, including the recodification of various sections. Accordingly, references to those sections in Chapter 201E, Hawaii Revised Statutes, need to be amended to reflect the correct section numbers. Testimony in support of this bill was received from the Housing Finance and Development Corporation.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1683 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 33 Housing on S.B. No. 1737

The purpose of this bill is to make various amendments to Chapter 201F, Hawaii Revised Statutes, relating to the Rental Housing Trust Fund.

Your Committee received testimony in support of the bill from Mr. Craig Hirai, chairman of the Rental Housing Trust Fund Interim Commission. The specific provisions of the bill clarify the initial staggered terms or the five public members of the commission, limit the county government official's term to two years, and request an annual administrative budget of \$150,000 for fiscal years 1993-1994 and 1994-1995. Various other technical and housekeeping amendments are made.

Your Committee has amended this bill to correct a typographical error.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1737 S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 34 Tourism, Recreation and Transportation on S.B. No. 530

The purpose of this bill is to:

- (1) Eliminate the notary requirement to obtain motor vehicle tax refunds;
- (2) Require the certificates of title and registration of a previously junked vehicle indicate that the vehicle had been previously junked (title branding); and
- (3) Require a physical inspection of the vehicle identification number be performed as a condition precedent to registration on previously junked vehicles.

Testimony in favor of the measure was received from the Director of Finance of the City and County of Honolulu.

Your Committee finds that requiring motor vehicle tax refund applications to be notarized is an unnecessary public inconvenience which should be eliminated. Furthermore, your Committee finds that possible amendments to the Federal Anti-Car Theft Act of 1992, would require states to adopt uniform practices for previously junked motor vehicles. Title branding and a physical inspection of the vehicle identification number of previously junked vehicles would bring the State's laws closer to conformance with other states' practices and help deter the registration of stolen vehicles.

Your Committee has made technical, nonsubstantive amendments to conform with recommended drafting procedures.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 530, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 35 Tourism, Recreation and Transportation on S.B. No. 535

The purpose of this bill is to clarify the assessment of delinquent taxes and penalties as a condition precedent to the renewal of a motor vehicle registration or the transfer of ownership of a motor vehicle.

Testimony in support of the bill was submitted by the Director of Finance of the City and County of Honolulu.

Your Committee finds that the provisions of the bill would clarify the intent of Section 249-10, Hawaii Revised Statutes, that requires all delinquent taxes and penalties be paid before a motor vehicle is registered or ownership is transferred.

Your Committee has amended the bill by making technical, nonsubstantive amendments to conform with recommended drafting procedures.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 535, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 36 Tourism, Recreation and Transportation on S.B. No. 537

The purpose of this bill is to increase the delinquent transfer of ownership fee from five dollars to twenty dollars.

Your Committee received testimony in support of the bill from the City and County of Honolulu's Director of Finance.

Your Committee finds that in the City and County of Honolulu alone, approximately twenty percent of the total amount of transferred motor vehicles were delinquently registered. Because the delinquent transfer of motor vehicle ownership often causes great inconvenience, expense, and aggravation to the seller, your Committee supports the City and County of Honolulu's assertion that a greater fee should be assessed to deter future occurrences of delinquent transfer and promote more responsible behavior from motor vehicle buyers.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 537 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 37 Planning, Land and Water Use Management on S.B. No. 132

The purpose of this bill is to appropriate funds to conduct a study to develop a plan for a soil stabilization project to protect properties adjacent to Wailupe Stream from flood and erosion damage.

Flooding and erosion caused by the stream have created hazardous conditions for area residents. Community members affected by stream widening and overflow, loose rocks and boulders, and debris have been working with officials from the U.S. Army Corps of Engineers, the Department of Land and Natural Resources, and the City and County of Honolulu Department of Public Works to resolve the problems caused by Wailupe Stream.

According to testimony submitted by the U.S. Army Corps of Engineers, initial reports required for the Urban Flood Control study were completed by the Corps in May 1992 and approval was given for continuation of the study into the feasibility phase. Implementation of a federal flood control project at Wailupe Stream cannot occur without the completion of a feasibility study and subsequent authorization of the U.S. Congress. In order to initiate the stream feasibility study, the federal and local governments must enter into a cost-sharing agreement to defray the cost of the study.

Your Committee finds that until State funds are made available, initiation of the feasibility study for the Wailupe Stream flood control project will be delayed. This bill provides necessary funds to pay the State's share of the study.

Your Committee has amended this bill to clarify the purpose of the study.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 132, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 38 Planning, Land and Water Use Management on S.B. No. 180

The purpose of this bill is to appropriate funds to complete the route survey, soil investigation, and preliminary engineering design for the development of a transmission line to divert twenty million gallons of water daily to Waimea and Pohakuloa on the island of Hawaii.

Your Committee recognizes the need to provide an adequate supply of water for agricultural purposes to the South Kohala district, an area containing a majority of the island of Hawaii's Agricultural Lands of Importance to the State of Hawaii (ALISH). Currently, much of this land is unused or in minimal pasture use due to the limitations of the existing water systems.

The Department of Land and Natural Resources has completed planning reports for a project to develop water resources on the east side of the island of Hawaii and transmit the water to the west side with regenerated electrical power. In addition, an Agricultural Feasibility Study of the agriculture zoned lands in West Hawaii has been completed, and an environmental impact statement for the project is currently being processed. This bill will provide funds to allow the project to continue to move forward.

Your Committee has amended this bill by decreasing the amount of the appropriation from \$4 million to \$1.5 million.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 180, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 39 Planning, Land and Water Use Management on S.B. No. 289

The purpose of this bill is to appropriate funds to determine the resources needed to clear Windward Oahu streams of debris and overgrowth.

Stream overflow and flooding damage occurring on the windward side of the island of Oahu is caused primarily by the overgrowth of vegetation in the streams and blockage of water flow by debris. Your Committee finds that proper maintenance and cleaning of the streams would resolve many of the current overflow and flooding problems. This bill provides funds for the Department of Land and Natural Resources to assess the cost of keeping windward streams free flowing.

Your Committee has amended this bill to clarify that the streams to be assessed are those under the control or jurisdiction of the State.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 289, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 40 Planning, Land and Water Use Management on S.B. No. 335

The purpose of this bill is to appropriate funds and authorize the Director of Finance to issue general obligation bonds for the construction of infrastructure improvements in Maunawili Valley.

The Department of Land and Natural Resources has completed Phase I of the on-site improvements project and is currently working on Phase II. Your Committee finds that this bill appropriates resources to provide banana farmers relocated as a result of the H-3 freeway project with additional access to and utilities for the more remote areas of their farmlands.

For purposes of discussion, your Committee has amended this bill by deleting the amount of the appropriation.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 335, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 41 Tourism, Recreation and Transportation on S.B. No. 1226

The purpose of this bill is to appropriate an unspecified amount to the Department of Transportation for the installation of traffic lights at the intersection of Maipalao Street and Farrington Highway.

The Department of Transportation submitted testimony supporting the intent of the bill. However, the Department also stated that the project should be deferred until the State's financial position improved.

Your Committee finds that the installation of traffic lights at the Maipalao Street and Farrington Highway intersection is necessary to protect the welfare and safety of the surrounding community.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1226 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 42 Consumer Protection on S.B. No. 195

The purpose of this bill is to add a new procedure to handle vague or ambiguous claims filed with a medical claim conciliation panel.

Under current law, a party to a tort action which is before a medical claim conciliation panel may not know the specifics of a claim because the claim is vague or ambiguous, and may have difficulty preparing a defense to the claim. This bill would alleviate this problem by allowing a party to request a more definite statement of the claim.

The department of commerce and consumer affairs had concerns about this bill because the authority to implement the request for a more definite statement was not given to the director; and a party may use this procedure to delay a proceeding.

Your Committee has amended this bill to address those concerns by changing:

1. The authority to implement a request from the executive secretaries of the board of medical examiners and the board of osteopathic examiners to the director of commerce and consumer affairs; and
2. The time period for the claimant to provide a more definite statement after a request is granted from ten days to five days, so that proceedings are not unduly delayed.

Your Committee also amended this bill by:

1. Requiring, instead of permitting, a health care provider to file a written response to a claim; and
2. Providing that this amendment shall not be used as a tactic to delay the proceedings.

Your Committee received testimony in support of this bill from the Hawaii Academy of Plaintiffs' Attorneys and the Hawaii Medical Association.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 195 and recommends that it pass Second Reading in the form attached hereto as S.B. No. 195, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 43 Consumer Protection on S.B. No. 388

The purpose of this bill is to establish requirements for accountant liability to a nonclient plaintiff.

This bill would establish general statutory law that an accountant would not be held liable in a negligence action for unknown third parties unless certain specified conditions are first met.

Your Committee finds that there is currently no clear rule in Hawaii regarding when a nonclient third party may bring a lawsuit alleging negligence by a public accountant. There is no Hawaii Supreme Court case law. The rule established by this bill is in effect in about sixteen states, four by statute and twelve by case law including California.

Your Committee would like to emphasize and make clear that if an accountant does not follow Generally Accepted Accounting Principles in the accountant's audits and other accounting procedures, the accountant would not be protected by this bill.

Your Committee received numerous testimony from the accounting profession in support of this bill.

Your Committee has amended this bill to make more specific the types of accountancy services which a party must have relied on to bring an action. Your Committee also amended this bill by adding federally insured financial institutions to the entities that would still have a right to bring any civil action, and by amendments to style for correct statutory drafting which do not affect the substance of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 388, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 44 Consumer Protection on S.B. No. 939

The purpose of this bill is to establish a lease fee purchase program in the housing finance development corporation to assist elderly leasehold homeowners who are faced with the leasehold conversion of their condominium units and are unable to purchase the leased fee interest.

Your Committee finds that this bill would help some elders deal with the rising costs of housing. A leased fee purchase revolving fund would be established for the HFDC to purchase the leased fee. The HFDC would then lease the condominium unit to the elder.

Your Committee has amended this bill by:

1. Deleting a phrase in the purpose section of this bill which implied that only new lessors subject condominium owners to tremendous increases in lease rents.

2. Adding two additional conditions to qualify for the leased fee program. One condition added would require the fee purchase price to be determined by negotiation and based on an appraisal. The other condition would require an applicant to first seek other means of financing and fail to qualify for the financing.
3. Allowing the corporation to purchase a deceased owner's leased fee at the fair market value instead of at the acquisition price plus costs.

Your Committee has left the appropriation amount blank so that your Committee on Ways and Means may make a more accurate determination of the funding at a future date.

Your Committee received testimony from the housing finance and development corporation which expressed concerns about funding this program in fiscally difficult times. The Hawaii Council of Associations of Apartment Owners also expressed concerns, which your Committee has addressed through amendments made to this bill. Your Committee also made several amendments to diction and punctuation for the purpose of correct statutory drafting which do not affect the substance of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 939, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 45 Consumer Protection on S.B. No. 1430

The purpose of this bill is to include age as an exception to the discrimination in real estate transaction law as it pertains to housing for older persons.

Your Committee finds that Act 171, 1992, inadvertently deleted "age" in the amendment to section 513-4(b), Hawaii Revised Statutes. That section specifies the exemptions from the chapter. Without the addition of age, there is absurd results since elderly housing projects are necessarily meant for older persons and therefore is intended to discriminate in favor of the elderly. The Conference Report mentions that the bill "adds age as a protected group in a real estate transaction while still recognizing the special situation of housing designed for older persons."

Two law firms which have substantial real estate business and the Hawaii Civil Rights Commission testified in support of this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1430 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 46 Tourism, Recreation and Transportation on S.B. No. 1229

The purpose of this bill is to appropriate funds to install traffic lights at the intersection of Puhano Street and Farrington Highway.

The owner of Tamura Super Market in Waianae provided testimony in support of the bill. The Department of Transportation supported the intent of the bill but felt that the installation of the traffic lights should be deferred until the State's financial situation improved.

Your Committee finds that the installation of traffic lights at the Puhano Street and Farrington Highway intersection is necessary to protect the safety and welfare of the residents in the surrounding community.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1229 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 47 Tourism, Recreation and Transportation on S.B. No. 1732

The purpose of this bill is to allow the Department of Transportation to issue special facility revenue refunding bonds.

This bill also deletes the sunset provision in section 266-56, Hawaii Revised Statutes, and makes some housekeeping amendments to sections 266-53 and 266-55, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Transportation.

In light of recent substantial declines in interest rates payable on bonds, your Committee finds that the Department of Transportation should be allowed to provide the maritime industry with the opportunity to refund outstanding special facility revenue bonds with special facility revenue refunding bonds at lower interest rates.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1732, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 48 Tourism, Recreation and Transportation on S.B. No. 1858

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources to improve the Kahului Light Draft Navigation Project.

Your Committee received testimony in support of the bill from the Maui Trailer Boat Club.

Your Committee finds that funds appropriated under the bill would provide necessary improvements to the Kahului boat launching facility. Additionally, federal funds have already been allocated through the Corps of Engineers for these improvements but will not be released until State funds are appropriated to share in the cost of rehabilitating the existing facility.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1858 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 49 Housing on S.B. No. 268

The purpose of this bill is to appropriate funding to the Hawaii Housing Authority (HHA) for the plans, design, and construction of homeless shelters in Kona as well as the acquisition of state lands with a water source from the Department of Land and Natural Resources (DLNR).

While the HHA and the DLNR testified against this bill, citing revenue shortfalls, your Committee believes that the State has a responsibility to help abate the homeless problem in this area.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 268 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 50 Housing on S.B. No. 269

The purpose of this bill is to transfer the Kama'aina Hale project in Kona, Hawaii from the Housing Finance and Development Corporation (HFDC) to the Hawaii Housing Authority (HHA).

HHA deferred to HFDC in the matter of the transfer, but requested delay until HFDC has completed adequate repairs in the project. HFDC gave supportive testimony on the condition that the Dwelling Unit Revolving Fund used to finance the project is replenished.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 269 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 51 Housing on S.B. No. 270

The purpose of this bill is to acquire six small parcels of State land for a maximum of five years to construct temporary homeless shelters on Kauai.

While both the Department of Land and Natural Resources and the Hawaii Housing Authority testified against this bill, citing revenue shortfalls, your Committee believes that the Hurricane Iniki disaster gives emphasis to the State's responsibility to assist the homeless on Kauai.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 270 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 52 Health on S.B. No. 799

The purpose of this bill is to establish a diversion program to assist chemically dependent nurses.

Chemical dependence in the medical profession is characteristically punished by license suspension, revocation, or limitation and fines. This bill offers an alternative in the form of a program specially tailored to meet the needs of health care professionals who work in high stress positions.

Your Committee finds that these kinds of programs have a proven record of effectiveness. This measure presents a practical and modern approach to an ancient problem, and an attractive alternative to traditional punishments.

Your Committee has amended this bill by clarifying the distinction between peer assistance programs and the diversion program, which is a new component of peer assistance established by this measure. Other amendments clarify the roles of

the Board of Nursing and professional associations and add provisions relating to confidentiality, immunity, personnel records, and compromise and settlement of formal charges.

Nonsubstantive technical changes were also made for the purposes of style and further clarification.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 799, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 53 Health on S.B. No. 1693

The purpose of this bill is to authorize the individual health care facilities in the Division of Community Hospitals to issue their own revenue bonds.

The bonds would be authorized within the review and approval framework of the Certificate of Need process and paid out of the hospital's total revenues. Proceeds would be used for high priced services or equipment like CAT scanners or MRI machines. Currently, this kind of major funding takes several years to secure.

Your Committee finds that revenue bond authority will be an appropriate and efficient means for the State's public hospitals to obtain needed funding without placing additional demands on the State Treasury.

Your Committee has amended this bill by making some nonsubstantive stylistic changes.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1693, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1693, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 54 (Majority) Health on S.B. No. 1694

The purpose of this bill is to authorize the Department of Health, with the approval of the Governor, to contract for management or lease of all components of any public health facility in the Division of Community Hospitals.

Current law allows contract management or lease of "any component of a public health facility," and several hospitals now contract out laboratory, pharmacy, radiology, or other specific services. This bill would enable contracting of entire hospital departments or even entire hospitals to professional hospital management organizations.

Your Committee continually examines propositions to reduce health care costs, including administration expenses. However, it is not clear that privatization of major public hospitals would be in all cases an appropriate alternative to improving management and services within the framework and mission of the Community Hospital Division. Decisions to completely privatize should remain a legislative prerogative.

Your Committee further finds that Lanai Hospital would benefit from private professional management. Therefore, your Committee has amended this bill by providing the Department and the Governor the limited authority to contract for management or lease of all components of Lanai Hospital.

Your Committee has also made some nonsubstantive stylistic changes.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1694, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 55 Health on S.B. No. 1695

The purpose of this bill is to provide statutory authority and exemptions needed to facilitate autonomy of Hawaii's public hospitals.

Specifically, the bill allows transfer of special funds between hospitals to accommodate circumstances such as the increased clientele experienced by Samuel Mahelona Memorial Hospital on Kauai following Hurricane Iniki. Transfers that would create or expand programs would first require legislative approval.

The bill also allows community hospitals to form or join purchasing cooperatives with private hospitals to take advantage of special state price lists, and provides for streamlined refunding of patient credit balances. In addition, the bill allows Maui Memorial, Hilo, and Kona Hospitals to retain their own counsel, and authorizes the Director of Health to purchase up to \$50,000 worth of computers and telecommunication equipment for them without prior approval.

Lastly, the bill authorizes the Director to establish and set compensation for up to fifty civil service positions for Maui Memorial, Hilo, and Kona Hospitals in up to twelve classes representing specialties for which there is no current provision in Chapters 76 and 77, Hawaii Revised Statutes. This authority would run for two years.

Your Committee finds that this bill will facilitate each hospital's autonomy by improving administrative efficiency, reducing unnecessary red tape, and reducing hospital costs.

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

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1695, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 56 Health on S.B. No. 1718

The purpose of this bill is to expedite processing of uncollectible debts owed to the health care facilities in the Division of Community Hospitals.

Specifically, the Director of Health would be authorized to declare amounts up to \$500 owed by patients for at least one year to be uncollectible, thereby obviating continued obligation to pursue repayment. However, there would have to be documentation of futile collection attempts, and the amounts declared uncollectible would continue to be included in annual audited financial statements.

Currently only the Attorney General has the authority to declare a debt uncollectible, and only after two years.

Your Committee finds that this measure will allow the Community Hospitals to dispose of a significant number of small accounts that are clearly uncollectible and merely waiting out the two-year delinquency requirement prior to deletion. Requiring the hospitals to retain these amounts in their accounts receivable records incorrectly gives the appearance of poor collection efforts.

Your Committee has amended this bill by making some nonsubstantive stylistic changes.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1718, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 57 Public Safety and Corrections on S.B. No. 40

The purpose of this bill is to provide temporary state income tax relief for military personnel deployed in combat or humanitarian operations and their families in the form of deferrals, extensions of time to file, or exemptions.

Testimony was presented by the Tax Foundation of Hawaii and the State Department of Taxation. Both testimonies cite existing statutory legislation already in place providing for certain state tax release and exemptions.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 40 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 58 Public Safety and Corrections on S.B. No. 363

The purpose of this bill is to appropriate funds to the City and County of Honolulu for the "No Hope in Dope Program."

Your Committee heard testimony by Officer Leighton Kaonohoi of the Honolulu Police Department. Officer Kaonohoi testimony was moving and convincing, stressing the life changing impact of the program. Officer Kaonohoi's reasons and justifications for the amounts requested were equally compelling.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 363 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 59 Public Safety and Corrections on S.B. No. 448

The purpose of this bill is to make an appropriation to the Department of Public Safety for the "No Hope in Dope Program."

Your Committee heard testimony by Officer Leighton Kaonohoi of the Honolulu Police Department and George Sumner of the Department of Public Safety. Both testimonies strongly support the bill. Justification for the expenditures appears valid.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 448 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 60 Public Safety and Corrections on S.B. No. 1069

The purpose of this bill is to amend the laws of the State relating to corrections.

Your Committee has amended this short form bill by inserting substantive material which will provide that the director has the authority to bring a person, incarcerated in the Hawaii youth correctional facilities who has reached the age of majority, before a circuit court and move that the period of commitment for the person be extended until age 25. The director, in his discretion, may release any committed person at an earlier date. Your Committee feels that continuing the director's authority over persons committed for more serious offenses until age twenty-five will facilitate tracking and supervision of these incarcerated persons.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, S.D. 1, and be recommitted to the Committee on Public Safety and Corrections for further consideration.

Signed by all members of the Committee.

SCRep. 61 Consumer Protection on S.B. No. 818

The purpose of this bill is to allow the State to make short-term investments in deposit accounts and repurchase agreements with federally insured financial services loan companies and to permit insurance companies and insurance agents to make deposits in financial services loan companies.

Your Committee feels deposits made in financial services loan companies are sound because deposits are protected by the Federal Deposit Insurance Corporation.

Your Committee received testimony in support of this bill from the Hawaii Financial Services Association, Inc. and the Hawaii Independent Insurance Agents Association. The Department of Commerce and Consumer Affairs testified that it had no objections to this bill.

Your Committee has amended this bill to correct a typographical error.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 818, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 818, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 62 Consumer Protection on S.B. No. 1484

The purpose of this bill is to authorize the Department of Commerce and Consumer Affairs to issue citations for unlicensed activity regulated under chapter 436B, Hawaii Revised Statutes.

Chapter 436B, Hawaii Revised Statutes, regulates the licensing of professions and vocations. This bill would allow the Regulated Industries Complaints Office to effectively deal with unlicensed activity under its jurisdiction.

Under current procedures, when there is a report of unlicensed activity, a complaint has to be initiated, an investigation conducted, and finally, a civil action may be instituted. Your Committee finds that this citation procedure would provide a quicker procedure to deal with unlicensed activity by allowing an investigator to cite an unlicensed person on the spot and by providing for administrative review of the case.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs, the Consulting Engineers Council of Hawaii, and the Hawaii State Council.

Your Committee has made several amendments to diction and punctuation for purposes of correct statutory drafting which do not affect the substance of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1484, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 63 Consumer Protection on S.B. No. 1485

The purpose of this bill is to authorize the Department of Commerce and Consumer Affairs' investigators to have broader service of process powers.

Currently, investigators are only authorized to serve administrative subpoenas. This bill would expand investigators' service of process powers by allowing them to serve other documents pertaining to departmental civil and administrative cases.

Your Committee feels this bill will allow the Department of Commerce and Consumer Affairs to better utilize its resources.

Your Committee made technical amendments for purposes of style and clarity.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1485, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 64 Consumer Protection on S.B. No. 1493

The purpose of this bill is to clarify language in section 485-12, Hawaii Revised Statutes.

Section 485-12, Hawaii Revised Statutes, is unclear as to whether or not Hawaii domiciled issuers and broker dealers are being treated equally with out-of-state issuers and broker dealers. This measure would eliminate potential discrimination against out-of-state issuers and broker dealers.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1493 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 65 Planning, Land and Water Use Management on S.B. No. 750

The purpose of this bill is to appropriate funds for the reforestation of the Hamakua and North Hilo region of the island of Hawaii.

Your Committee finds that with the demise of the Hamakua Sugar Company, efforts are needed to redevelop the rural economy, expand local business activities, and provide opportunities that are compatible with the natural and social environment of the Hamakua coast. Forest management is a feasible rural development tool for the island of Hawaii that can bring economic stability to the area while maintaining the rural character of the Hamakua coast.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 750 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 66 Planning, Land and Water Use Management on S.B. No. 1553

The purpose of this bill is to appropriate \$87,000 for the Department of Land and Natural Resources (DLNR) to expand and complete the Maunawili Demonstration Trail on Oahu.

Testimony supporting the intent of the bill was received from DLNR. DLNR stated that it could not fully support the appropriation due to the State's projected financial shortfall.

Your Committee finds that volunteers and members of the Sierra Club have initiated the establishment and extension of the Maunawili Demonstration Trail without State funding. Your Committee believes that the initiative exhibited in establishing a trail system should be commended and that the State should at least share in the economic burden of completing the Maunawili Demonstration Trail.

Although your Committee believes that the State should provide funding for the project, it is also cognizant of the State's economic problems. Therefore, your Committee has amended the bill by deleting the monetary amount so that the Committee on Ways and Means will be able to insert an amount which it feels appropriate.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1553, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 67 (Joint) Planning, Land and Water Use Management and Tourism, Recreation and Transportation on S.B. No. 9

The purpose of this bill is to appropriate funds for the purchase of approximately 269 acres of land in Waipio, Oahu for the development of a multi-purpose recreational, cultural, and sports park complex.

Your Committees find that, except for a few small open spaces included in various community developments, there are no large parks in the Waipio area. It is estimated that the population of the area immediately bordering the proposed park, which includes the communities of Waipio, Crestview, Sea View, Village Park and Royal Kunia, will more than double by the end of the decade.

Your Committees believe that, in view of the population shift to the Ewa and Central Oahu areas of the island, the establishment of a regional recreational, cultural, and sports complex will greatly enhance the quality of life of current and future residents and preserve the natural beauty of the area.

Your Committees on Planning, Land and Water Use Management and Tourism, Recreation and Transportation are in accord with the intent and purpose of S.B. No. 9 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. 68 (Joint) Planning, Land and Water Use Management and Tourism, Recreation and Transportation on S.B. No. 516

The purpose of this bill is to authorize the counties to provide special conservation license plates to supplement funding for the Natural Area Partnership and Forest Stewardship programs.

In 1991, the Legislature established the Natural Area Partnership and Forest Stewardship programs to provide incentives for private landowners to protect important natural resources on their lands. Act 326, Session Laws of Hawaii 1991, established the Natural Area Partnership and provided State funds on a two-to-one basis with private funds for the management of important private natural areas, including lands with intact native ecosystems and essential habitat for native species. To qualify, landowners must permanently dedicate their land to conservation. Act 327, Session Laws of Hawaii 1991, established the Forest Stewardship program and also provided State funds on a two-to-one basis with private funds for the management of important natural resources such as non-native watersheds, small patches of native forests, valuable timber, or isolated populations of endangered species.

Both programs are off to a strong start and provide new and innovative ways of addressing the pressures and threats facing Hawaii's natural resources. Interest in the programs has been greater than expected; all appropriated funds to date have been encumbered and several qualified projects remain unfunded.

Your Committees find that the Natural Area Partnership and Forest Stewardship programs need a permanent, dedicated source of funding, and that long-term protection of the environment is an important priority justifying the authorization of special conservation plates. The Nature Conservancy of Hawaii, testifying in support of this measure, estimated that the sale of conservation license plates could generate between \$250,000 and \$500,000 per year in new money for the two partnership programs.

Your Committees believe that the people of Hawaii should be allowed to show their support for the environment by displaying special plates designating a person as a conservationist and at the same time, make a contribution to State conservation efforts.

Your Committees have amended this bill by giving the Department of Land and Natural Resources greater flexibility in funding its partnership programs based on need rather than on a specified percentage of funds received.

Your Committees have also amended the bill by deleting language appropriating funds for the design of a conservation license plate. Testimony supporting the bill by the Department of Land and Natural Resources indicated that the Department currently has adequate resources to design the license plate.

Technical, nonsubstantive amendments were also made to the bill for purposes of style and clarity.

Your Committees on Planning, Land and Water Use Management and Tourism, Recreation and Transportation are in accord with the intent and purpose of S.B. No. 516, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 516, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 69 Human Services on S.B. No. 1418

The purpose of this bill is to amend the eligibility requirements for public assistance applicants by setting the standard of need at the 1992 federal poverty level and eliminating the annual adjustment as changes in the federal poverty level occur.

In addition, this bill clarifies the methodology for calculating the amount of financial assistance to eligible households.

Your Committee finds that due to the anticipated shortfall in State revenues, the State must undertake a fiscally responsible approach to addressing the increased caseload and escalating cost of public assistance payment programs. Under this bill, the total value of the financial, medical, and food stamp benefits received by a family would continue to be maintained at or slightly above the federal poverty level.

In determining the standard of need, your Committee supports the amendment to section 346-53, Hawaii Revised Statutes, that conforms State law to the federally prescribed method of calculating the dollar amounts to be paid. The Department of Human Services is required to convert the annual federal poverty level to a monthly amount to determine the need standard, then reduce it by 62.5 per cent to establish the payment standard in dollars. This bill clarifies the process for rounding down that dollar amount.

Your Committee has amended this bill by including a drop dead provision, freezing the standard of need at the 1992 level until June 30, 1995.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1418, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 70 Housing on S.B. No. 1769

The purpose of this bill is to revise the conditions under which county-owned housing projects may be exempted from the requirement to provide the Housing Finance and Development Corporation (HFDC) with a share of appreciation in the value of units realized at the time of refinancing or prepayment of an eligible project loan.

Your Committee received favorable testimony from the Department of Housing and Community Development (DHCD) and the HFDC. Both HFDC and DHCD felt that this measure would facilitate affordable housing efforts by the counties.

Your Committee followed a recommendation by HFDC to amend this bill by replacing the word "county" on page 2, line 11 with the word "corporation".

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1769, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 71 Housing on S.B. No. 1904

The purpose of this bill is to provide that any county that enacts a rent control ordinance must submit an impact statement on its effects to the Legislature before the county is eligible for State assistance under 201E or Chapter 356, Hawaii Revised Statutes.

Supportive testimony was received from the Land Use Research Foundation, the Chamber of Commerce of Hawaii, the Honolulu Board of Realtors, the Hawaii Centers for Independent Living and the Building Industry Association of Hawaii.

While the Director of Housing and Community Development of the City and County of Honolulu recommends taking no action on this proposal, noting that none of the counties has instituted rent control, your Committee believes this prospective notice would be useful to the counties in their consideration of such legislation.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1904 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 72 (Joint) Education, Labor and Employment and Judiciary on S.B. No. 1164

The purpose of this bill is to allow the Public Employees Health Fund to select its own legal advisor and appoint a civil service exempt administrator.

Currently the Attorney General acts as legal advisor and the Administrator is a Budget and Finance Department Employee. As an appointee of the Governor and a Health Fund Member, the Attorney General may be placed in a conflict of interest which could be avoided if the Health Fund had the authority provided by this measure. Likewise, the current Administrator may be placed in difficult circumstances when acting in an advisory capacity to the Fund's Board of Trustees which includes the Director of Finance, the Administrator's employer, as a member.

Your Committees find that with the authority provided in this measure, the Board of Trustees of the Public Employees Health Fund will be better able to conduct its business.

Your Committees on Education, Labor and Employment and Judiciary are in accord with the intent and purpose of S.B. No. 1164 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. 73 Education, Labor and Employment on S.B. No. 189

The purpose of this bill is to provide an exemption for charges against an employer's reserve account for unemployment compensation payments made to employees separated because of natural disasters.

Your Committee finds that the unemployment compensation law provides certain exemptions for charges against an employer's reserve account when employees separate for reasons beyond the control of the employer, such as quitting without good cause. Your Committee further finds that the recent devastation on Kauai due to Hurricane Iniki has shown the need to establish an exemption for separations due to natural disasters.

Your Committee received testimony in support of this measure from Kauai businesses and the Department of Labor and Industrial Relations.

Your Committee has amended the bill by correcting an erroneous citation to federal law and making nonsubstantive technical amendments in conformity with recommended drafting style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 189, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 189, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 74 Education, Labor and Employment on S.B. No. 355

The purpose of this bill is to enable refunds to Employees' Retirement System members who purchased service prior to July 1, 1989 but were not eligible for refunds pursuant to Act 141-90, Session Laws of Hawaii 1990.

Act 141 enabled noncontributory members who purchased service after June 30, 1989 to receive a refund of contributions by December 31, 1990. However, members who purchased service prior to the date of enactment of Act 141 were not afforded the same opportunity.

This bill provides for refunds by December 31, 1993 of payments made to the System by any noncontributory member who purchased service after June 30, 1984. Thirty-three members will receive approximately \$69,000.

Your Committee finds that this bill appropriately corrects an inadvertent inequity.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 355 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 75 Education, Labor and Employment on S.B. No. 366

The purpose of this bill is to enable negotiation of retirement incentives in public sector collective bargaining.

Under current law retirement benefits are excluded from the scope of collective bargaining between the State and the public unions. This bill allows negotiation over supplemental or post retirement benefits not currently provided to public employees.

Your Committee finds that this bill is consistent with legislative efforts to make early retirement more attractive for public employees. Your Committee also finds that incentives are not retirement benefits per se and are therefore proper subjects for negotiation.

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

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 366, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 76 Education, Labor and Employment on S.B. No. 408

The purpose of this bill is to provide that in calculating the retirement allowance of legislators, the average final compensation (AFC) for years of service in the Legislature shall be calculated only on the annual salary received as a legislator.

The bill limits use of the "high three" in a position other than legislator to the years actually served in the other position.

Currently an elected official's retirement benefit is based on three and one-half percent for each year of service times the AFC, plus an annuity on contributions made to the System. High risk occupations in the System get two and one-half percent, general employees in the contributory plan get two percent, and noncontributory members get one and one-fourth percent.

If a legislator (elected official) has other public service the appropriate benefit formula is applied against the highest career AFC to determine the final retirement benefit.

AFC is the average salary earned during a member's three highest paid years of public service.

This bill restricts a legislator's AFC to the years of service with the Legislature, while retirement benefits for all subsequent service will be calculated on the basis of the AFC for that period. The result is a lower benefit for a legislator who earns a higher salary after leaving elected office. If a higher salary was earned prior to service in the Legislature, the AFC computation will be unaffected. Only legislators are affected by the bill.

Your Committee finds that this bill will ameliorate controversy relating to legislative pensions and "high three" in terms equitable to the rest of the System's membership.

Your Committee has amended this bill by adding a definition of "legislator" to Section 88-21, Hawaii Revised Statutes, to clarify the distinction between legislators and other elected officials. This bill is intended to apply solely to legislators. Your Committee has also made some nonsubstantive technical changes for the purposes of style and further clarification.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 408, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 77 Education, Labor and Employment on S.B. No. 452

The purpose of this bill is to exclude from collective bargaining the salaries of public school athletic directors and coaches

Your Committee finds that the athletic programs in our public schools are an integral part of the students' general education. Your Committee further finds that athletic directors and coaches often provide support to our students beyond their regularly assigned duties and schedules

Your Committee received testimony regarding this bill from the Department of Education and the Hawaii State Teachers Association. The testimony indicated that while the athletic director positions are full-time, the coaching positions are considered part-time jobs performed by teachers in addition to their teaching responsibilities

After consideration of the testimony, your Committee has amended this bill to remove only coaches' pay from collective bargaining

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 452, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 78 Education, Labor and Employment on S.B. No. 747

The purpose of this bill is to exempt from the general excise tax amounts received by a labor organization from the lease of its property to a labor organization or a trust fund of a labor organization.

Under current law, union dues are exempt from the general excise tax. While some labor organizations realize all their income from dues, others with property supplement dues with lease rents, applying the proceeds to programs for their members.

In Communications Workers vs. Beck, 487 U.S. 735 (1988), the Supreme Court ruled that it is an unfair labor practice to require employees, over their objections, to pay union dues for anything but collective bargaining activities. Hence buildings and programs for retirees (who are no longer members of the bargaining unit under the current contract) cannot be financed out of dues if there is an objection.

Your Committee finds that although there is a technical distinction between dues and lease rents, it is clearly the intent of the law to maximize a union's income for the benefit of its members and their families.

This bill places the dues a labor organization receives from its members on an equal basis with lease rent derived from a labor organization or a labor organization trust fund. The narrow excise tax exemption will allow labor organizations more flexibility in activities and programs they implement for the benefit of their members and their members' dependents.

Your Committee has amended this bill by deleting its retroactive enactment and making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 747, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 79 Education, Labor and Employment on S.B. No. 920

The purpose of this bill is to place all state and county lifeguards in contributory Class A of the Employees' Retirement System.

In addition, lifeguards are granted the higher benefit rate and early full retirement currently afforded to high risk occupations such as firefighter, police officer, and corrections officer.

All new lifeguards will enter service in Class A and those currently in noncontributory class C will have until December 31, 1993 to convert to Class A and provide for additional payroll deductions or lump sum payments.

Your Committee finds that lifeguards meet the same criteria by which the other high risk occupations are deemed entitled to selective treatment under the retirement statutes.

Your Committee has amended this bill by clarifying that all current Class C lifeguards must convert to Class A and start making payments by January 1, 1994. Your Committee has also made some nonsubstantive technical changes for the purposes of style and further clarification.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 920, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 920, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 80 Education, Labor and Employment on S.B. No. 1423

The purpose of this bill is to repeal the criminal sanctions for failing to file a required Workers' Compensation report.

Current law provides for a fine of up to \$1,000 or up to ninety days imprisonment, or both. This bill deletes imprisonment and gives the Director of Labor and Industrial Relations the authority to impose administrative fines.

Your Committee finds that an expeditious administrative penalty is more appropriate and efficient than a criminal penalty in the context of Workers' Compensation law.

Your Committee has amended this bill by increasing the administrative fine ceiling to \$5,000 and by making technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1423, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 81 Education, Labor and Employment on S.B. No. 1424

The purpose of this bill is to clarify that the court can render a judgment to enforce a penalty under the Workers' Compensation law.

Current law specifies only that the court can render judgments on compensation.

Your Committee finds that this bill is necessary to ensure proper enforcement of Workers' Compensation penalties.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1424, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 82 (Majority) Education, Labor and Employment on S.B. No. 1428

The purpose of this bill is to make Hawaii's occupational safety and health law relating to prohibited discrimination consistent with federal and case law.

Current law specifies circumstances under which refusal to engage in unsafe work is protected and discharge or suspension is illegal. However, while focusing precisely on protecting employees who refuse to engage in unsafe work, the law fails to distinguish between actual danger and minor administrative or technical violations that pose no harm.

Case law evolving since enactment of Hawaii's statutes has not only affirmed an employee's right to refuse unsafe work but has also clarified limitations, remedies, and types of activities that are protected.

This bill modernizes and clarifies Hawaii's occupational health and safety provisions governing discrimination and brings Hawaii law into line with federal law and precedent.

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

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1428, S.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 83 Education, Labor and Employment on S.B. No. 1429

The purpose of this bill is to allow the Department of Labor and Industrial Relations to recover overpaid unemployment benefits from a claimant's benefit entitlement in another state or under a federal unemployment program.

Under current law, overpayment may be satisfied by deductions from a claimant's future Hawaii benefit entitlement. The Omnibus Reconciliation Act of 1985, however, authorizes states to recover overpayments of state and federal benefits through interstate arrangements and by offset between programs.

This bill is consistent with federal objectives and will allow the State to participate in the recoupment program. It will also enhance the solvency of the Unemployment Insurance Trust Fund and the integrity of the Program.

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

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1429, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 84 Education, Labor and Employment on S.B. No. 1669

The purpose of this bill is to amend two laws relating to eligibility for extended Unemployment Insurance benefits.

First, the bill extends eligibility to claimants who have wages in the base period of at least one and one-half times their high quarter wages, or wages for insured work of at least forty times their most recent weekly benefit amounts.

Current law requires a claimant for extended benefits to have at least twenty weeks of work in the base period on which the original claim was filed. This bill, by providing two alternatives, will permit more long-term unemployed claimants to receive additional benefits.

The other amendment will suspend from March 6, 1993 to January 1, 1995 the extended benefit eligibility requirements relating to looking for work and purging of a previous misconduct disqualification by subsequent employment.

Public Law 102-318 enacted on July 3, 1992 allows states to implement the expanded eligibility requirements, but requires states to suspend their active work search and misconduct disqualification provisions while a nationwide study is carried out, or lose the federal tax offset credit for employers and administrative funds to operate the Unemployment Insurance Program. While this temporary moratorium is in effect, the regular benefit requalifying earnings requirement will apply.

Your Committee finds that expanding eligibility for extended benefits in these economic times is appropriate and serves the public interest. Your Committee also finds that it is incumbent on the Legislature to temporarily repeal the work search and misconduct disqualification provisions in order to preserve the Unemployment Insurance Program.

Your Committee has amended this bill by making a technical change that has no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1669, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 85 Education, Labor and Employment on S.B. No. 1673

The purpose of this bill is to facilitate hiring of professional and scientific and excluded managerial employees for public service.

Under current law, all new professional and scientific and excluded managerial employees are hired at the first step of the salary range for the position, except where recruitment is not practical at the first step or in the case of shortages in a class or group of positions.

This bill authorizes the Director of Personnel Services to announce professional and scientific and excluded managerial position vacancies at a range of rates rather than the first step. The range will include the first step and may incorporate additional steps or rates up to the midpoint of the current salary range for the position. The Director will establish eligibility criteria, and appointing authorities may evaluate an applicant's experience to determine at what point entry will be made. No person hired pursuant to this authority will enter civil service at a higher level than a public employee of similar experience had on September 1, 1993, the effective date of this measure.

Your Committee finds that current hiring laws were designed to reflect a general preference among the work force to remain with one employer. However, needs and expectations have changed, and devoting a career with one employer is no longer the preference of most professionals. If the State is to attract qualified personnel, it must offer incentives more in line with expectations.

Your Committee also finds that the Hawaii Revised Statutes contains precedent for granting the option to hire above the entry step (the Department of Education to aid its effort to recruit qualified teachers).

This bill will enable the State to recruit competitively with the private sector in areas in which it has for years been handicapped by obsolete entry-level requirements.

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

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1673, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 86 Education, Labor and Employment on S.B. No. 1724

The purpose of this bill is to make rental income derived by employee benefit plans from real property investments subject to the general excise tax after December 31, 1993.

Rental income derived pursuant to contracts executed prior to January 1, 1994 that do not allow tax or tax increases to be passed on will not be subject to the tax until the contracts are renegotiated, renewed, or extended.

This bill has an effective date of January 1, 1994.

Present law exempts employee benefit plan income derived from contributions, dividends, interest, and "other income." As a consequence, employee benefit plans have invested in real property and been gaining tax exempt rental income under the "other income" provision.

Your Committee finds that it was not the intent of the law to exempt rental income. Your Committee also finds that this measure is consistent with other recent measures that make rental income derived by insurance companies and financial institutions subject to the general excise tax.

Your Committee has amended this bill by changing the effective date to July 1, 1993 and by making nonsubstantive technical changes for the purposes of style and clarity.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1724, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1724, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 87 Education, Labor and Employment on S.B. No. 1906

The purpose of this bill is to enable the Executive Director of the Office of Youth Services to appoint civil service exempt staff for the Office's program under the Juvenile Justice Delinquency Prevention Act.

The powers and duties of the Juvenile Interagency Board were transferred to the Office of Youth Services pursuant to Act 258, Session Laws of Hawaii 1991, including two civil-service exempt positions that administer a federal program under the Juvenile Justice Delinquency Prevention Act. However, under current law the Executive Director does not have express authority to appoint civil service exempt employees.

This bill clarifies the Executive Director's authority to appoint civil service exempt personnel for the Office's Juvenile Justice Delinquency Prevention Act program.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1906 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 88 (Majority) Education, Labor and Employment on S.B. No. 881

The purpose of this bill is to allow an individual to waive coverage under the workers' compensation law if that individual performs services for a corporation in which the individual owns at least fifty-one percent of the corporation.

Your Committee finds that small businesses make a significant contribution to our State's economy and it is not the intent of our workers' compensation laws to unduly burden the entrepreneurial spirit of those who own and operate them. However, your Committee wishes to make it clear that this exemption is being provided in the spirit of offering an option to small businesses and is not intended to allow employers to establish separate corporations solely to avoid the law.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Department of Labor and Industrial Relations, the National Federation of Independent Business, and the Hawaii Association of Realtors. The Department of Labor and Industrial Relations proposed an amendment to this bill to eliminate the language allowing an individual to waive coverage, so that the exemption would be more clearly stated. The department also noted that providing this exemption would not preclude an employer from voluntarily obtaining coverage under present law.

Your Committee has amended this bill by deleting the language providing for an individual to waive coverage and by making technical amendments that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 881, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 89 Science, Technology and Economic Development on S.B. No. 168

The purpose of this bill is to appropriate funds to establish the Hawaii telework task force to develop a telecommuting work option for state employees.

Your Committee finds that the concept of telecommuting and establishment of telework centers would enhance service delivery as well as reduce highway traffic and conserve fuel. Your Committee further finds that additional benefits derived from telework include reducing employee commuter time and absence from work due to illness, and increasing employee productivity, morale, and retention, thereby improving the overall labor pool.

Your Committee received testimony in support of the telework concept from the Superintendent of Education, the Directors of the Departments of Personnel Services and Transportation, and the High Technology Development Corporation.

Your Committee has amended this bill by:

- (1) clarifying that the appropriations shall be made from the state Department of Transportation's highway fund;
- (2) adding a clause indicating that the use of the state highway fund for these purposes is not intended to jeopardize the receipt of federal funds or issuance of bonds; and
- (3) making technical, non-substantive changes for the purpose of proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 168, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 90 Science, Technology and Economic Development on S.B. No. 183

The purpose of this bill is to appropriate funds to the Judiciary for a shared electronic communications pilot project for criminal justice agencies in the county of Hawaii.

The participating agencies include the police, prosecutors, judiciary, and the department of public safety. Each agency has developed its own information management system which may adequately support that agency, but provides only limited sharing of information between agencies. This pilot project will demonstrate the benefits of an integrated system and increase dissemination of information among agencies. This will better serve the interests of justice.

Your Committee received testimony from the Judiciary which indicated that the integration of these information systems will also help to ensure the maximum use of limited public resources.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 183 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 91 Science, Technology and Economic Development on S.B. No. 517

The purpose of this bill is to make technical amendments to Act 278, Session Laws of Hawaii 1991, to allow the issuance of special purpose revenue bonds to assist an industrial enterprise, ETV Hawaii/Elephant Television, Inc.

Your Committee finds that ETV Hawaii/Elephant Television, Inc. is establishing a facility on Maui to provide television and motion picture production training to students throughout Hawaii. Your Committee further finds that these technical amendments are necessary so that the bonds may be issued as soon as possible.

Your Committee has amended this bill by making non-substantive changes to reflect proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 517, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 92 Science, Technology and Economic Development on S.B. No. 711

The purpose of this bill is specify the dollar amounts of research and development grants awarded by the High Technology Development Corporation under section 206M-15.

The High Technology Development Corporation (HTDC) was established to facilitate the growth and development of high technology industries in Hawaii. The HTDC assists Hawaii small businesses in securing federal small business innovation research grants through educational meetings and workshops designed to familiarize and stimulate interest in this grant program.

Your Committee received testimony from the HTDC indicating that the bill, as introduced, would actually reduce the amount of Small Business Innovative Research Grants. Further discussion with the HTDC resulted in a proposed amendment to support the HTDC's efforts to secure more federal small business innovation research grants.

Your Committee, therefore, has amended this bill by deleting its substance and inserting language which authorizes the HTDC to expend up to five percent of the high technology research and development revolving fund for educational meetings to familiarize and stimulate interest by Hawaii companies in the small business innovation research grant program.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 711, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 93 Science, Technology and Economic Development on S.B. No. 964

The purpose of this bill is to authorize the issuance of general obligation bonds and make an appropriation for the establishment of the Matsunaga International Peace Academy.

Your Committee finds that the establishment of a peace academy will bring together persons from diverse cultural, academic, and business backgrounds to discuss and find solutions for world problems. Your Committee further finds that the state acquisition of property will be followed by private contributions from national and international corporations for the construction of the facilities.

Your Committee has amended this bill by making technical non-substantive changes for the purposes of clarity and drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 964, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 94 Science, Technology and Economic Development on S.B. No. 1340

The purpose of this bill is to appropriate general funds to support the activities of the four county economic development councils.

The county economic development corporations were formed as public/private non-profit partnerships to help promote and market Hawaii as a place to do business. The county economic development councils are aggressively pursuing diversified economic development opportunities and representing Hawaii and local companies at select marketing events.

Testimony in support of this bill was presented by the Department of Business, Economic Development, and Tourism, and all four economic development councils. The council testifiers requested that funding for the councils be provided through specific line-items separate from the department's lump-sum appropriation for marketing.

Your Committee agrees that the county economic development councils should receive separate funding, and therefore recommends that the Department's marketing budget be reduced by the total amount appropriated to the four county councils.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1340 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 95 (Majority) Science, Technology and Economic Development on S.B. No. 1521

The purpose of this bill is to make technical amendments to Chapter 206-P related to the Hawaii Information Network Corporation.

Your Committee finds that the purpose of the Hawaii Information Network Corporation is to encourage the development and growth of the information industry in Hawaii in accordance with sound business principles and practices. Your Committee further finds that most of the amendments in this bill make changes for the purposes of conforming to proper statutory language. However, your Committee also notes that the provision within this bill establishing the Hawaii information network special fund is in direct conflict with the provisions of S.B. 242 which repeals the special fund.

Upon further consideration, your Committee has amended this bill to repeal the special fund in conformance with the provisions of S.B. 242, which was previously heard and passed out by your Committee.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1521, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

Senator Fukunaga did not concur.

SCRep. 96 Science, Technology and Economic Development on S.B. No. 1681

The purpose of this bill is to enable employees of the Hawaii Information Network Corporation to receive the same retirement benefits as other state employees.

Your Committee finds that the Hawaii Information Network Corporation (Hawaii Inc.) is a public corporation assigned for administrative purposes to the Department of Budget and Finance. Your Committee further finds that since the establishment of Hawaii Inc., its employees have been entitled to the same fringe benefits as other state employees except for their exclusion from the state retirement system.

Upon further consideration, your Committee has amended this bill by deleting the language exempting the corporation from the provisions of sections 36-27 and 36-30, in conformance with the provisions of S.B. 242, which was previously heard and passed out by your Committee.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1681, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 97 Science, Technology and Economic Development on S.B. No. 1851

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist C. Brewer and Company, Limited, to manufacture fiberboard.

Your Committee finds that C. Brewer and Company, Limited through its subsidiary, Bioenergy Corporation, is willing to undertake a joint venture to manufacture medium density fiberboard in the County of Hawaii. Your Committee further finds that the establishment of this enterprise would provide additional employment opportunities for Hawaii County residents who face job loss due to the phase-out of sugar cane, and it would provide an export product to the Far East where building lumber is in short supply.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1851 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 98 Science, Technology and Economic Development on S.B. No. 1852

The purpose of this bill is to make an appropriation for the continuation of the Main Street program in the four counties of Hawaii.

Your Committee finds that the Main Street program has proven to be an invaluable tool for preserving Hawaii's historic small towns while simultaneously promoting economic development activities. Your Committee further finds that the Main Street programs augment their government funding with private funds and in-kind donations.

Your Committee received testimony in support of this bill from Haleiwa Main Street Association, Hawaii Main Street Council, Wailuku Main Street Association, and Hilo Main Street Program. The testifiers indicated that the additional state funds requested in this bill are necessary to maintain current program services.

Your Committee has amended this bill by:

- (1) Indicating that the request is necessary to maintain current program services; and
- (2) Making non-substantive changes for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1852, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 99 Science, Technology and Economic Development on S.B. No. 1871

The purpose of this bill is to appropriate funds to establish a telework center in Kapaa, Kauai.

Your Committee finds that the residents of Kauai are still experiencing difficulty in accessing essential government services, and a telework center could enhance service delivery as well as conserve fuel and reduce employee commuter time. A recent survey indicates that a sufficient number of government personnel working in Lihue commute from Kapaa to justify a telework center, and the success of the telework center at Mililani Technology Park on Oahu can serve as a model for the center in Kapaa.

Your Committee received testimony in support of the telework concept from the Governor's Office of Information and the High Technology Development Corporation.

Your Committee has amended this bill by:

- (1) Clarifying that the appropriation shall be made from the state Department of Transportation's highway fund;
- (2) Adding a clause indicating that the use of the state highway fund for this purpose is not intended to jeopardize the receipt of federal funds or issuance of bonds; and
- (3) Making technical, non-substantive changes for the purpose of proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1871, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 100 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1626

The purpose of this bill is to establish an artifacts registry program within the Department of Land and Natural Resources.

This bill also requires the Office of Hawaiian Affairs, the University of Hawaii, and the Bishop Museum to assist in the administration of the registry; provides that all information on artifacts be collected voluntarily and remain confidential; prohibits the submittal of information that misrepresents the authenticity of any object or article; establishes penalties for any violations; and appropriates funds for the establishment of the program.

The artifacts registry program is a direct response to the need for higher cultural awareness throughout Hawaii, the Polynesian Triangle, and the Pacific Rim. Your Committee finds that the establishment of the registry is necessary to better manage cultural artifacts and to expand cultural awareness.

Your Committee has determined that the artifacts registry program would be more economically feasible and more appropriate if placed in an academic environment. Therefore, your Committee has amended this bill to provide that the University of Hawaii at Hilo administer the artifacts registry program, with the assistance of the Office of Hawaiian Affairs, the Department of Land and Natural Resources, and the Bishop Museum.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1626, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 101 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1706

The purpose of this bill is to authorize the Hawaii Public Broadcasting Authority to appoint a chief engineer and an assistant chief engineer with civil service exemption.

Your Committee finds that this bill would give the Authority more flexibility to compete for and to retain people who can keep abreast with the demanding technological environment of the job requirements of these two positions. This bill would allow the Authority to negotiate pay levels to exceed what is allowed under civil service.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1706 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 102 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1711

The purpose of this bill is to modify the terms of board members and allow the authority to accept funds derived from services, airtime, and other use of its facilities.

Your Committee finds that the Hawaii Public Broadcasting Authority is a public agency charged with the administration of Hawaii's public television station and the Hawaii interactive television system. Your Committee further finds that, while the Authority has been restricted from accepting certain revenues for the use of station services and facilities, such authority would enhance its fundraising ability.

Your Committee has amended this bill by:

- (1) Rewriting the amendments in Section 2 to reflect uniform statutory language;
- (2) Correcting the Ramseyer language in Section 3 to conform with proper drafting style; and
- (3) Clarifying that the change in board member terms will not affect current members whose terms have not expired.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1711, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 103 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1902

The purpose of this bill is to appropriate \$65,000 for Ahu'ena Heiau, Inc., a non-profit community-based organization whose purpose is to restore the Ahu'ena Heiau to a near-pristine condition.

Your Committee finds that the preservation of this important historic site will provide a cultural benefit to all members of society.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1902 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 104 Health on S.B. No. 1543

The purpose of this bill is to appropriate \$1,280,000 for fiscal biennium 1993-1995 for the Medicaid Patient Delivery Supplement Demonstration Project established pursuant to Act 326, Session Laws of Hawaii 1990.

Act 326 established three perinatal programs in the Departments of Health and Human Services, all of which this bill makes permanent. Included was the Medicaid Patient Delivery Supplement Demonstration Project in the Department of Human Services, for which Act 326 also provided funding for fiscal biennium 1991-1993.

Act 326 also required the Department of Health to establish adjunctive eligibility for the federally funded WIC Program. That provision is repealed by this measure.

Your Committee finds that the projects established by Act 326 serve a vital function in perinatal care and treatment and that it is appropriate to provide continued funding for the Medicaid Patient Delivery Supplement Demonstration Project.

Your Committee has amended this bill by clarifying the three projects' permanence and by making technical changes that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1543, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1543, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 105 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 240

The purpose of this bill is to remove the authority of the Comptroller to establish special funds for revenues designated for the University of Hawaii.

The current practice for the University is to seek enabling legislation for all new special funds rather than to establish such funds administratively.

The University of Hawaii offered testimony of no objection to this bill.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 240 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 106 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 266

The purpose of this bill is to make an appropriation for the establishment of a Center for Disability Studies at the University of Hawaii.

Your Committee finds that the establishment of this center would formalize the existing University Affiliated Programs (UAP) for the developmentally disabled within the university's present academic structure. Your Committee further finds that the UAP is a collaborative effort which involves the University of Hawaii-Manoa, many community colleges, public and private agencies, as well as consumers and their families.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 266 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 107 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 868

The purpose of this bill is to make an appropriation of \$73,800 to the University of Hawaii to continue the Pre-Freshman Enrichment Project.

The Pre-Freshman Enrichment Project is an exemplary program that provides institutional encouragement and support to Hawaii students of ethnic backgrounds underrepresented in higher education. Your Committee finds that funds are

necessary to continue the project, increase the number of student participants, and to make the program available to minority students from additional schools.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 868 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 108 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 930

The purpose of this bill is to provide continued funding for the recently established Hawaii resource and technical assistance project on autism at the University of Hawaii.

Your Committee finds that a report on autism submitted in 1991 by the State Planning Council on Developmental Disabilities recommended that Hawaii establish a three-year pilot project to develop a comprehensive system of diagnosis and treatment for individuals with autism. Your Committee further finds that this bill would provide critical support for the continuation of this pilot project.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 930 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 109 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1466

The purpose of this bill is to bring the loan eligibility provisions of the State Higher Education Loan Fund in line with the federal Perkins Loan Program, upon which the State program is based.

Your Committee finds that this bill will allow the University of Hawaii to respond to the needs of non-traditional students, many of whom are unable to attend college on a full-time basis. In addition, this bill will relieve the University from having to amend section 304-92, Hawaii Revised Statutes, each time the federal government alters its lending limits.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1466 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 110 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1564

The purpose of this bill is to grant the University of Hawaii the same administrative flexibility as the Department of Education to draw advances from the State Treasury for use as working capital to provide cash advances to meet operational needs.

The cash advances will be used primarily to provide advance funding for federally supported research and training contracts and grants. The University, like other colleges and universities in the nation, has had a chronic problem with negative cash balances in the financing of federal projects because of untimely transfers and cost reimbursement payments from federal sponsoring agencies. Your Committee finds that the commitment of State cash advances will help to manage the problem.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1564 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 111 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1612

The purpose of this bill is to clarify that funds from the University of Hawaii alumni revolving fund may be expended for all costs associated with conducting alumni affairs activities and programs for the university system, without regard to statutory competitive bidding requirements.

Your Committee finds that section 304-8.97, Hawaii Revised Statutes, as currently drafted, does not permit the University of Hawaii to fully utilize the alumni revolving fund for its intended purposes. This bill specifies the intended broader purposes of the fund and provides the University of Hawaii with greater purchasing flexibility.

Your Committee has amended this bill by removing the proposed exemption from statutory competitive bidding requirements. Your Committee finds that the proposed exemption may be premature in light of recent proposals to change existing state purchasing practices.

Your Committee has further amended this bill by making a technical amendment that has no substantive effect.

Your Committee on Higher Education, Culture, Arts, and Historic Preservation is in accord with the intent and purpose of S.B. No. 1612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1612, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 112 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1627

The purpose of this bill is to appropriate \$230,354 for personnel and operation costs at the Center for Hawaiian Language Curriculum Research and Development at the University of Hawaii at Manoa.

The Hawaiian language, an official language of this State, and the native language of the indigenous people of these islands, has been slowly declining in use and is threatened with extinction due to neglect in the public sphere.

Your Committee finds that the establishment of a Center for Hawaiian Language Curriculum Research and Development is essential to the revitalization process of the Hawaiian language. Your Committee further finds that the funds appropriated by this bill are necessary to help focus efforts on specific areas of need for curriculum research and development in the Hawaiian language.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1627 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 113 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1672

The purpose of this bill is to update and bring the provisions of the University of Hawaii's student loan assistance program into alignment with those of the federal Perkins Loan Program, upon which the State program is based.

Your Committee received testimony from the University in support of this bill.

Your Committee finds that rendering the eligibility criteria, lending limits, and repayment provisions of the State program identical to those of the federal Perkins program is fiscally sound and prudent, and will make borrowing simpler and less confusing for students.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1672 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 114 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1913

The purpose of this bill is to appropriate \$69,696 to establish a Hawaiian Studies Center at Kauai Community College, University of Hawaii.

In recent years, Kauai Community College has experienced increasing demands for Hawaiian studies instruction. In addition, existing Hawaiian studies facilities, including many Hawaiian language and culture resources, were destroyed by Hurricane Iniki.

Your Committee finds that funds are necessary for Kauai Community College to perpetuate, preserve, and promote the Hawaiian language.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1913 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 115 Judiciary on S.B. No. 213

The purpose of this bill is to designate the Supreme Court law library fund as a revolving fund rather than a special fund.

Your Committee received testimony in support of the bill from the Supreme Court Law Librarian. It was pointed out that all "special funds" are placed under legislative and executive budgetary control, and any disbursements from the fund must be made as part of a budgetary appropriation.

Your Committee therefore finds that this bill is necessary to bring the definition and operation of the fund within the provisions of Hawaii Revised Statutes, Section 37-62, which defines a "revolving fund".

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 213 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 116 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 288

The purpose of this bill is to make an appropriation for the construction of student housing at the University of Hawaii.

Your Committee finds that there is a critical need for more student housing facilities at both the Manoa and Hilo Campuses.

Your Committee has amended this bill by inserting an appropriation of \$2,142,000, and by requiring that the Department of Accounting and General Services rather than the University of Hawaii expend the appropriated funds.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 288, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 117 Planning, Land and Water Use Management on S.B. No. 179

The purpose of this bill is to appropriate funds to the County of Hawaii for the planning of a water distribution system from the North Kohala district to the South Kohala district on the island of Hawaii.

When completed, the system will provide the arid South Kohala coast with water from the water-rich region of North Kohala. According to testimony submitted by the County of Hawaii Department of Water Supply, the quantity of water to be transported should meet the immediate and long term water needs of the South Kohala coast.

More than \$3 million have already been expended for this project. The County of Hawaii Department of Water Supply, in partnership with the State and federal governments, conducted a water resources study for the windward side of the Kohala mountains. A corridor study and preliminary design work is already underway. This bill appropriates funds needed to complete an environmental assessment, environmental impact statement, field survey, and phase II designs.

For purposes of discussion, your Committee has amended this bill by deleting the amount of the appropriation.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 179, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 118 Planning, Land and Water Use Management on S.B. No. 414

The purpose of this bill is to authorize the issuance of general obligation bonds to finance the acquisition of land, design, and construction of the Piihonua reservoir and transmission water supply line in Hawaii County.

The County of Hawaii Department of Water Supply, testifying in support of this measure, stated that the construction of the reservoir and transmission line are part of an overall scheme to upgrade the water system in the Piihonua-Kaumana area of Hilo. The Department further testified that the existing source for this area does not meet federal Safe Drinking Water Act requirements. Your Committee finds that this bill will provide financing for the County of Hawaii to make improvements that will bring the system up to standard and expand service to meet the needs of a growing population.

Your Committee has amended this bill by deleting the amount of the appropriation and by making a technical, nonsubstantive amendment for purposes of clarity and style.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 414, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 119 Planning, Land and Water Use Management on S.B. No. 496

The purpose of this bill is to appropriate funds for the Office of State Planning to develop a master plan to identify possible sites for state and county parks along the Puna coastline of the island of Hawaii.

The appropriation is conditioned on the provision by the County of Hawaii of appropriate funds to cover a percentage of the master plan costs.

Your Committee finds that the development of parks along the Puna coastline will preserve and protect valuable coastal lands, provide recreation opportunities, and greatly enhance the quality of life of area residents and visitors to Hawaii.

Your Committee further finds that statewide park and recreation planning is conducted by the Department of Land and Natural Resources, making it, rather than the Office of State Planning, the appropriate agency to develop the master plan. The bill has been amended to reflect this.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 496, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 120 Planning, Land and Water Use Management on S.B. No. 608

The purpose of this bill is to appropriate funds to preserve Hawaii's wetlands and surrounding fastlands.

Your Committee finds that protection and preservation of the State's wetlands are important components in maintaining the integrity of Hawaii's physical environment, and determines that the purchase of wetlands should be an important priority in the State's land banking program.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 608 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 121 Planning, Land and Water Use Management on S.B. No. 641

The purpose of this bill is to appropriate funds to construct a civic center in Kapolei on the island of Oahu.

Kapolei, on the Ewa plains of Oahu, has been designated as the site of the secondary urban center to shift some of the island's population growth away from the overcrowded urban Honolulu area. State officials estimate that the population of the Ewa plains area will increase from 39,000 in 1988 to 132,000 in the year 2010.

The Estate of James Campbell, testifying in support of the measure, stated that the Estate is implementing its master plan for the city of Kapolei and has made a commitment to dedicate significant acreages of land to both the City and County of Honolulu and the State to accommodate needed services and facilities for the Kapolei region. Forty acres are set aside for the State and twenty acres for the city to develop a civic center for Kapolei. Beyond the commitment to dedicate land, the Campbell Estate has invested heavily in the development of infrastructure to serve the needs of the growing city.

Your Committee finds that the construction of a civic center in Kapolei will stimulate business and development in the area and provide employment opportunities and valuable services to Kapolei residents.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 641 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 122 Planning, Land and Water Use Management on S.B. No. 749

The purpose of this bill is to appropriate funds to the County of Hawaii for exploratory wells at Paauhau and Kukuihaele, Hawaii.

Act 325, Session Laws of Hawaii 1991, requires the State and counties to develop adequate water reserves to meet the current and future homestead needs of the Hawaiian Home Lands beneficiaries. Your Committee finds that since the passage of the Hawaiian Homes Commission Act in 1921, the shortage of available water has been one of the primary reasons for the failure of the State to settle native Hawaiians on Hawaiian homestead lands. This bill provides funds to develop water resources on the island of Hawaii where there are more than 107,880 acres of Hawaiian home lands.

For purposes of discussion, your Committee has amended this bill by deleting the amount of the appropriation.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 749, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 123 Planning, Land and Water Use Management on S.B. No. 757

The purpose of this bill is to appropriate funds to the County of Hawaii for an exploratory well in Waimea/Pu'ukapu, Hawaii.

Act 325, Session Laws of Hawaii 1991, requires the State and counties to develop adequate water reserves to meet the current and future homestead needs of the Hawaiian Home Lands beneficiaries. Your Committee finds that since the passage of the Hawaiian Homes Commission Act in 1921, the shortage of available water has been one of the primary reasons for the failure of the State to settle native Hawaiians on Hawaiian homestead lands.

In the Pu'ukapu area on the island of Hawaii in 1990, the Department of Hawaiian Home Lands awarded leases for 183 pastoral lots, ranging in size from 10 to 200 acres. The Department, testifying in support of this bill, estimated that approximately 100,000 gallons of water per day will be needed to support the development of the area. This bill will assist the County of Hawaii in identifying adequate resources to serve the Waimea/Pu'ukapu community.

For purposes of discussion, your Committee has amended this bill by deleting the amount of the appropriation.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 757, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 124 Planning, Land and Water Use Management on S.B. No. 981

The purpose of this bill is to appropriate funds for the County of Maui to improve the lower Kula water system.

Act 325, Session Laws of Hawaii 1991, requires the State and counties to develop adequate water reserves to meet the current and future homestead needs of Hawaiian Home Land beneficiaries. Your Committee finds that since the passage of the Hawaiian Homes Commission Act in 1921, the shortage of available water has been one of the primary reasons for the failure of the State to settle native Hawaiians on Hawaiian homestead lands. In addition, the majority of upcountry Maui produce farms are serviced by the lower Kula water system. This bill will assist the County of Maui in improving water sources and storage facilities to better serve the Kula community.

Currently, the lower Kula water system captures 3.75 million gallons of water a day. Improvements being considered in this phase of the water system upgrade include design and construction of new and improved intakes and design of storage improvements. The immediate net result would be a doubling of the amount of water collected and available to the system, as well as preliminary engineering work toward storage improvement.

Your Committee has amended this bill at the request of the County of Maui Department of Water Supply by expanding the scope of the improvements to include the entire Kula water system. Current language provides for the improvement of the lower Kula system only. This amendment will give the Department of Water Supply needed flexibility to work on any of the existing water sources in the Kula area, which in reality is one system interconnected through a series of booster pumps and water pipelines. The primary beneficiaries of the improvements, the farmers and Hawaiian homesteaders, will remain the same.

In addition, your Committee incorporated S.B. No. 1857, to appropriate funds for the plan, design, and construction of six exploratory wells in the County of Maui into this bill. Your Committee finds that with the growing population of upcountry Maui and plans for the construction of a new high school, adequate water resources need to be developed to serve the Kula community.

Lastly, your Committee has amended this bill by deleting the amount of the appropriation for purposes of continued discussion.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 981, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 125 Planning, Land and Water Use Management on S.B. No. 1212

The purpose of this bill is to authorize the issuance of general obligation bonds to finance the design and construction of an exploratory well for the Olaa-Mountain View water system in Puna on the island of Hawaii.

Your Committee finds that water demands on the Olaa-Mountain View system have grown significantly in recent years. This well is needed to serve the growing population of the area and to foster the development of agricultural activities.

Your Committee has amended this bill by deleting the amount of the appropriation to facilitate further discussion. In addition, technical, nonsubstantive amendments have been made for purposes of style and clarity and to correct an obvious typographical error in the title of the bill.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1212, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 126 Planning, Land and Water Use Management on S.B. No. 1303

The purpose of this bill is to allow legislative appropriations and private donations to be deposited into the Special Land and Development fund in the Department of Land and Natural Resources.

In addition, this bill provides for use of monies in the fund without prior authorization from the Legislature for land banking acquisitions, deposit into the Forest Stewardship and Natural Area Reserve funds, the Hawaii statewide trails and access system (Na Ala Hele), and to provide matching funds necessary to obtain federal money related to public lands.

Your Committee finds that this bill gives the Department of Land and Natural Resources flexibility to use the Special Land and Development fund to expand programs that will protect and preserve Hawaii's watersheds, native forests, and other precious natural resources.

The Department of Land and Natural Resources, in opposition to this bill, stated that the Special Land and Development fund is the only source of funding available for the maintenance of State lands, and a sufficient balance must be maintained at all times to clean up and restore areas damaged by natural disasters such as Hurricane Iniki in a timely and efficient manner. Your Committee notes, however, that this bill will not jeopardize the availability of needed funds for emergencies resulting from natural disasters, but authorize the Department to use the fund at its discretion for additional purposes that will benefit the State and the environment.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1303 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 127 Planning, Land and Water Use Management on S.B. No. 1899

The purpose of this bill is to appropriate funds for the plans, design, construction, and equipment for an exploratory well and a production well at Honouliuli on the island of Oahu.

The city of Kapolei in the Ewa plains has been designated as the site of the secondary urban center to shift some of the island's population growth away from the overcrowded urban Honolulu area. State officials estimate that by the year 2010, the population of the Ewa plains area will increase from 39,000 in 1988 to 132,000. This bill will assist the Department of Land and Natural Resources in developing adequate water resources for the Kapolei community.

For purposes of discussion, your Committee has amended this bill by deleting the amount of the appropriation.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1899, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 128 Planning, Land and Water Use Management on S.B. No. 1847

The purpose of this bill is to authorize the issuance of general obligation bonds to finance the acquisition of a portion of Mount Olomana.

The Mount Olomana parcel of approximately 368.78 acres, bearing tax map key 4-2-05:01, was purchased by a Japanese company in 1987 for the development of a golf course and an agricultural lot subdivision. Since its acquisition, it has become clear that the public wants to preserve Mount Olomana in open space. In response to public sentiment, the Department of Land and Natural Resources downzoned approximately 300 acres of the property from conservation/general subzone to conservation/protective subzone. Although approximately seventy acres of the land are zoned for agricultural use, the downzoning of the larger, 300 acre area prohibits the development of a golf course on the property.

According to testimony presented by Mr. Steven L. Ching, the attorney representing current landowner Asahi Kanko, USA, Inc., it is obvious that the public objects to the construction of a golf course on the site. Therefore, the owner is willing to sell the property at a fair price and supports the passage of this bill.

Your Committee finds that Mount Olomana should be preserved in its natural state to protect areas of native Hawaiian cultural significance and provide enjoyment for future generations.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1847 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 129 (Joint) Planning, Land and Water Use Management and Higher Education, Culture, Arts and Historic Preservation on S.B. No. 294

The purpose of this bill is to appropriate funds to purchase Moku o Loe, better known as Coconut Island.

Coconut Island is a 21.94 acre basalt and coral island surrounded by a 64 acre fringing coral reef located in Kaneohe Bay on the windward side of Oahu. Originally a 12.5 acre island owned by the Bishop Estate, Coconut Island was dredged extensively more than fifty years ago and increased in size to 21.94 acres. The 12.5 original acres and 1.4 acres of pier/parking lot property on Lilipuna Road was purchased in April 1987 by Mr. Katsuhiko Kawaguchi of Tokyo, Japan and is now being offered for sale.

The fringing reef has been designated as a protected sanctuary dedicated to scientific research, and the University of Hawaii Institute of Marine Biology has maintained a marine laboratory on the island since 1947.

Your Committees find that the University's marine biology research facility is recognized as one of the premier sites for tropical marine research and education in the world, and believe that the purchase of Coconut Island will enhance opportunities for the University to establish expanded programs in marine research, education and training.

Your Committees on Planning, Land and Water Use Management and Higher Education, Culture, Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 294 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. 130 (Joint) Planning, Land and Water Use Management and Agriculture on S.B. No. 817

The purpose of this bill is to appropriate funds to the University of Hawaii for the control of melastome plant pests.

Melastomes are a family of plants that generally produce very attractive flowers and foliage. Introduced to Hawaii as ornamental plants, melastomes are weedy plants that develop very rapidly, outcompeting most other plants in the area. Very few insects attack these plants, and each plant can produce thousands of minute seeds that are eaten by birds and scattered widely.

Two species, miconia and cane tibouchina, pose a serious threat to the conservation and management of Hawaii's forests and watersheds. Miconia is a large tree that is already well established in the Hana area of Maui and the Onomea area on the Big Island. Cane tibouchina is extremely aggressive and threatens forests, watersheds, irrigation ditches, and rangeland.

In 1992, the state and federal governments, together with the private sector, identified management and research needs and developed a statewide proposal for the control of melastome plant pests. The 1992 Legislature appropriated \$50,800 for the first year's funding of the proposal. As part of the implementation of the proposal, the Department of Agriculture will be conducting explorations in Central and South America beginning in May or June 1993 in search of biological agents to control cane tibouchina, miconia, and other melastome plant pests. The Department will also be printing materials to educate the public about these pests. The funds appropriated in this bill will be used to continue the melastome management and research program initiated last year.

Your Committees find that a well developed, long-term, statewide management plan is required to stop the spread of these destructive melastome introductions, and minimize, if not reverse, their negative impact on Hawaii's pristine forest and conservation areas.

Your Committees have amended this bill by changing the expending agency from the University of Hawaii to the Governor's Agriculture Coordinating Committee (GACC). Representatives from both agencies testified that the GACC is the appropriate expending authority.

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

Your Committees on Planning, Land and Water Use Management and Agriculture are in accord with the intent and purpose of S.B. No. 817, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 817, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 131 (Joint) Planning, Land and Water Use Management and Higher Education, Culture, Arts and Historic Preservation on S.B. No. 250

The purpose of this bill is to appropriate funds to establish the Pacific Mapping Center in the College of Engineering at the University of Hawaii.

In 1983, President Ronald Reagan proclaimed the establishment of the Exclusive Economic Zone (EEZ) of the United States, extending the nation's sovereign rights over the natural resources of our coastal seas up to 200 nautical miles from shore. Hawaii's EEZ is approximately 697,000 square miles, and less than three percent of this area has been bathymetrically mapped.

Your Committees find that mapping of the ocean floor provides useful information and serves the community in many ways. Ocean floor maps are used in marine mining, fisheries research, tsunami research, identification of sites for ocean thermal energy plants, and the laying of undersea cables.

The Pacific Mapping Program was established as a pilot program in 1990 by the U.S. Geological Survey and the National Oceanic and Atmospheric Administration to collect, analyze, process, and provide ocean mapping data to the public. Within the University of Hawaii, the Pacific Mapping Program is the result of a collaborative effort between the College of Engineering, the School of Ocean and Earth Sciences and Technology, the Department of Geography, and the Sea Grant College. Your Committees find that through continued cooperation between the University and the federal government, a significant contribution will be made toward understanding our ocean resources and a valuable service provided to the community.

Your Committees on Planning, Land and Water Use Management and Higher Education, Culture, Arts, and Historic Preservation are in accord with the intent and purpose of S.B. No. 250 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. 132 (Joint) Planning, Land and Water Use Management and Tourism, Recreation and Transportation on S.B. No. 498

The purpose of this bill is to designate certain parcels of State land in lower Puna in Hawaii County as a State wilderness park, and to appropriate funds for the planning and development of the park.

This bill proposes to establish a wilderness park on two parcels of land owned by the State, tax map key 1-2-06:34 (26.37 acres) and tax map key 1-2-07:01 (216 acres) along the Puna coastline between Kaimu and Kehena Beach.

Your Committees find that these parcels are currently undeveloped and would provide an excellent location for an ocean-front wilderness park to be enjoyed by area residents and visitors to the island. Designation of these parcels as a wilderness park will ensure the preservation of precious coastal lands and the protection of endemic and endangered plants.

Your Committees on Planning, Land and Water Use Management and Tourism, Recreation and Transportation are in accord with the intent and purpose of S.B. No. 498 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. 133 (Joint) Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 502

The purpose of this bill is to appropriate funds to initiate and implement an enhanced educational campaign regarding the importance of converting to water-conserving devices.

Hawaii's most important resource for the sustenance of human life is fresh water. In the past, many thought the supply of fresh water was unlimited. However, due to increases in population, new community development, lack of rainfall, increased water use, and pollution, Hawaii's fresh water supply is decreasing rapidly, and your Committees believe the State must find ways to conserve this precious resource for present and future use.

The City and County of Honolulu Board of Water Supply testified in support of this bill and stated that the Honolulu City Council passed an ordinance requiring all nonresidential properties to convert to water-conserving fixtures. In addition, the City Council amended the Uniform Plumbing Code requiring low flow fixtures and devices for all new construction projects and renovations.

Your Committees find that it would be a sound investment in Hawaii's future to expend State funds to educate as many people as possible on the benefits of conserving water, our most precious and vital natural resource.

Your Committees on Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 502 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. 134 Human Services on S.B. No. 1419

The purpose of this bill is to clarify the financial eligibility criteria for public assistance.

Section 346-29, Hawaii Revised Statutes, currently provides for \$1,000 in assets to be disregarded in determining need for public assistance. According to the Department of Human Services, the current law is often misinterpreted to mean that the Department will simply disregard the first \$1,000 of a person's assets and not disqualify a household with resources in excess of the \$1,000 threshold.

The \$1,000 limit is set by federal regulations in the Aid to Families with Dependent Children (AFDC) program and is applied uniformly to the State's General Assistance program. This bill clarifies eligibility criteria for the general assistance program by specifying that an applicant shall not be entitled to public assistance if the applicant's resources exceed the maximum standard of \$1,000.

Your Committee has amended this bill by deleting the phrase "in equity value" on page 2, line 10. Your Committee finds that this phrase is vague and ambiguous, and will create problems for the Department in accurately determining public assistance eligibility. Technical amendments that have no substantive effect have also been made in conformity with recommended drafting style.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1419, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1419, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 135 Human Services on S.B. No. 1421

The purpose of this bill is to authorize the Department of Human Services to pay for emergency and extraordinary work-related expenses of the Job Opportunities and Basic Skills (JOBS) program with an imprest fund.

This bill will replace the temporary authority granted to the Department of Human Services by legislative proviso through section 54 of Act 296, Session Laws of Hawaii 1991.

The Department of Human Services testified in favor of this measure, stating that expenses to be paid through the imprest fund would be those that could not be paid in a timely fashion through other payment methods. Examples of expenses that need to be dealt with expeditiously would be health care expenses that cannot be covered through Medicaid and the purchase of tools or equipment that would enable a JOBS participant to accept employment.

Your Committee finds that use of the imprest fund to pay for work-related expenses will give the JOBS program flexibility to meet the needs of program participants and their families.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1421 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 136 Human Services on S.B. No. 1643

The purpose of this bill is to provide necessary resources to support the Hawaii Families Together initiative.

In 1989, the Legislature appropriated monies to the Legislative Auditor's office to evaluate Hawaii's foster care system. The Legislative Auditor's findings, which were released to the Legislature in February 1990, cited our failure to maximize federal foster care funds, the non-integration of the various foster care systems, and the overuse of foster care. Nationally, for confirmed cases of abuse and neglect, ten percent of the children are placed in foster care. In Hawaii, regrettably, that figure is nearly thirty percent.

Your Committee notes that the Hawaii Families Together initiative is a family preservation services program that will provide intensive in-home family crisis counseling and life-skills education programs designed to prevent the unnecessary dissolution of troubled families and reduce the placement of children into publicly-funded care. The initiative is based on the belief that it is best for children to remain in their own families and that with intensive counseling and assistance, most families can learn to handle their problems. The intent of the Hawaii Families Together initiative is to restore family functioning to a level at which family members can live together safely and productively.

Your Committee was informed that in May 1992, the National Governor's Association announced that it would bring five state teams to Washington, D.C. to meet with national experts in home-based crisis and prevention services in an effort to shift the ways states were delivering services to children and their families. In order to be considered for this initiative, states had to be willing to commit to a single state model for family preservation services. Hawaii was one of the six states (out of twenty-two states) chosen to participate in developing this new initiative.

Your Committee believes that keeping families together is the most effective and least costly approach to assisting our troubled families. Statistics show that with the investment of \$4,142 per child/year in family preservation services, government will avoid much larger costs in foster care (\$8,700 per child/year), group home care (\$14,000 per child/year), therapeutic foster home (\$18,000 per child/year), therapeutic group home (\$26,000 per child/year), the Hawaii Youth Correctional Facility (\$45,000 per child/year), Leahi Hospital (\$65,000 per child/year), and Kahi Mohala Hospital (\$175,000 per child/year).

Your Committee also believes that the interdepartmental cooperation required under this initiative avoids duplication of services and the "turf battles" normally found between state executive departments. The Department of Human Services will serve as lead agency for the interdepartmental core team, and the bill has received the enthusiastic support of the Department of Health, Department of Education, Office of Youth Services, Office of Children and Youth, the Judiciary, the Department of Budget and Finance, the Department of Accounting and General Services, the Department of Personnel Services, and the Department of the Attorney General.

Your Committee supports these collaborative efforts and joins the executive branch in this new initiative.

Your Committee has amended this bill by appropriating \$120,000 for the training of individuals who will be involved in providing the intensive counseling therapy needed to keep our families together. Your Committee received testimony from the Department of Human Services indicating that this training money will be used to leverage additional federal dollars to support ongoing training efforts for this program.

In addition, your Committee also made a technical, nonsubstantive amendment to correct a grammatical error.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1643, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 137 (Majority) Tourism, Recreation and Transportation on S.B. No. 390

The purpose of this bill is to reduce the per se blood alcohol concentration at which driving is prohibited from .10 to .08. This bill also lowers the blood alcohol concentration at which an individual is presumed not to be under the influence of intoxicating liquor from .05 to .04.

Your Committee finds that significant impairment occurs at blood alcohol concentration levels far lower than that currently prohibited by law. The proposed .08 blood alcohol concentration level is currently the level recommended nationally by the National Highway Traffic Safety Administration. A reduction of the legally allowable blood alcohol concentration level is necessary to protect the health and safety of the public and to deter persons from driving while under the influence of intoxicating liquor.

Your Committee received testimony in support of this bill from the Department of Transportation, Department of Health, State Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and Mothers Against Drunk Driving.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 390 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 138 Tourism, Recreation and Transportation on S.B. No. 393

The purpose of this bill is to prohibit the use, possession, and sale of radar detectors in the State.

This bill also requires that any radar detector discovered by an arresting officer be forfeited to the State. Receivers of radio waves used for lawful purposes, motor vehicles owned by the State or any county used by law enforcement officers, and sales of radar detectors to law enforcement agencies are exempt from this bill. Any person who violates the prohibitions of this bill shall be guilty of a petty misdemeanor.

Your Committee finds that the prohibitions contained in this bill may contribute to highway safety by discouraging people from using, possessing, or selling radar and laser detectors with the intent of successfully violating speed limits.

Your Committee received testimony in support of this measure from the Department of Transportation, which recommended that the bill be amended to include laser detectors.

Your Committee has adopted the recommendation of the Department of Transportation and has amended this bill to prohibit laser detectors in the same manner as radar detectors. Your Committee has also made amendments to style for correct statutory drafting which do not affect the substance.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 393, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 139 Tourism, Recreation and Transportation on S.B. No. 529

The purpose of this bill is to allow the Directors of Finance of each county to enter into contracts with private parties to provide the service of registering new motor vehicles.

Testimony in support of the bill was received from the City and County of Honolulu, the Chamber of Commerce of Hawaii, and the Hawaii Automobile Dealers' Association.

According to the City and County of Honolulu's testimony, your Committee finds that the States of Florida and New Mexico have established successful "dealer-government" partnership programs which allow private organizations to title and issue license plates for new vehicles. With adequate governmental safeguards and controls, your Committee believes that this type of privatization of a government program will benefit the public by providing them with their license plates and registration in a quicker and more efficient manner.

Your Committee has amended this bill by making a stylistic amendment which has no substantive effect.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 529, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 140 Tourism, Recreation and Transportation on S.B. No. 536

The purpose of this bill is to amend the definition of "rebuilt vehicle" as stated in Section 286-2, Hawaii Revised Statutes.

Specifically, the bill amends the definition of "rebuilt vehicle" by repealing the language that allows a police officer to declare a motor vehicle a total loss and changes the definition of a total loss to exclude damage to the engine and transmission of the motor vehicle.

Testimony in support of the bill was received from the Department of Transportation and the City and County of Honolulu.

Your Committee finds that police officers may have difficulty in determining whether a motor vehicle is a total loss or not because of the difficulty in determining whether or not the structural integrity of the motor vehicle has been compromised.

Additionally, your Committee finds that the original intent of the insurance salvage law was to notify prospective motor vehicle buyers that a motor vehicle branded as being "rebuilt" had been in an accident which resulted in structural damage to the vehicle. In light of this, your Committee feels that it was not the intent of the Legislature to "brand" vehicles which had sustained damage to replaceable parts such as engines and transmissions. By excluding engines and transmissions from the total loss definition, your Committee believes that the insurance salvage law will function in the manner it was intended.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 536 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 141 Tourism, Recreation and Transportation on S.B. No. 619

The purpose of this bill is to authorize the waiver of landing and dockage fees for aircraft and watercraft engaged in providing humanitarian relief to disaster-stricken areas of the State during an emergency. Under the bill as received by your Committee, fees may be waived by the Department of Transportation at airports and docking facilities under State

ownership or control whenever the Governor declares a state of emergency and the Adjutant General determines that the waiver is consistent with disaster relief activities.

Your Committee finds that, under current law, there is no express authority for any waiver of landing or dockage fees. Events following the devastation of Kauai by Hurricane Iniki highlighted the value of private sector assistance in getting badly needed supplies to the people of Kauai. Commercial air carriers and private individuals and organizations were instrumental in this regard. Your Committee finds that it is not only fair, but in the public interest, to encourage participation by the private sector in relief efforts during states of emergency by waiving landing and dockage fees at state facilities.

Your Committee finds that the Department of Transportation, which oversees state airports and docking facilities and sets the fees and charges for their use, should have the authority to determine whether a waiver is proper. Thus, in addition to making several technical amendments that have no substantive effect, your Committee has amended the bill to substitute the Department for the Adjutant General as the authority ultimately responsible for deciding the propriety of a waiver.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 619, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 142 Tourism, Recreation and Transportation on S.B. No. 774

The purpose of this bill is to mandate blood alcohol testing of the driver of any vehicle involved in an accident that results in the death or injury requiring transportation to a hospital of any person.

This bill also requires a police officer to direct a person authorized under section 286-152, Hawaii Revised Statutes, to administer the test if a driver refuses to cooperate. This bill exempts a person administering the test under the direction of a police officer from any resulting liability.

Your Committee finds that this measure is necessary to protect the health, safety, and welfare of the people of Hawaii.

Your Committee has amended this bill by making technical changes for purposes of clarity and correct statutory drafting that have no substantive effect.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 774, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 774, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 143 Tourism, Recreation and Transportation on S.B. No. 848

The purpose of this bill is to appropriate \$2 million to assist Maui County in making infrastructure improvements on Front Street in Lahaina.

Your Committee finds that Lahaina is important to the State not only because of its historical significance, but for its proven capacity to attract millions of visitors to the island of Maui each year. Infrastructure along Front Street, which runs through Lahaina's business district, has been in need of repair for many years. Maui County has come up with a five-year, \$15 million improvement plan that has been enthusiastically endorsed by the citizens of Maui, the community of Lahaina, and the visitor industry at large.

Your Committee believes that the appropriation proposed by this bill is necessary to ensure the continued vitality of Lahaina as an attractive, revenue generating visitor destination, and has approved the measure with an amendment requiring matching funds from Maui County.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 848, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 144 Tourism, Recreation and Transportation on S.B. No. 866

The purpose of this bill is to establish a bicycle coordinator position in the Department of Transportation.

The bicycle coordinator will have general jurisdiction over bikeways in the State and specific responsibility for the statewide bikeways master plan, coordination between federal, state, and county transportation authorities, development and implementation of a bicycling promotion program, bicycle transportation fundraising, and incorporation of bicycle transportation into highway projects. The coordinator will also advise the Director of Transportation in other matters relating to bicycle transportation in Hawaii.

The bill also establishes the bicycle transportation advisory committee to advise the coordinator and generate periodic reports on bicycle transportation, and the bicycling promotion program to promote and encourage bicycle transportation.

An appropriation of \$50,000 from the Highway Special Fund is included to fund the bicycle coordinator position for fiscal year 1993-1994.

Federal law requires states using moneys provided under the Intermodal Surface Transportation Efficiency Act to establish a position of the kind provided by this bill. This bill fulfills the federal requirement and also gives clear indication that the State considers bicycles an important mode of transportation that merits specific attention, promotion, and support.

Your Committee has amended this bill by placing the coordinator, the committee, and the promotion program in a new chapter added to the Hawaii Revised Statutes entitled "Bicycle Transportation." Basic elements of the bill as introduced are retained, with several nonsubstantive technical changes for the purposes of clarification and style. In addition, your Committee has established the bicycle transportation program to give the bicycle coordinator a framework in which to function.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 866, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 145 Tourism, Recreation and Transportation on S.B. No. 1295

The purpose of this bill is to authorize the issuance of \$3,350,000 in general obligation bonds to finance the replacement of civil air patrol hangars and facilities at various airports across the State.

Your Committee finds that civil air patrol hangars and associated facilities at the Lihue, Honolulu International, Keahole, Kahului, and Hilo International Airports are badly in need of the renovation and replacement to be financed by these bonds.

Your Committee has amended the title and body of this bill to correct a spelling error.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1295, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 146 Tourism, Recreation and Transportation on S.B. No. 1628

The purpose of this bill is to appropriate funds for the dredging of Maunalua Bay at the Hawaii Kai marina entrance. This bill also declares that the dredging will serve to fulfill a health, welfare, and safety concern.

Your Committee finds that funds are necessary to clear the sand that has been accumulating at the main entrance channel of the Hawaii Kai marina near the Kalanianaʻole bridge overpass.

Your Committee has amended this bill to clarify that the dredging of Maunalua Bay serves a public purpose because of the important health, safety, and welfare considerations involved. Your Committee has also made a few technical amendments that have no substantive effect.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1628, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 147 Tourism, Recreation and Transportation on S.B. No. 1730

The purpose of this bill is to raise the authorized total principal amount of special facility revenue bonds issued by the Department of Transportation pursuant to section 266-52(2), Hawaii Revised Statutes, from \$50,000,000 to \$100,000,000.

This bill also makes some housekeeping amendments to sections 266-53 and 266-55, Hawaii Revised Statutes, and deletes the sunset provision in section 266-56, Hawaii Revised Statutes, to allow the Department of Transportation to continue to issue special facility revenue bonds.

Your Committee finds that the increased authorized principal amount will provide an option for private maritime companies to finance development of waterfront facilities.

Your Committee received testimony in support of this bill from the Department of Transportation.

Your Committee has amended this bill by making a technical change that has no substantive effect.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1730, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 148 Legislative Management on S.B. No. 258

The purpose of this bill is to propose three changes to the Constitution of the State of Hawaii relating to composition of the Legislature and duties of the Lieutenant Governor.

The bill would eliminate one representative district, leaving fifty, and require each senatorial district to encompass two representative districts. Additionally, the bill would provide for the Lieutenant Governor to preside over the Senate.

Your Committee finds that the apportionment provisions appropriately reflect the geographical and demographic characteristics of the State and its population.

However, your Committee is satisfied with the current organization of the Senate and sees no compelling reason to change it at this time. The Lieutenant Governor already has substantial duties as the State's chief elections officer, and with other duties assigned by the Governor or law, adding the time-consuming responsibility proposed by this bill would place severe constraints on the limited time available for current duties. Therefore your Committee has amended this bill by deleting the provisions relating to the Lieutenant Governor.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 258, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

LCRep. 149 Legislative Management on S.B. No. 396

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii requiring the Legislature to hold public hearings at least two days prior to a vote to appoint the Auditor.

Forty-eight hours notice of the hearings would be required.

The Constitution currently provides for appointment by majority vote in joint session. This bill will allow the general public to be privy to deliberations relating to the appointment.

Your Committee has amended this bill by clarifying that the Legislature shall hold a joint public hearing at least two days prior to appointing the Auditor in joint session.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 396, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

LCRep. 150 Legislative Management on S.B. No. 673

The purpose of this bill is to appropriate \$1 million to the Legislative Reference Bureau for publication of replacement volumes of the Hawaii Revised Statutes.

The replacement volumes will contain all laws in the 1985 Replacement Volumes as amended and supplemented by the Legislature from 1986 through 1993, and a replacement index in an edition year to be designated by the Revisor of Statutes.

The Bureau may hire temporary technical and clerical assistants, and money already appropriated for the 1993 supplements will be reappropriated for the replacement volumes. Funding will lapse on June 30, 1996.

Less than 150 sets of the 1985 version remain; therefore, it is essential to produce replacement volumes to ensure public accessibility to the Hawaii Revised Statutes.

Your Committee notes that this bill is identical to essential parts of the Act that authorized the 1985 Replacement Volumes.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 673 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 151 Legislative Management on S.B. No. 1865

The purpose of this bill is to require legislative approval of transfers of special fund moneys.

Current law allows department heads, with the approval of the Governor or the Director of Finance, to transfer excess money in any special fund to the General Fund. Excess moneys in the Highways, Airports, Transportation Use, and Harbors Special Funds in the Department of Transportation, and moneys in individual accounts within those special funds, may also be transferred laterally.

This bill calls for transfers to first be approved by a joint fiscal committee comprised of the Chairpersons of the money committees and two members from each house appointed pursuant to resolution during the legislative session. The committee will meet throughout the year and approve or disapprove transfer proposals submitted by the Governor. The Governor may petition the Legislature by concurrent resolution in the next Regular Session for reversal or adjustment of a committee decision.

Your Committee finds that special funds are creations of the Legislature and reflect legislative intent. The oversight provided in this measure is therefore consistent with legislative obligations and prerogatives.

Your Committee has made minor technical amendments that have no substantive effect.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 1865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1865, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 152 Agriculture on S.B. No. 439

The purpose of this bill is to establish a Hawaiian Fish Pond Restoration Hui to oversee a Hawaiian Fish Pond Restoration Program within the Department of Land and Natural Resources (DLNR) and make an appropriation of \$2,000,000 to cover costs associated with the program.

Testimony supporting the intent of the bill was received from DLNR and Kamehameha Schools/Bernice Pauahi Bishop Estate (KS/BE).

DLNR could not fully support the bill due to the State's current financial position.

KS/BE stated that although restoration efforts on ancient fish ponds are commendable, KS/BE's concern was that the provisions of the bill as written would infringe upon a private landowner's right to manage their own property without establishing any liability on actions taken by the Hui under the authority of the program.

In order to address the concerns raised by KS/BE, your Committee has amended the bill by including language which would allow the program to assist in the restoration of fish ponds on private lands only if requested to do so by the landowner and by limiting the program's goal of establishing one, working fishpond on each island, to fish ponds located on public lands.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 439, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 153 Agriculture on S.B. No. 615

The purpose of this bill is to appropriate an unspecified amount to the Department of Land and Natural Resources (DLNR) to construct a germplasm collection center in Hawaii to protect the State's shrimp farming industry.

Testimony in support of the bill was submitted by the Oceanic Institute.

Your Committee finds that in the past several years, shrimp diseases have had a devastating effect on the world and national shrimp culture. A significant factor causing this problem stems from viral infections which, similar to other animal viruses, cannot be cured once an infection is contracted. The only way to protect the State's shrimp farming industry is to maintain a reliable stock of specific pathogen free (SPF) shrimp stocks.

In 1989, the Oceanic Institute started the development of SPF shrimp stocks at a federally funded germplasm collection facility in Kona. However, the current facility is limited in its production capability and if the shrimp farming industry is to survive and expand in the State, the construction of a larger facility is necessary.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 615 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 Ikeda.

SCRep. 154 Agriculture on S.B. No. 613

The purpose of this bill is to appropriate \$120,000 to the Pacific Institute for High Technology Research (PICHTR) to initiate preliminary studies for a Pacific fisheries assessment and satellite data network development program and to develop proposals to attract federal and other source funding for a multi-year research and development program.

PICHTR provided qualified support of the bill, stating that the State's current financial position would prohibit the immediate undertaking of the project.

Your Committee finds that Japan and other countries are utilizing satellite data to locate optimal fishing areas for their fishing fleets. This bill provides funds for a research program to provide similar data for Hawaii's fishing industry and that of other Pacific island nations.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 613 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 Ikeda.

SCRep. 155 Agriculture on S.B. No. 623

The purpose of this bill is to appropriate an unspecified amount for the 1993-1995 Fiscal Biennium for the Governor's Agricultural Coordinating Committee to continue funding research projects that mitigate the effects of anthurium blight.

Testimony in support of the bill was received from the Hawaii Anthurium Industry Association.

Your Committee finds that although the immediate crisis period of stopping anthurium blight is over, the anthurium industry now faces the difficult task of reconstruction. Problems such as the lack of availability of disease-free seed stock and plant material and the need for anthurium cultivars that are blight tolerant require continued State support if the industry is to recover fully.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 623 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 Ikeda.

SCRep. 156 Agriculture on S.B. No. 624

The purpose of this bill is to appropriate \$880,000 for the 1993-1995 Fiscal Biennium for the Department of Land and Natural Resources (DLNR) to develop fish and prawn seed production facilities at the University of Hawaii at Hilo.

Additionally, the bill would also provide funding to cover various development costs associated with establishing a similar facility in the Keaukaha area of the Big Island.

Testimony supporting the intent of the bill was received from the University of Hawaii and DLNR. Both the University and DLNR stated that given the State's current financial status, the project should be deferred until the State's financial situation improves.

Your Committee finds that promoting diversification of the State's aquaculture industry will expand the growth of the industry and would therefore help stimulate a quicker economic recovery.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 624 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 Ikeda.

SCRep. 157 Agriculture on S.B. No. 627

The purpose of this bill is to appropriate \$100,000 for the Department of Land and Natural Resources (DLNR) to develop the proper feed for mahimahi in various stages of development.

The University of Hawaii and DLNR provided qualified support for the appropriation, stating that although they supported the intent of the measure, current financial conditions would preclude the project's priority.

Your Committee finds that the mahimahi is an outstanding candidate for commercial aquaculture. It has an extremely rapid growth rate and a tremendous appeal to consumers around the world. Demand is currently outstripping the ability to supply mahimahi to all interested consumers. Solving key technical constraints to mass hatchery production, such as nutrition and feeds, could lead eventually to stocking the State's surrounding waters with this popular game fish.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 627 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 Ikeda.

SCRep. 158 Agriculture on S.B. No. 629

The purpose of this bill is to appropriate an unspecified amount for the Governor's Agriculture Coordinating Committee to conduct research projects on papaya.

Testimony in support of the measure was received from the Papaya Administrative Committee.

Your Committee finds that funding is necessary to continue research on diseases such as the papaya ringspot virus and other problems which affect the papaya industry.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 629 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 Ikeda.

SCRep. 159 Agriculture on S.B. No. 630

The purpose of this bill is to appropriate on a matching funds basis, an unspecified amount for the 1993-1995 Fiscal Biennium for the Department of Agriculture to promote papayas.

Testimony in support of the bill was received from the Hawaii Papaya Industry Association.

Your Committee finds that nearly seventy percent of the State's total papaya crop production is exported to Japan, the mainland United States, and Canada. Therefore, vigorous worldwide promotion is necessary in order for local growers to maintain and expand the papaya market. By providing funds for the promotion of papayas, your Committee believes that the State's papaya industry will be able to prosper, thereby strengthening a diversified State economy.

Your Committee has amended the bill to provide matching funds on a dollar for dollar basis only.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 630, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 160 Agriculture on S.B. No. 635

The purpose of this bill is to appropriate \$250,000 for fiscal year 1993-1994 to study the effects of Benlate DF (dry flowable) and WP (wetable powder) on tropical crops.

The study would be carried out by the University of Hawaii's College of Tropical Agriculture and Human Resources under the auspices of the Governor's Agriculture Coordinating Committee.

The Benlate problem first surfaced in March, 1992 after local growers became aware of litigation in Florida against Du Pont. Your Committee finds that continued research is needed to effectively protect Hawaii's agricultural industries from any harm attributable to those substances.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 635 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 161 Agriculture on S.B. No. 638

The purpose of this bill is to facilitate merger or consolidation of agricultural cooperatives or associations.

Provision is made for preparation and adoption of a plan of merger, notices, articles of merger or consolidation to be filed with the Director of Commerce and Consumer Affairs, and preservation of creditor rights. This law will replace Section 421-21.5, Hawaii Revised Statutes, which placed merger and consolidation under general corporation law.

Your Committee finds that the old law is insufficient to meet the changing needs of Hawaii's agricultural industries. This bill will allow systematic merger and consolidation and facilitate efforts of farmers to structure their cooperatives to meet changing needs.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 638, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 162 Agriculture on S.B. No. 643

The purpose of this bill is to appropriate \$196,370 and \$203,790 for fiscal years 1993-1994 and 1994-1995, respectively, to be expended by the Governor's Agriculture Coordinating Committee on administration, coordination, and research relating to fruit fly control and eradication.

Your Committee finds that fruit fly control and eradication is of crucial importance to Hawaii's agricultural industries and must be carried out on an on-going basis.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 643 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 Ikeda.

SCRep. 163 Agriculture on S.B. No. 644

The purpose of this bill is to appropriate \$90,000 for fiscal year 1993-1994 to support the Hawaii Farm Bureau's state fair and pesticide program.

The funds will be expended by the Governor's Agriculture Coordinating Committee.

Your Committee finds that the projects enabled or supported by this appropriation will enhance and strengthen Hawaii's vital agricultural industries.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 644 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 Ikeda.

SCRep. 164 Agriculture on S.B. No. 646

The purpose of this bill is to strengthen, broaden, and liberalize Hawaii's laws relating to the right to farm.

Specifically, the bill:

- (1) Provides for recovery of attorneys' fees and expenses by successful defendants in frivolous nuisance suits;
- (2) Provides that implementation of changes or adoption of new technology shall not constitute commencement of a new farming operation; and
- (3) Expands the definition of farming operation to include roadside marketing, use of chemicals, ground and aerial seed spraying, operation of machinery and irrigation pumps, and natural effects such as noise, odors, dust, and fumes arising out of or associated with farming.

It also nullifies all ordinances relating to nuisance farming.

Urban expansion has historically been accompanied by suits alleging farming operations to be nuisances and seeking to shut them down in favor of development. In response to this phenomenon, and in recognition of agriculture's critical importance to Hawaii's economy and character, the Legislature passed the Hawaii Right To Farm Act to limit circumstances under which farming operations may be deemed a nuisance.

Now the farming industry, especially the livestock industry on Oahu, is again facing the problem of urban encroachment. This bill broadens the protections afforded to farmers by the Right to Farm Act without unduly limiting or curtailing the right of developers to engage in lawful activities.

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

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 646, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 165 Agriculture on S.B. No. 647

The purpose of this bill is to appropriate \$300,000 to promote pineapple in the United States and Canada.

Any expenditure must be matched by private contributions.

Your Committee finds that the pineapple industry needs assistance in overcoming persistent difficulties with which it has for some time been plagued. Promotion in the twenty-two western states and western Canada has proven effective. This bill reflects continuation of a policy that has been in place for a number of years.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 647 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 Ikeda.

SCRep. 166 Agriculture on S.B. No. 648

The purpose of this bill is to appropriate \$5,000,000 from the general revenues of the State for deposit into the Agriculture Loan Revolving Fund to provide loans to qualified farmers.

Testimony in support of the bill was received from the Department of Agriculture and the Hawaii Farm Bureau Federation.

Your Committee finds that participation the State's Agricultural Loan Program has increased substantially over the past few years, resulting in a higher volume of loan requests being processed. Most of these loan requests have been for declared emergencies, farm expansion, and the refinancing and consolidation of existing indebtedness.

Your Committee believes this appropriation is necessary to allow the Agricultural Loan Program to continue providing farmers with needed capital to establish, improve, and expand their farming activities.

Your Committee has amended the bill by amending references to the Agriculture Loan Revolving Fund to reflect the proper statutory name of the fund.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 648, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 167 Agriculture on S.B. No. 649

The purpose of this bill is to appropriate \$365,000 for a predator augmentation pilot project to control the diamondback moth.

The project will be a joint venture between the Department of Agriculture and the College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau Federation, and the Hawaii Sugar Planters' Association.

Your Committee finds that the diamondback moth is ravaging vegetable crops throughout Hawaii. Your Committee further finds that predator insects can be cultured and used to control pests. Establishing a predator augmentation pilot program is therefore an appropriate response to the diamondback moth problem.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 649, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 168 Agriculture on S.B. No. 650

The purpose of this bill is to establish a full-time county extension agent position for Kauai.

The position would be funded for fiscal year 1993-1994 and assigned to the Kauai Diversified Crops Program of the College of Tropical Agriculture and Human Resources, University of Hawaii.

A temporary agent has been in place since fiscal year 1991-1992, but funding expires on June 30, 1993. Your Committee finds that the position serves an important function relating to Kauai's diversified agriculture efforts and should be made permanent.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 650 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 Ikeda.

SCRep. 169 Agriculture on S.B. No. 652

The purpose of this bill is to appropriate \$240,000 for fiscal biennium 1993-1995 to be expended by the Governor's Agriculture Coordinating Committee on low-input sustainable agriculture research, education, and demonstration projects.

The Hawaii Farm Bureau Federation will play a major role in these efforts.

Your Committee finds that low-input sustainable agriculture may be the only economically viable and politically feasible solution to many social, economic, and environmental problems confronting Hawaii's farmers.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 652, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 170 Agriculture on S.B. No. 654

The purpose of this bill is to establish a full-time extension and research support position for the Kula Experiment Station on Maui.

Funding through the University of Hawaii is provided for fiscal year 1993-1994.

Your Committee finds that plant disease is a major impediment to diversified agriculture. This position will impact on the problem and facilitate the industry's growth and profit. Kula is a practical location for this position because the vegetable industry plays a prominent role in Maui's economy.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 654 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 Ikeda.

SCRep. 171 Agriculture on S.B. No. 655

The purpose of this bill is to establish and fund a permanent research associate IV position at the Beaumont Agricultural Research Center, Hilo, Hawaii, an affiliate of the University of Hawaii College of Tropical Agriculture and Human Resources.

The research associate will work in the areas of integrated pest management, post-harvest treatment, quarantine, and pesticides in floraculture.

Your Committee finds that this position will help stimulate and develop the floral industry.

Your Committee has amended the bill by increasing the appropriated amounts from \$35,768 and \$36,268 for each fiscal year to \$48,000 and \$51,000 respectively.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 655, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 172 Agriculture on S.B. No. 656

The purpose of this bill is to appropriate funds for a horticulture research position at the Beaumont Research Center, Hilo, Hawaii in culture/management and physiology of anthuriums, orchids, and other tropical and sub-tropical cut flowers.

This position was inadvertently displaced during the reorganization of the College of Tropical Agriculture and Human Resources.

Your Committee finds that this position plays an important role in development of cooperative projects on ornamentals research and outreach programs involving the Cooperative Extension Service.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 656 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 Ikeda.

SCRep. 173 Agriculture on S.B. No. 755

The purpose of this bill is to appropriate \$200,000 for the Department of Agriculture to support continuing research projects for the anthurium industry.

Your Committee finds that the effects of anthurium blight have devastated the State's anthurium industry, thus continued research activities are required to ensure a complete and expedient recovery.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 755 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 174 Agriculture on S.B. No. 851

The purpose of this bill is to appropriate an unspecified amount for the Department of Agriculture (DOA) to explore the feasibility of locating and involving pharmaceutical companies in developing the medical possibilities of the Noni plant.

The DOA provided testimony supporting the intent of the bill but also stated that the State's current financial status prohibits the DOA from requesting any funding that is not already contained in the 1993-1995 Executive Budget.

Your Committee finds that the Noni plant, otherwise known as the Indian Mulberry, was brought to Hawaii by the ancient Hawaiians and has been part of traditional Hawaiian medicine ever since. Currently, commercial pharmaceutical products derived from the Noni plant are not approved by the Food and Drug Administration (FDA). Because the FDA approval process usually requires considerable time, expense, and extensive testing, your Committee believes that attracting commercial pharmaceutical companies who would provide the necessary commitment would provide long term benefits to the State.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 851 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 Ikeda.

SCRep. 175 Agriculture on S.B. No. 1132

The purpose of this bill is to appropriate a total of \$233,820 for the 1993-1995 Fiscal Biennium for the Department of Agriculture (DOA) to continue its research to control the spread of the firetree in the State.

Testimony in support of the bill was received from the DOA, the Natural Area Reserves System Commission, and the Firetree Control Steering Committee.

Your Committee finds that the firetree, or *Myrica faya*, is a noxious alien plant which has established itself on every major Hawaiian island except Molokai. The firetree's rapid growth chokes out many indigenous and endemic plants, inflicting severe damage to the State's natural environment. Therefore, your Committee concludes that continuation of this project is necessary to preserve and protect Hawaii's fragile ecosystems.

Your Committee also finds that the Governor's Agriculture Coordinating Committee has been the expending agency for this program and has accordingly amended the bill to ensure continuity in the delivery of funding.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1132, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 176 Health on S.B. No. 1377

The purpose of this bill is to provide \$7,912,595 for development of a statewide comprehensive system of mental health care for children and adolescents.

Items funded include day treatment programs on Maui, Kauai, Molokai, and Hawaii and therapeutic foster homes and case management positions on each of the major islands, including Molokai.

Your Committee finds that there is a critical shortage of mental health services and programs for Hawaii's people. Your Committee also recognizes that an adequate system of care cannot be funded and implemented immediately, and that a continuing commitment to expanding programs and resources is necessary to provide for the mental health needs of Hawaii's children and adolescents. This bill represents only the first step in the development of a comprehensive mental health system for all the people of Hawaii.

Your Committee has amended this bill by changing the appropriation amount to \$1 for discussion purposes and indicating that the items and amounts specifically delineated are designated as high priority areas. Your Committee has also added a new priority: continuation of the existing System of Care Project at the current level of operation with additional funding of \$53,375 for each year in the 1993-1995 fiscal biennium.

Your Committee has also amended this bill by making technical changes that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1377, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 177 Judiciary on S.B. No. 212

The purpose of this bill is to specifically provide that interest earned on court deposits if not otherwise specified by court order or statute shall be credited to the State of Hawaii.

Your committee received testimony from the Judiciary in favor of the bill.

Your committee finds that this bill will statutorily clarify the present practice for the disposition of interest earned on funds collected by the courts.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 212 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 178 Judiciary on S.B. No. 499

The purpose of this bill is stated in the title. Essentially, the amendment requires the Judiciary's proposed expenditures to be submitted to the Governor and included in the Governor's budget.

The Judiciary submitted testimony opposing the bill. It expressed concern that requiring the Judiciary to submit its budget to the Governor would relegate the Judiciary to the status of an administrative agency and offend the principle of separation of powers of the Constitution.

Your Committee feels the measure does not impinge on the Judiciary's exercise of its functions, and the resources available to the Governor would aid in the determination of an overall fiscal plan efficiently and expeditiously. The Legislature can still obtain the original Judiciary budget submittal, and then will have maximized the opportunities available to accumulate critical evaluations prior to the Legislature rendering its final decisions.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 499 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 179 Judiciary on S.B. No. 972

The purpose of this bill is to extend the exemption from prosecution for parking violations to witnesses appearing in family court or district court.

Your Committee received testimony in favor of the bill from the Prosecuting attorney of the City and County of Honolulu.

Your Committee finds that current law, as set forth in section 621-8(b), Hawaii Revised Statutes, provides an exemption for witnesses summoned or subpoenaed in circuit court only. Your Committee further finds that all such witnesses attending to court duties should be afforded the same fairness and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 972 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 180 Judiciary on S.B. No. 1449

The purpose of this bill is to appropriate \$1,272,147.00 for fiscal year 1993-1994 to be deposited into the criminal injuries compensation fund and expended by the department of public safety pursuant to chapter 351, Hawaii Revised Statutes.

Eligible victims were, in large part, compensated for out-of-pocket medical expenses, loss of earnings, funeral and burial expenses, and pain and suffering.

Your Committee finds that this bill is necessary to enable the State to keep its commitment to victims of violent crimes as contemplated by Chapter 351, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1449, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 181 Judiciary on S.B. No. 1817

The purpose of this bill is to provide for an appropriation for the continued development and implementation of a statewide computerized Juvenile Justice Information System (JJIS). This information system would collect, analyze, and disseminate juvenile offender information to assist juvenile justice agencies.

Testimony in support of this bill was received from the State Attorney General's Juvenile Justice Information Committee, the Judiciary, the County of Hawaii Police Department, the County of Maui Police and Prosecuting Attorney, the County of Kauai Police Department and Prosecuting Attorney, and the Board of Senior Family Court Judges.

Your Committee finds that a statewide juvenile justice information system is essential for processing juveniles expeditiously and efficiently and for improving coordination among agencies responsible for the treatment and rehabilitation of juvenile offenders.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1817 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 182 Education, Labor and Employment on S.B. No. 299

The purpose of this bill is to exclude services performed by direct sellers from coverage under the unemployment compensation law.

Your Committee finds that excluding services performed by direct sellers from coverage under the unemployment compensation law exempts them from paying unemployment compensation taxes on their earnings, and if their employees become unemployed such employees would be ineligible to receive unemployment compensation benefits. Your Committee further finds that the federal Internal Revenue Code of 1986 classifies direct sellers as non-employees or independent contractors for tax purposes, and it is the intent of this measure to use that determination for the purposes of excluding direct sellers from the unemployment compensation law. Your Committee agrees that the law may need to be amended in this case to clarify the exclusion of direct sellers as non-employees, but notes that this amendment should not be construed to exclude employees presently covered under the state unemployment compensation law.

Your Committee received testimony in support of this bill from the Direct Selling Association and various representatives of direct sales companies including Kirby, Mary Kay Cosmetics, Inc., Amway Corporation, and Avon Products, Inc.

Your Committee has amended this bill by indicating that service performed by a direct seller as defined in Section 3508 of the Internal Revenue Code of 1986 shall be excluded from the state unemployment compensation law.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 299, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 183 Education, Labor and Employment on S.B. No. 349

The purpose of this bill is to propose an amendment to the state constitution to give voting authority to the student representative appointed to the Board of Education.

Your Committee finds that the Hawaii State Student Council appoints a student member to the Board of Education, yet that member is not entitled to vote on matters in which he or she has participated as a representative of students across the State. Your Committee further finds that the one student member represents an estimated 177,000 student constituents, whereas the non-student members represent an average 33,877 constituents. Your Committee agrees that the student member should be fully vested with voting rights, especially in light of the ongoing implementation of school/community-based management.

Your Committee has amended this bill by making non-substantive changes to conform with proper drafting style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 349, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 184 Education, Labor and Employment on S.B. No. 475

The purpose of this bill is to establish a branch in the Employees' Retirement System (Department of Budget and Finance) to furnish information to members and retirants under the direction of the System Administrator.

The branch will also provide counseling to members nearing retirement and publish a quarterly newsletter.

Your Committee finds that most public employees rely on the System for retirement income and that it is essential that members and retirants be informed on a regular basis on matters relating to their vested interests.

Your Committee has amended this bill by adding \$50,000 appropriations for fiscal years 1993-1994 and 1994-1995 to implement the branch and fund an SR 21 position for the System. Your Committee has also made some nonsubstantive changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 475, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 185 Education, Labor and Employment on S.B. No. 1136

The purpose of this bill is to make additions and changes to Chapter 88, Hawaii Revised Statutes, relating to the Employees' Retirement System.

First, the bill requires the Auditor to biennially examine and assess the System's policies, procedures, and investment practices and recommend statutory changes.

Another provision would entitle all members to attend Board of Trustees meetings except those held in executive session.

A third provision requires that for fiscal year 1993-1994, fifty percent rather than one hundred percent of excess investment earnings shall be deposited into the Pension Accumulation Fund to offset required employer contributions, with the remainder of the excess deposited in a separate account in the Fund. Thereafter all investment earnings shall be deposited into the separate account and the employers will have to provide one hundred percent of their required contributions. Moneys in the separate account will be used to reduce the System's unfunded accrued liability.

The bill also relieves the State and counties of the obligation to make up any shortfall in investment earnings.

Your Committee finds that investments of the multi-billion dollar Employees' Retirement System should be more closely monitored to assure compliance with applicable provisions and public policies. However, your Committee is not convinced that members need to attend Board meetings to be informed on the System's business or that it is prudent to change disposition of investment income or repeal the state and county guarantee of solvency.

Therefore, your Committee has amended this bill by deleting all but the provision relating to Auditor reviews, assessments, and recommendations. Your Committee finds that receipt of this information on a regular basis will enable prompt and responsible legislative attention to the business of the System.

Your Committee has also made a technical change that has no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1136, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 186 (Majority) Education, Labor and Employment on S.B. No. 1741

The purpose of this bill is to allow the Department of Education to set the price of school lunches in proportion to the cost of preparing the lunch.

Your Committee finds that the school lunch program has operated for many years without an increase in the price charged to students who purchase lunch. Your Committee further finds that the proposal to allow the Department to set meal prices in proportion to actual costs will provide additional support for the program from those who choose to purchase their lunch.

Your Committee received testimony in support of this measure from the Department of Education which indicated that the price of the lunch shall be one-third of the cost of preparing the lunch, rounded up to the nearest nickel.

Your Committee has amended this bill by making technical non-substantive changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1741, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 187 Education, Labor and Employment on S.B. No. 1888

The purpose of this bill is to amend the wage and hour law to provide a clear distinction between wages paid to and tips earned by minimum wage employees.

Specifically, the bill:

- (1) Clarifies that service charges collected in lieu of tips are to be considered tips rather than wages;
- (2) Provides that the hourly wage of tipped employees whose wages are set by collective bargaining may not be deemed increased pursuant to Section 387-2, Hawaii Revised Statutes, absent a provision to that effect in a collective bargaining agreement; and
- (3) Provides that, for the purpose of computing overtime pay, the regular wage rate of a tipped employee whose hourly wage is deemed increased pursuant to Section 387-2 shall not be less than the minimum wage.

Your Committee finds that the current employer practice of collecting a service charge in lieu of tips from customers, to compensate employees for performing services for which they would usually receive a tip, has become a subject of growing discontent in the service industry and has resulted in litigation which did not decisively settle the matter. Your Committee further finds that, while the practice of collecting a service charge in lieu of tips may be expeditious for the employer, it often works to the detriment of minimum wage employees who either do not receive their share of the charge or have their regular wages reduced by the amount of the charge. Your Committee is concerned that this may be construed as an unfair and deceptive trade practice on the part of the employers, and finds that this measure is necessary to clarify the law for the benefit of employers and employees alike.

Your Committee believes that, rather than establishing a rule equating service charges with tips in every case, it is appropriate to grant employers and employees the flexibility to come to an agreement on the matter through the collective bargaining process and has amended the bill accordingly. Your Committee has also made some nonsubstantive technical amendments for the purpose of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1888, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1888, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 188 Education, Labor and Employment on S.B. No. 1898

The purpose of this bill is to appropriate funds for fiscal year 1993-1994 to provide employment, training, and educational programs in West Oahu for Leeward Coast residents.

Programs and services will be provided by one or more tax exempt organizations and will maximize job placement, enhance employment-related educational and training opportunities, and encourage small business opportunities.

Your Committee finds that this bill will facilitate entry of Leeward residents into jobs created by development at Ewa Plain, Makakilo, and the Waianae Coast.

Your Committee has amended this bill by providing \$222,148 for each year of fiscal biennium 1993-1995 and by making some technical changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1898, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 189 (Joint) Science, Technology and Economic Development, and Agriculture on S.B. No. 1477

The purpose of this bill is to include agricultural businesses as qualified businesses under the state enterprise zones law.

Your Committees find that the state enterprise zones program was established to encourage private-sector businesses to create jobs in areas with above-average unemployment or below-average income levels. Your Committees further find that the inclusion of agricultural businesses as qualified businesses within designated state enterprise zones is consistent with the original intent of the law.

Your Committees received testimony in support of this bill from the Department of Agriculture, Department of Business, Economic Development, and Tourism, Department of Taxation, and the Hawaii Farm Bureau.

Your Committees have amended this bill by making nonsubstantive amendments for the purposes of proper drafting style.

Your Committees on Science, Technology and Economic Development and Agriculture are in accord with the intent and purpose of S.B. No. 1477, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1477, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 190 (Majority) Science, Technology and Economic Development on S.B. No. 242

The purpose of this bill is to repeal the state telecommunications site and equipment maintenance revolving fund and the Hawaii information network special fund pursuant to recommendations made by the Auditor's review of special and revolving funds administered by the Department of Budget and Finance.

Your Committee finds that Act 240, Session Laws of Hawaii 1990, requested the Auditor to review all state special and revolving funds and recommend whether their continued existence was justified or if such funds should be repealed. The Auditor's review of funds administered by the Department of Budget and Finance recommended the repeal of the above cited funds because their continued existence was not justified based on the criteria given for the review. Your Committee further finds that the proliferation in recent years of special and revolving funds has adversely impacted the state budget by automatically providing funding to various programs without consideration of the overall condition of our State economy.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 242 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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

SCRep. 191 Science, Technology and Economic Development on S.B. No. 249

The purpose of this bill is to make an appropriation of \$80,000 for the Pacific Congress on Marine Science and Technology (PACON).

This appropriation will be used by PACON to hold a major international ocean science and technology meeting in Hawaii.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 249 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 192 Science, Technology and Economic Development on S.B. No. 626

The purpose of this bill is to authorize the issuance of general obligation bonds and to make an appropriation for marine resource utilization.

The bill contains an appropriation of \$100,000 to the University of Hawaii for a research program of product development for high value marine minerals, and an appropriation of \$350,000 for plans, designs, and construction of a marine resource utilization laboratory at the natural energy laboratory of Hawaii.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 626 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 193 Science, Technology and Economic Development on S.B. No. 696

The purpose of this bill is to provide an income tax credit to gasoline dealers who install equipment to dispense liquid propane gas as alternative transportation fuel.

Your Committee finds that the installation of equipment to dispense liquid propane gas as an alternative transportation fuel will reduce our dependence on traditional sources of energy. Your Committee further finds that liquid propane gas is recognized as a clean-burning transportation fuel which makes it an environmentally desirable alternative as well.

Testimony in support of this bill was submitted by the Department of Business, Economic Development, and Tourism and The Gas Company. The Department suggested that this tax credit should be expanded to include other alternative fuels recognized by the U.S. Department of Energy.

Your Committee, therefore, has amended this bill by:

- (1) Substituting the words "alternative fuel" for "liquid propane gas" to allow tax credits for other fuels; and
- (2) Adding a definition of "alternative fuels".

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 696, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 194 Science, Technology and Economic Development on S.B. No. 697

The purpose of this bill is to provide an income tax credit to taxpayers who operate a vehicle converted to use liquid propane gas as an alternative transportation fuel.

Your Committee finds that the conversion of motor vehicles which operate on liquid propane gas will reduce our dependence on traditional sources of energy. Your Committee further finds that liquid propane gas is recognized as a clean-burning transportation fuel which makes it an environmentally desirable alternative as well.

Testimony in support of this bill was submitted by the Department of Business, Economic Development, and Tourism. The Department suggested that this tax credit should be expanded to include other alternative fuels recognized by the U.S. Department of Energy.

Your Committee, therefore, has amended this bill by:

- (1) Substituting the words "alternative fuel" for "liquid propane gas" to allow tax credits for other fuels; and
- (2) Adding a definition of "alternative fuels".

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 697, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 195 Science, Technology and Economic Development on S.B. No. 948

The purpose of this bill is to require an assessment of the economic feasibility of installing cool storage systems as an alternative to conventional central air conditioning systems in all new state and county buildings and facilities.

A cool storage air conditioning system has energy and maintenance cost advantages over the conventional air conditioning system. Peak demand for power is minimized because this system uses energy during the off peak periods to store cold water or ice for use in air conditioning during peak periods of power demand. Energy usage during peak periods is reduced, thereby saving energy.

Your Committee finds that state energy policy includes promoting the use of energy-efficient technology and development of cost-effective demand-side energy management programs. Your Committee further finds that the use of cool storage systems for the air conditioning of state and county buildings is a technology that embraces state energy policy and can contribute to the reduction of our State's dependence on imported oil.

Your Committee received testimony in support of this measure from the Hawaiian Electric Company and the Departments of Accounting and General Services, and Business, Economic Development, and Tourism. The Department of Accounting and General Services indicated that it would be more appropriate for the Energy Office of the Department of Business, Economic Development, and Tourism to develop standards and have oversight for the assessment.

Your Committee, therefore, has amended this bill by:

- (1) Adding a new section to Chapter 196, rather than Chapter 103, to place authority for developing the standards for oversight of the assessment with the Energy Resource Coordinator in the Department of Business, Economic Development, and Tourism; and

- (2) Making non-substantive changes for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 948, S.D. 1, be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 196 Science, Technology and Economic Development on S.B. No. 949

The purpose of this bill is to establish a Telecommunications and Information Technology Coordination and Policy Council within the Office of the Governor.

Your Committee finds that the Council will be composed of the Executive Director of HAWAII INC. and the chief administrators responsible for telecommunications and information among various branches, departments, and agencies of government. Your Committee further finds that the purpose of the Council will be to formulate and guide the implementation of the State's telecommunication and information technology.

Your Committee notes that this bill is similar to House Concurrent Resolution No. 358, 1992, which established a Telecommunications and Information Technology Coordination and Policy Advisory Council which has been formed.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 949 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 197 Science, Technology and Economic Development on S.B. No. 1460

The purpose of this bill is to impose a use tax surcharge of one-half per cent on capital goods imported into the State for lease to others.

Your Committee finds that there exists an inequity in Chapter 238 which provides an incentive for a leasing company to import capital goods rather than purchase them locally. Your Committee further finds that this bill will equalize the amount of taxes paid whether the goods are purchased locally or imported.

Your Committee received testimony in support of this measure from the Department of Taxation, the Tax Foundation of Hawaii, and the Hawaii Automobile Dealers Association.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1460 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 198 Science, Technology and Economic Development on S.B. No. 1479

The purpose of this bill is to specify the powers of the Natural Energy Laboratory of Hawaii Authority (NELHA) to include research, development, and the commercialization of natural energy resources in Hawaii. The bill further specifies the authority's duties to include the operation and maintenance of physical facilities, provision of support services, and promotion and marketing of the facilities and its resources.

Your Committee finds that the recent merger of the Natural Energy Laboratory of Hawaii (NELH) and the Hawaii Ocean Science and Technology (HOST) Park requires that the NELHA be given specific authority for the administration of these facilities located at Keahole Point. Your Committee further finds that these proposed changes are necessary to more accurately define the permitted activities of the NELHA.

Your Committee received testimony in support of this bill from the NELHA which recommended certain amendments.

Your Committee, therefore, has amended this bill by:

- (1) deleting the reference to "neighboring developments" on page 3, line 14;
- (2) deleting the language relating to the development of services and support uses such as a visitor center and related activities on page 10, lines 1 to 7;
- (3) deleting the words "or near" on page 10, line 10; and
- (4) making technical, nonsubstantive amendments for proper drafting style..

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1479, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 199 Science, Technology and Economic Development on S.B. No. 1574

The purpose of this bill is to consolidate State telecommunication and information technology programs into a division within the Department of Accounting and General Services (DAGS).

Your Committee finds that this bill transfers to DAGS the information and communications services division of the Department of Budget and Finance, HAWAII INC., and the Hawaii Interactive Television System. Your Committee further finds that the State's telecommunications programs are fragmented and that this bill is a good first step in consolidating the programs.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1574 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 200 Science, Technology and Economic Development on S.B. No. 1586

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist Wiliki Hawaii Partners.

Your Committee finds that Wiliki Hawaii Partners seeks to design, construct, and operate an electric cogeneration facility as part of a forty-acre industrial park situated adjacent to Kawaihae Harbor. Your Committee further finds that this facility will benefit Big Island residents by mitigating the electric energy shortage as well as supporting native Hawaiian-owned enterprises.

Your Committee received testimony in support of this bill from the Hawaii County Council and Wiliki Hawaii Partners Elua.

Your Committee has amended this bill to reflect the correct name of the partnership as Wiliki Hawaii Partners Elua.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1586, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 201 Science, Technology and Economic Development on S.B. No. 1568

The purpose of this bill is to make an appropriation of \$4,500,000 for the Sand Island Marine Education and Training Center.

The appropriation is for the construction of the Center which is part of the Honolulu Waterfront Master Plan. The Center will be for facilities for marine maintenance technologies. The Center will be operated by the Honolulu Community College as a training center for the repair and maintenance of marine vessels.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1568 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 202 Science, Technology and Economic Development on S.B. No. 1587

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist Hawaiian Entrepreneurs.

Your Committee finds that Hawaiian Entrepreneurs seeks to purchase thermal fluid output for the operation of wholesale and retail cold storage facilities from the cogeneration facility owned by Wiliki Hawaii Partners Elua, a native Hawaiian-owned enterprise. Your Committee further finds that this enterprise will diversify the Big Island economy through the establishment of an alternative energy technology.

Your Committee received testimony in support of this bill from the Hawaii County Council and Wiliki Hawaii Partners Elua.

Your Committee has amended this bill by:

- (1) Correcting the name of Wiliki Hawaii Partners Elua; and
- (2) Making a technical non-substantive amendment for the purposes of proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1587, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1587, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 203 Science, Technology and Economic Development on S.B. No. 1594

The purpose of this bill is to make an appropriation in an undetermined amount to acquire the Naval Ocean Systems Center.

The Naval Ocean Systems Center is a facility at the Kaneohe Marine Corps Air Station on Mokapu Peninsula that has laboratories, shops, ponds, docks and other facilities that are used by the School of Ocean and Earth Science and Technology at the University of Hawaii.

The University offered testimony in support of this bill to acquire the facility for future use by the Hawaii Institute of Marine Biology.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1594 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 204 Science, Technology and Economic Development on S.B. No. 1599

The purpose of this bill is to establish the Hawaii Aviation Training Corporation to facilitate the growth and development of the aviation industry in Hawaii.

Your Committee finds that the development of an aerospace industry, including aircraft maintenance and the training of pilots, mechanics, and air traffic controllers will provide greater opportunity for Hawaii's youth to pursue high-quality, well-paid careers in Hawaii.

The University of Hawaii and the Department of Business, Economic Development, and Tourism offered testimony in support of this bill.

Your Committee has made several amendments to diction and punctuation for the purpose of correct statutory drafting which do not affect the substance of the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1599, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 205 Science, Technology and Economic Development on S.B. No. 1827

The purpose of this bill is to appropriate funds for the development of a comprehensive state electric vehicle plan and infrastructure development program.

Your Committee finds that electric vehicles represent one mode of transportation which can reduce our dependence on imported oil and improve our air quality through the use of emission-free vehicles. Your Committee further finds that in order to promote the use of electric vehicles, a plan is necessary to address infrastructure development and the feasibility of wide-scale operation.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1827 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 206 Science, Technology and Economic Development on S.B. No. 1914

The purpose of this bill is to authorize the issuance of special purpose revenues bonds by the Department of Budget and Finance to assist Electric Car Hawaii.

Your Committee finds that Electric Car Hawaii, a Hawaii corporation, plans to operate an electric vehicle assembly plant which will convert existing internal combustion engines to electric, as well as assemble new electric cars and related infrastructure equipment. Your Committee further finds that the establishment of this plant will diversify our State's economy by providing additional high technology training and jobs for our residents.

Your Committee has amended this bill by:

- (1) Clarifying in Section 1 that the statutory authority to issue special purpose revenue bonds is to assist an industrial enterprise under Part V, Chapter 39A, to conform with the bill's title; and
- (2) Making non-substantive changes for the purposes of clarity and proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1914, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 207 Human Services on S.B. No. 886

The purpose of this bill is to bring the State law related to the treatment of status offenders and juvenile law violators into compliance with the federal Juvenile Justice Delinquency Prevention Act (JJDP) of 1974.

Your Committee finds that Hawaii's compliance with the federal law is contingent on making changes to State law and procedures governing the treatment of juveniles. The issues that need to be addressed in order to bring Hawaii into compliance include the deinstitutionalization of status offenders and non-offenders from secure detention facilities, the removal of juveniles from adult jails and lockups, the separation of juveniles from adult criminals when confined in facilities where they can have regular contact, and the monitoring of compliance with these mandates.

According to testimony submitted by the Office of Youth Services in support of this measure, Hawaii is currently in non-compliance with the mandate requiring the removal of juveniles from jails and lockups, and as a result, nearly \$1,000,000 in federal funds for programs to keep juveniles out of secure detention facilities and the juvenile justice system are being withheld from the State. In order to resume receipt of JJDP funds, legislation must be enacted to prohibit the detention of children accused or adjudicated of committed non-criminal offenses and limiting the use of jails and lockups for juveniles alleged to have committed a crime.

After consideration of the issue and consultation with the Office of Youth Services and the Family Court, your Committee has amended this bill by modifying the conditions under which a child may be detained in a shelter or detention facility. Your Committee proposes that an alleged status offender or a child charged with the purchase or possession of liquor may be detained in a shelter after a court appearance, but shall not be detained in a secured detention facility for juveniles for more than twenty-four hours, excluding weekends and holidays, unless the child is a runaway subject to the Interstate Compact on Juveniles or has already been adjudicated for a violation of a valid court order.

Your Committee has also made several technical, nonsubstantive amendments for purposes of style and clarity and to correct drafting errors.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 886, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 208 Human Services on S.B. No. 1238

The purpose of this bill is to appropriate funds for the continued implementation of the West Oahu Social and Employment Services Incubator Project.

Act 325, Session Laws of Hawaii 1990, provided funding for the establishment of the West Oahu Social and Employment Services Incubator Project. The purpose of the project is to serve the increasing social and employment needs of the growing population in the Kapolei area of Oahu.

The city of Kapolei has been designated as the site of the secondary urban center to shift some of the island's population growth away from the overcrowded urban Honolulu area. State officials estimate that the population of the Ewa plains area will increase from 39,000 in 1988 to 132,000 in the year 2010.

The incubator project has successfully linked social and employment agencies in the West Oahu areas, effectively providing residents with information and referrals regarding employment training, educational opportunities, small business support, child and health care, and government services. The project has fostered cooperative agreements and coordinated efforts between private and public agencies, increased accessibility to needed services, and provided vital information and referrals to help individuals and families become self-sufficient and productive in their communities.

Your Committee has amended this bill by changing the amount of the appropriation for the West Oahu Social and Employment Services Incubator Project from \$269,480 to \$369,480.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1238, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 209 Human Services on S.B. No. 1403

The purpose of this bill is to impose a cigarette tax of 50 cents per pack of cigarettes sold at retail in the State, with revenues collected to be distributed to the Office of Youth Services for programs designed to support services for children and youth.

This bill takes programs for children and youth out of the backwater of governmental concern and provides necessary financial support to give all children, particularly those at highest risk, the high priority they deserve.

Your Committee notes that as our communities and its people become increasingly economically-distressed because of the weakened economy, the human services needs of our children and youth become particularly more acute. When revenues are down and the needs of individuals and families are the greatest, these vital programs would never receive funding if they were to rely solely on available state revenues. Your Committee recommends that if government is to avoid greater costs down the line, the Legislature must find a way to fund these important programs even when the State is experiencing a shortfall in revenues.

Currently, tobacco wholesalers and dealers pay general excise taxes of forty percent of the wholesale price for each item of tobacco product sold, including cigarettes, amounting to approximately 2.4 cents per cigarette or 47 cents per pack. Under this bill, the proposed 50 cent increase would bring the total general excise tax on cigarettes to approximately 97 cents per pack.

Upon further consideration, your Committee has amended this bill by providing a new method for determining the amount of general excise taxes to be paid for tobacco products. The forty percent tax on the wholesale price of tobacco products will remain the same for all items except cigarettes. Your Committee has provided a definition of cigarettes in the bill and mandated the assessment of an excise tax of 3.6 cents per cigarette that will be earmarked for various programs servicing children and youth. This proposal would increase the current tax on cigarettes (47 cents per pack based on forty percent of the wholesale price) by approximately 25 cents to 72 cents per pack.

The bill was further amended by including an appropriation for \$250,000 to the Department of Health for youth smoking prevention and education programs, and providing that the tax sunset at the end of the 1993-1995 fiscal biennium, on June 30, 1995.

Your Committee believes that instead of providing the usual rhetoric about how important our children and youth are to the future, the new source of revenue provided for in the bill, estimated at \$12,000,000, will pay huge dividends in resolving the difficulties experienced by so many of our children and youth and their families in today's world.

Your Committee proposes that one-third of the revenues generated from this tax on cigarettes be provided to the Office of Youth Services (OYS) and that these funds be available for purchase of service contracts to meet the needs of our increasing runaway youth and truant population. Testimony received from the OYS indicates that there has been a 193 percent increase in this population over the last decade. The extent of an increasingly alienated and troubled society are clearly evident in these startling statistics.

Your Committee further recommends that one-third of the revenues generated be provided to the Children and Adolescent Mental Health Division of the Department of Health in order to provide the necessary continuum of care for all children and adolescents in need of mental health services. Your Committee notes that Hawaii has had a shameful history in meeting the needs in this area, ranking 51st in the nation among the fifty states and the District of Columbia. Your Committee has received information that the U.S. Department of Justice will be mandating that services be provided by our State by July 1, 1993 through a consent decree in federal court. Your Committee is concerned that the federal government's mandates in this area will remove any discretion by the State in designing and providing the appropriate continuum of care needed by Hawaii's children and youth. Hawaii can no longer await the upswing in the economy to deal with these critical problems; immediate action must be taken in this area.

Finally, your Committee recommends that one-third of the revenues generated be provided to the Department of Health to deliver services to public school students in need of occupational therapy, physical therapy, school health, mental health, psychological services, and medical services as required by P.L. 94-142 and other appropriate federal laws. As noted in the February 12, 1993 Honolulu Advertiser, a class action suit is pending before the federal court, alleging that students with disabilities are being denied services by the Department of Education as required under federal law. In order to avoid additional penalties that may be imposed by the federal court and burdensome litigation costs, and more importantly, to meet the needs of our children in the public schools, your Committee believes that immediate action in this area is also required.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1403, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 210 Human Services on S.B. No. 1583

The purpose of this bill is to appropriate funds for shelters and related services for victims of domestic violence.

Your Committee finds that domestic violence in Hawaii continues to be major problem in our State, with over 3,000 women and children seeking refuge in shelters last year. Domestic violence shelters are not only necessary to protect the lives of these victims, but they represent the critical first step for these families in breaking the cycle of violence. More importantly, domestic violence not only leaves physical scars, but children who are abused are significantly more likely to become substance abusers and perpetuate the cycle of violence when they become adults. It is imperative, therefore, that sufficient funding be provided to adequately support treatment and prevention programs.

Testimony in support of this request was received by your Committee from the Department of Human Services, the Department of the Prosecuting Attorney, the Hawaii Commission on the Status of Women, and numerous community associations and advocates for domestic violence victims. Your Committee strongly supports this measure to provide the level of funding for domestic violence programs in fiscal year 1993-1994 requested in the Governor's Message to the Senate dated January 27, 1993.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1583 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 211 Consumer Protection on S.B. No. 162

The purpose of this bill is to add hospital credentialing committees to the list of committees for whom court discovery in civil litigation is not available. This bill also provides a hospital credentialing committee with immunity from civil liability.

The medical profession was under the assumption that a hospital credentialing committee was included in the definition of peer review committee. However, they recently found that hospital credentialing committees may not be included in the definition, therefore, this bill would clarify this issue. Peer review committees are not subject to discovery.

Your Committee has amended this bill to include hospital credentialing committees in the definition of peer review committee instead of separately defining hospital credentialing committee.

Your Committee had concerns that the title of this bill was too restrictive for the subject matter contained therein, and has amended this bill by deleting Section 2 of the bill to address these concerns.

Your Committee received testimony in support of this bill from the Department of Health and the Hawaii Medical Association. The Hawaii Academy of Plaintiffs' Attorneys opposed this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 162, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 212 Consumer Protection on S.B. No. 192

The purpose of this bill is to allow the medical claims conciliation panel to assess costs to a party who fails to cooperate.

Your Committee finds that this bill would correct an inherent weakness in the medical claims conciliation panel system by providing the panel with a mechanism to assess costs of a hearing to an uncooperative party.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs and the Hawaii Medical Association. The Hawaii Academy of Plaintiffs' Attorneys had no opposition to this bill.

Your Committee has amended this bill to clarify that the party failing to cooperate would be assessed the costs, not the insurance carrier or other person providing medical tort liability insurance. Your Committee also made other technical amendments for the purpose of clarity.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 192, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 213 Consumer Protection on S.B. No. 534

The purpose of this bill is to create a procedure for notification to the counties when a motor vehicle owner cancels the owner's insurance policy.

This bill would require insurance companies to notify the counties of all cancellations and nonrenewals of no-fault insurance policies. A county would then notify the owner to surrender the owner's motor vehicle license plates. If the owner fails to respond, the police department would then tow and store the vehicle at the owner's expense.

Your Committee is concerned about the large number of uninsured motor vehicles which are being used in this State. Your Committee feels that uninsured motorists are contributing to the rising costs of insurance, and feels this bill would help curb uninsured motorists and perhaps help lower insurance costs.

Your Committee has amended this making technical amendments by:

1. Changing a statutory reference to section 190-114 to section 190-11(b); and
2. Adding language to designate the counties as the expending agencies.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs, the City and County of Honolulu, and the Hawaii Academy of Plaintiffs' Attorneys. The Hawaii Insurers Council opposed the passage of this bill because the requirements on the insurer would be onerous.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 534, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 214 Consumer Protection on S.B. No. 588

The purpose of this bill is to codify product liability.

This bill would restructure and clarify product liability, and remove from potential litigation, a party whose involvement with a product is not the actual cause of harm to a consumer. This bill would also hold a person accountable for their own negligent use of a product by limiting potential recovery from retailers, wholesalers, and distributors.

Your Committee feels businesses and consumers would benefit by this bill because businesses would no longer be drawn into unnecessary litigation merely because they are remotely attached to a product, and their savings may be passed on to consumers. Your Committee recognizes that litigation is quite costly and it hopes that this bill will help prevent unnecessary litigation.

Your Committee received testimony in support of this bill by the Chamber of Commerce of Hawaii and the Hawaii Food Industry Association. The Hawaii Academy of Plaintiff's Attorneys opposed this bill.

Your Committee has amended this bill by changing references of "product seller" to "manufacturer" on pages 7, 8, and 10 to conform the body to the title of the section, and by making a technical, nonsubstantive change at page 15.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 588, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 215 Consumer Protection on S.B. No. 937

The purpose of this bill is to amend the offense of telecommunications service fraud to include the unlawful selling or using of a telephone access device.

This bill defines "access device" as any telephone calling card numbers and the like.

Your Committee feels that this criminal activity impacts our telephone services in Hawaii by increasing costs to consumers and businesses. Tourists at our airports and other locations are also affected when thieves retrieve calling card numbers from unsuspecting telephone users.

Your Committee received testimony in support of this bill from AT & T and the Honolulu Police Department.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 937 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 216 Consumer Protection on S.B. No. 1490

The purpose of this bill is to authorize an investigator of motor vehicle mechanics and repair dealers to issue citations to an unregistered motor vehicle mechanic or repair dealer.

The number of unlicensed motor vehicle mechanics and repair dealers is on the increase, and this bill would allow the Motor Vehicle Repair Industry Board to effectively deal with this unlicensed activity.

Your Committee has amended this bill by including unregistered persons as persons who will be accountable for violations when doing work outside of that person's specialty. Your Committee also made technical nonsubstantive amendments.

Your Committee received testimony in support of this bill from the Motor Vehicle Repair Industry Board, the Automotive Body and Painting Association, and the Hawaii Automotive and Retail Gasoline Association.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1490, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 217 Consumer Protection on S.B. No. 1630

The purpose of this bill is to protect a consumer who purchases a used car, from a dealer, that is later found to be defective or improperly equipped.

Your Committee would like to note that most used car dealers in this State are quite honest but there are some dealers who may try to sell a car that is not in the condition that is represented to the buyer, and with numerous complaints each year, something must be done to protect the consumer.

Your Committee feels this bill would afford a buyer some protection when purchasing a used car from a dealer.

Your Committee made numerous amendments to this bill by:

1. Changing the duration periods for when a warranty is applicable as follows:

- A. For a motor vehicle operated less than 24,000 miles, the warranty period was changed from ninety to sixty days;
- B. The mileage for a motor vehicle with over 24,000 miles was changed from 24,000 to 80,000 miles to 24,000 to 75,000 miles. The warranty period was changed from sixty days; and
- C. The last category for vehicles with over 80,000 miles was deleted.

Your Committee amended the durational periods throughout this bill so that the motor vehicle dealers would still be able to operate competitively, and at the same time, afford reasonable protection to the buyer.

- 2. Changing section -2 which deals with parts that have to be covered under a warranty was as follows to:

- A. Include gaskets and seals of the drive train;
- B. Exclude four wheel drive vehicles from coverage of the motor train; and
- C. Delete other parts not a part of the drive train system.

Your Committee included gaskets and seals in the drive train component because your Committee feels these items should be warranted because inspection is practically impossible for the consumer. Your Committee exempted four wheel drive vehicles from certain drive train components because dealers should not be responsible for failures to these drive train components where the motor vehicle purchaser may have used the vehicle in off-road situations.

- 3. Changing the exemption from any requirements of the proposed chapter for motor vehicles with mileage over 100,000 miles to 75,000 miles.
- 4. Including language that would require the buyer to notify the dealer, in writing, of any defects. A written notice requirement was added to protect the consumer and dealer from any allegation about proper notification within the time period.
- 5. Changing the exemption from any requirements of the proposed chapter for motor vehicles over seven years old to five years.
- 6. Adding language to exempt motor vehicles custom-built or modified for show or racing from any requirements of the proposed chapter.
- 7. Adding language to section -6(d) to account for the actual cash value if used in lieu of a blue book value. Section -6(d) was amended because there may situations where a dealer did not apply blue book values to the motor vehicle and instead used an appraised actual cash value, which was agreed upon by both the dealer and the consumer. Your Committee feels it would be fair to provide for a refund of the actual cash value if it was used and relied on.
- 8. Changing the language of section -5(b) to permit the director to adopt rules instead of mandating the director to adopt rules.

Other amendments were made for purposes of style and clarity.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs. The Hawaii Automobile Dealers' Association provided a conditional support of this bill if their concerns were addressed.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1630, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 218 Consumer Protection on S.B. No. 1779

The purpose of this bill is to provide criminal sanctions for fraudulent encoding of a credit card.

Recently, criminal elements have gained the capability of changing the magnetic encoding on a credit card. Due to this advancement in technology, a person can obtain any card, change the code to match a usable code, and use the card without being detected. The potential loss to our State's commerce can be tremendous. The Honolulu Police Department, who testified in support of this bill, gave an example of a situation in Los Angeles involving four people who used fraudulently encoded credit cards. Within a few days, they used the cards to obtain over \$20,000 in goods and services before anyone discovered the fraud.

Your Committee finds that fraudulent encoding of credit cards is potentially dangerous to Hawaii's economy because large sums of money, goods, or services may be taken by a single fraudulent card before the activity is discovered. Your Committee feels Hawaii may be more vulnerable to this type of activity due to its tourist based economy, which creates a greater probability that a criminal may move out of the State before the credit card fraud is discovered. This bill may deter this type of activity.

Your Committee has made technical, nonsubstantive amendments to this bill for purpose of style and clarity.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1779, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 219 Housing on S.B. No. 400

The purpose of this bill is to authorize a rental housing tax credit to any person who builds affordable rental housing for rental to the general public. This bill also appropriates undesignated amounts to the housing finance and development corporation and the Hawaii housing authority to support their respective rental housing programs.

Your Committee finds that affordable rental housing development by the private sector should be encouraged to the fullest extent possible. This bill provides taxpayers with an incentive to develop housing units for rental to the general public at affordable rates.

While it fully concurs with the intent of this bill, your Committee finds that the applicability of the tax credit should be limited exclusively to the housing units developed and rented as affordable housing units. Accordingly, your Committee has included a definition of the term "affordable rental housing" and has inserted a provision which restricts the applicability of the credit to these units.

Your Committee has further amended this bill by requiring rental housing owners claiming tax credits under the program to provide the housing finance and development corporation with the first option to purchase the unit in the event of the sale of any unit. Upon the purchase of any unit or units, the provision requires the housing finance and development corporation to either:

- (1) Transfer the unit to the Hawaii housing authority, or
- (2) Resell the unit to a buyer who agrees to rent the unit at a rate that is affordable to the public.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 400, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 220 Housing on S.B. No. 789

The purpose of this bill is to authorize the housing finance and development corporation to certify for a general excise tax exemption, any developer involved in the planning, design, financing, construction, or sale of affordable housing.

Your Committee finds that affordable housing development by the private sector should be encouraged by the State to the fullest extent possible. This bill provides developers with an incentive to develop affordable housing units for sale to the general public at affordable rates.

While it fully concurs with the intent of this bill, your Committee finds that the applicability of the tax exemption should be limited exclusively to the housing units developed as affordable housing units. Accordingly, your Committee has inserted a provision which restricts the use of the exemption to units sold at affordable rates.

Your Committee has further amended this bill by requiring housing developers awarded tax exemptions under the law to impose a condition on the buyer of the unit to offer the housing finance and development corporation the first option to purchase the unit in the event the buyer wishes to sell the unit. Upon the purchase of any unit, the housing finance and development corporation is required to sell the unit at a rate that is affordable to the public.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 789, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 221 Housing on S.B. No. 1823

The purpose of this bill is to repeal the Rental Housing Revolving Fund, the Rental Assistance Program, and the Fee Title Acquisition Loan Program.

While testimony against this bill was received from the Department of Housing and Community Development, testimony received from the Housing Finance and Development Corporation requested that only the Fee Title Acquisition Loan Program Revenue Bond Special Fund set forth in Section 516-111, HRS be repealed, and the Fee Title Acquisition Loan Program be retained as the HFDC is presently studying ways to make this program more effective.

Your Committee believes that the Rental Housing Revolving Fund and the Rental Assistance Program should be retained since they still serve a useful purpose.

Accordingly your Committee has amended this bill to repeal only the fee title acquisition loan program revenue bond special fund.

Your Committee on Housing is in accord with the intent and purpose of S.B. 1823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1823, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 222 Ways and Means on S.B. No. 261

The purpose of this bill is to provide a tax credit of an unspecified amount to state taxpayers as required by the state constitution when 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.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 261 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 223 Ways and Means on S.B. No. 262

The purpose of this bill is to authorize the issuance of general obligation bonds to finance legislative project appropriations for which the means of funding identified include general obligation bond funds and reimbursable general obligation bond funds. This bill also declares the legislature's findings with respect to these bond authorizations as required by the Constitution of the State of Hawaii.

Your Committee finds that Article VII, section 13, of the Constitution of the State of Hawaii directs the legislature, in every general law authorizing the issuance of general obligation bonds, to declare that the total amount of principal and interest estimated for these 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.

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 S.B. No. 262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 262, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 224 Ways and Means on S.B. No. 264

The purpose of this bill is to authorize the expenditure of general obligation bond funds for the construction and development of capital improvement projects throughout the State during fiscal year 1993-1994.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 264 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 225 Ways and Means on S.B. No. 514

The purpose of this bill is to increase the food/excise tax credit.

Currently the food portion of the tax credit is \$55 per qualified exemption to which the taxpayer is entitled. The excise portion of the tax credit is a graduated amount ranging from \$55 for a taxpayer with an adjusted gross income under \$6,000 to \$10 for a taxpayer with an adjusted gross income from \$20,000 to under \$30,000. This bill would increase those tax credits by unspecified amounts.

Your Committee believes that the slowdown in the State's economy has adversely affected the financial well-being of Hawaii's people and that increasing the food/excise tax credit will provide needed relief.

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. 514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 514, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 226 Ways and Means on S.B. No. 576

The purpose of this bill is to require general excise taxpayers doing business in more than one taxation district to submit all returns to the office of the first district (Honolulu).

Prior to the 1990 regular session, taxpayers doing business in more than one district were required, as in the present bill, to submit all general excise tax returns to the first district. The legislature changed the law by Act 184, Session Laws of Hawaii 1990, to require that all returns be submitted to the district office in which the acts to be taxed occurred. Act 184 authorized counties to enact an additional half percent general excise tax, and the change in the returns provision was

intended to more easily apportion this added half percent to the counties that adopted it. However, no county authorized the added tax by the October 1992 deadline, so the issue became moot from that standpoint. Additionally, the county-by-county allocation and reporting system proved confusing and cumbersome to taxpayers. This Act would restore the requirement that returns involving multiple district taxable uses be filed in the first district, and would streamline the filing procedures.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 576 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 227 Ways and Means on S.B. No. 1152

The purpose of this bill is to establish a tax administration fund consisting of not more than \$1,000,000, within the department of taxation to meet the costs of employee overtime, hiring emergency and temporary personnel, conducting out-of-state audits, and filling civil services positions. This bill authorizes the department to utilize the proceeds of the fund whenever the rate of delinquent taxes reaches or exceeds 3.5 per cent during any fiscal year.

While it agrees with the intent of this bill, your Committee finds that the fund ceiling of \$1,000,000, as proposed in this measure, is unnecessarily excessive. Accordingly, your Committee has amended this bill by lowering the ceiling to \$500,000.

Your Committee has also amended this bill by establishing an automatic lapsing provision to ensure the productive use of available moneys in the tax administration fund by the state general fund. Your Committee has included a provision which requires the proceeds of the fund to lapse to the credit of the state general fund whenever the delinquent tax rate fails to exceed 3.5 per cent over a period of two consecutive fiscal years.

Your Committee has further amended this bill by amending sections 36-27 and 36-30, Hawaii Revised Statutes, to clarify that the tax administration fund shall be exempt from the requirements of these provisions.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1152, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 228 Ways and Means on S.B. No. 1454

The purpose of this short form bill is to conform Hawaii's income tax law to changes made to the Internal Revenue Code (IRC).

Your Committee has amended this bill by inserting the provisions required to make the actual changes. In particular, the bill, as amended by your Committee, adopts all of the changes to provisions of IRC sections operative for state tax purposes, as amended by P.L. 102-244, P.L. 102-318 (Unemployment Compensation Amendments of 1992), and P.L. 102-486 (1992 Energy Policy Act). In addition, the bill also incorporates certain IRC provisions relating to estimated income tax payments not previously adopted; increases the maximum withholding rate on wages from eight to ten per cent, which is the top tax rate for individuals and is similar to federal provisions; increases the floor below which estimated taxes need not be filed from \$100 to \$500; and amends the credit for expenses for household and dependent care services necessary for gainful employment to allow the credit to be claimed by Hawaii residents who live and work outside the State.

Your Committee finds that conformity between the state and federal tax laws simplifies taxpayer compliance and eases administration of the law by the department. Your Committee further finds that updating the withholding and estimated tax provisions are long overdue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1454, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 229 Ways and Means on S.B. No. 1455

The purpose of this bill is to require that a taxpayer file an amended state income tax return when changes in income result in the recalculation of income for federal income tax purposes.

Present law requires taxpayers to report such changes to the department of taxation. This report must be filed within ninety days after the change is determined or the person's federal amended return has been filed. The form of the report is not specified. This bill specifies that the report be made in the form of an amended return.

Your Committee finds that this measure will reduce the taxpayer's and the department of taxation's workload, which will result in faster processing of the adjustments to the taxpayer's account.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1455 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 230 Ways and Means on S.B. No. 1456

The purpose of this bill is to improve collection of general excise and transient accommodations taxes by requiring taxpayers to report changes in gross income to the department of taxation.

The bill provides that if a report is required by section 235-101(b), Hawaii Revised Statutes, and changes are made to gross income, gross proceeds of sale, gross rental, or gross rental proceeds, the taxpayer shall file an amended return of general excise or transient accommodations taxes, or both, to report the changes for those taxes. The bill further provides for a one-year limitation period, from the time the department of taxation is notified of the changes, in addition to any other limitation period, to make assessments or refunds.

Section 235-101(b) provides that any person who is required to file an income tax return with the State shall report to the department any changes made to the person's taxable income for federal purposes within ninety days after the change is determined or the federal amended return has been filed. When the department is notified by either the taxpayer or the Internal Revenue Service, there is created a one-year statutory period for the assessment of any deficiency or the determination of any refund attributable to any reported change.

However, neither the general excise nor the transient accommodations tax laws contain provisions requiring taxpayers and operators to report changes to gross income or gross rentals. This bill would incorporate the requirements of the net income tax law with respect to adjustments made to a federal return into the general excise and transient accommodations tax laws.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1456 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 231 Ways and Means on S.B. No. 1457

The purpose of this bill is to provide time limits for claiming income tax refunds similar to those provided in the federal income tax code.

The present income tax provision, section 235-111, Hawaii Revised Statutes, allows a taxpayer to file a return or amended return to claim a refund or credit for an overpayment within three years after the filing of the original return, or within three years of the due date prescribed for the return, whichever is later. If a taxpayer has not filed an income tax return, the time limit does not start to run and the possibility of a refund or credit remains unsettled indefinitely. This bill provides a time certain during which the taxpayer may request and receive, or the department of taxation may apply or issue, a credit or refund.

The addition of a new subsection to section 235-111 necessitated the renumbering of subsequent subsections. Your committee has amended this bill by making housekeeping amendments to other tax laws to conform their cross references to the renumbered subsections.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1457, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 232 Ways and Means on S.B. No. 1458

The purpose of this bill is to require all local automobile dealers to report deliveries of motor vehicles purchased directly from the manufacturer or an out-of-state dealer by purchasers for use in the State, a practice commonly referred to as "courtesy deliveries." The information will be used by the Department of taxation to assess the use tax on the importer or purchaser of the vehicle.

The state use tax is imposed upon the importation of tangible personal property, including motor vehicles, into the State for resale or use by the importer or purchaser. A person purchasing a motor vehicle directly from the manufacturer or an out-of-state dealer and importing the vehicle into the State for personal or business use is subject to a four per cent use tax on the landed value of the motor vehicle.

The person acquiring the motor vehicle from the out-of-state seller may arrange for a local dealer to prepare and register the vehicle upon its arrival in the State. After preparation and registration, the vehicle is delivered to the importer or purchaser by the local dealer as a courtesy delivery. The local dealer charges a fee for the services rendered under the courtesy delivery. The person taking delivery of the vehicle is considered the importer of the vehicle and is subject to the use tax.

The motor vehicles delivered through a courtesy delivery are registered along with other motor vehicles sold by the local dealer. The motor vehicle registration information provided by the counties to the department of taxation does not distinguish between the motor vehicles sold locally from the vehicles that are registered under a courtesy delivery, thereby making it difficult if not impossible for the department to properly enforce the use tax law. Your Committee finds that this bill will make enforcement efforts much more effective.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1458 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 233 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 941

The purpose of this bill is to create a Used Oil Incentive Special Fund (Fund) to aid in the recovery of used motor oil.

Specifically, the bill imposes an advance disposal fee of 2.5 cents per quart on importers of new motor oil and deposits the proceeds into the Fund to aid the counties in recovering used motor oil disposed of by motor vehicle owners who service their own vehicles.

Testimony in support of the bill was received from the Hawaii Automotive and Retail Gasoline Dealers Association.

Your Committee finds that the problem of improper disposal of used motor oil has plagued the State for quite some time and past attempts to mitigate the problem have been inadequate. By imposing a fee on the wholesale level, the counties will be provided with sufficient funding to promote used oil recovery programs.

Although your Committee agrees with and supports the intent of the bill, it is skeptical that the recommended fee will be sufficient to fund the requisite programs. Therefore, your Committee has amended the bill by:

- (1) Raising the fee from 2.5 cents per quart to 13 cents per quart;
- (2) Requiring that the fee only be assessed on new motor oil intended for retail sale; and
- (3) Raising the cap of 4 cents per quart to 20 cents per quart.

Your Committee believes that the higher fees will provide the level of funding necessary for the counties to carry out the intent of the bill.

Your Committee has also made several technical amendments for purposes of style and clarity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 941, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 234 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 974

The purpose of this bill is to appropriate \$300,000 to the County of Hawaii to continue its studies on volcanic fog (vog).

Your Committee finds that the continuation of the County of Hawaii's studies on the effects of volcanic fog are necessary to protect the health and welfare of not only Big Island residents, but all residents of the State affected by the volcanic fog.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 974 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 235 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1196

The purpose of this bill is to appropriate \$1,000,000 to be split among the the various counties to carry out county waste diversion programs.

The City and County of Honolulu testified in support of the bill, stating that the funds are needed by the counties in order to proceed with waste diversion programs.

Your Committee has amended the bill to allow the counties the flexibility to shift funds between the projects outlined in the bill; provided that prior authorization is obtained from the Director of Health.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1196, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 236 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1202

The purpose of this bill is to establish a new chapter in the Hawaii Revised Statutes relating to nonpoint source pollution management and control and to appropriate funds for the implementation of the program mandated by the new chapter.

Your Committee finds that the federal moneys which previously funded the State's existing nonpoint source pollution program have run out and the only federal funds available to continue the program require the State to provide matching funding.

Your Committee believes that the nonpoint source pollution program is necessary to ensure continued monitoring of nonpoint source pollution in the State. Without such monitoring, serious and irreparable harm could severely damage the State's fragile natural environment.

The Hawaiian Sugar Planters Association, testifying in support of the bill, suggested that an amendment be made to the bill to delete the inference that nonpoint source pollution could be eliminated entirely. Accordingly, your Committee has made the necessary amendment.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1202, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 237 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1288

The purpose of this bill is to encourage the use of alternative fuel vehicles in the State by requiring the State Comptroller to purchase an increasing percentage of alternative fuel vehicles in the coming years, up to a maximum of seventy-five percent in the year 2000.

Testimony supporting the intent of the bill was received from the Department of Business, Economic Development, and Tourism.

Hawaii's almost total dependence on fossil fuels coupled with fluctuating prices and the uncertain availability of petroleum products on the world market places the State in a very vulnerable and precarious energy position. Your Committee realizes that waiting until fossil fuel supplies are depleted before starting conservation programs or developing alternative energy resources would be irresponsible. Therefore, your Committee believes that the program established by the bill is imperative for the general welfare of the State.

Your Committee has amended the bill by conforming the definitions of "alternative fuel," "alternative fuel vehicle," "dedicated vehicle," and "dual fueled vehicle," together with the percentage purchase requirements, with the National Energy Policy Act.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1288, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 238 (Joint) Housing and Agriculture on S.B. No. 301

The purpose of this bill is to transfer ownership of eight parcels of land in Waiahole-Waikane Valley from the department of land and natural resources (DLNR) to the housing finance and development corporation's (HFDC) agricultural park and low-density residential development which abuts the parcels.

Testimony in support of the measure was heard from the Waiahole & Waikane Community Association, Councilmember Steve Holmes of the Honolulu City Council, and the Kahalu'u Neighborhood Board No. 29. The department of land and natural resources testified against the transfer citing, among other reasons, that this legislation is contrary to Act 237, SLH 88.

Your Committees believe that there is a need for the transfer of ownership and the consolidation of the Waiahole-Waikane area under one entity to promote the master planning of diversified agriculture and to preserve the rural lifestyle of the valleys.

Your Committees have amended this bill by adding two additional parcels, TMK 4-8-07:03 (17.0 acres) and TMK 4-8-07:12 (5.0 acres) to Section 2 and changing the word "eight" to "ten" in Section 1, line 10.

Your Committees have further amended this bill by renumbering Section 3 to Section 4 and adding a new Section 3 which provides that the HFDC will offer leases to DLNR revocable permit holders on the same terms as those offered to other HFDC tenants in the Waiahole agricultural park.

Your Committees on Housing and Agriculture are in accord with the intent and purpose of S.B. No. 301, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. 301 S.D. 1, and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committees.

SCRep. 239 Ways and Means on S.B. No. 1462

The purpose of this bill is to allow the director of taxation to permit the filing of quarterly or semi-annual tax returns by fiscal year taxpayers pursuant to the general excise tax law, transient accommodations tax law, use tax law, and rental motor vehicle and tour vehicle surcharge tax law.

This bill is a housekeeping measure to permit the current practice of filing quarterly or semiannual returns for these taxes either on a calendar year or fiscal year basis.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1462 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 240 Public Safety and Corrections on S.B. No. 153

The purpose of this bill is to exempt police officers from tort liability for any injuries in certain cases.

Your Committee received favorable testimony from the Honolulu Police Department and SHOPO. However, both HPD and SHOPO urged your Committee to broaden the liability exemption. The Hawaii Academy of Plaintiff's Attorneys submitted testimony against the bill.

Your Committee followed a recommendation by SHOPO to broaden the exemption from liability for police officers who perform their duties in good faith.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 153, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 241 (Majority) Public Safety and Corrections on S.B. No. 1156

The purpose of this bill is to make an appropriation to fund an intensive study of the potential for prison privatization. This study will examine privatization initiatives currently utilized in other states as well as examine the feasibility of incorporating privatization in Hawaii.

Your Committee heard strong and persuasive testimony in support of prison privatization. Charles W. Thomas, PhD., of the University of Florida, one of the nation's foremost experts on prison privatization, addressed the legal and constitutional aspects of privatization dismissing concerns of constitutional barriers.

Five representatives from private corrections companies flew in from the mainland, at their own expense, to testify to their success in prison privatization. They spoke of significant cost savings, rapid project completion, higher caliber staff, better programs and better training. They further noted that most private contracts include the requirement that accreditation by the American Correctional Association be attained within an 18 or 24 month period following the opening of a facility. Currently, none of Hawaii's prisons has earned this accreditation. In fact, few State institutions are able to meet the stringent accreditation requirements set out by the ACA.

Your Committee also heard the energetic support of several local businesses organizations. However, there was written testimony against this bill by HGEA-AFSCME, and oral testimony in opposition from UPW.

While your Committee appreciates the concerns of organized labor, it believes it would be highly questionable at this time of budget constraints to disregard mainland success with privatization. A comprehensive study will give us an in-depth, non-biased opinion on the pluses and minuses of prison privatization. Your Committee is strongly persuaded that this study is necessary and timely.

Your Committee has amended the bill to appropriate the sum of \$50,00 and to provide for the use of contracted services from private consultants for the study, and to prohibit any consultant used in the study from responding to any RFP's resulting therefrom. The Committee has made further non-substantive amendments to more clearly define the scope of the study.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1156, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

Senator Matsunaga did not concur.

SCRep. 242 Public Safety and Corrections on S.B. No. 1453

The purpose of this bill is to clarify Hawaii Revised Statutes Chapter 353 by adding a definition of "committed person" to include those committed to the custody of the director of public safety for imprisonment.

Your Committee heard testimony from the director of public safety favoring the legislation, noting that this clarification will give the department needed flexibility in managing inmates and controlling overcrowding.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1453 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 243 Public Safety and Corrections on S.B. No. 1503

The purpose of this bill is to facilitate the payment of child support from individual trust accounts maintained by the director of public safety for inmates confined in correctional institutions in Hawaii.

The State Attorney General testified in support of the bill, noting that "all parents have a moral and legal obligation to support their children." This bill will enable the State to access additional sources of income for the payment of child support. This bill also recognizes that prison inmates normally receive small amounts of money and limits the payments of child support accordingly.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1503 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 244 Public Safety and Corrections on S.B. No. 1616

The purpose of this bill is to restore the titles of "sheriff" and "deputy sheriff" to persons presently employed by the department of public safety who previously held those respective positions pursuant to chapter 601. The bill also proposes to classify all state law enforcement positions as "deputy sheriffs," including harbor and marine patrol officers, special services deputies, and state law enforcement officers.

Your Committee heard testimony in favor of this bill from HGEA-AFSCME and from several off-duty deputies. The director of the department of public safety stated opposition to this bill, noting that the removal of the designations "sheriff" and "deputy sheriff" was in keeping with the purpose of Act 211, Session Laws of Hawaii 1989. The Act consolidated all public safety functions and employees of state government into a department of public safety. The proposed reorganization plan for the law enforcement division of the department provides for a one-class series for law enforcement officers and does not include "sheriff" or deputy sheriff" designations.

Your Committee has amended the bill by deleting the provision which assigns the titles "sheriff" and "deputy sheriff" to any personnel other than those who are currently employed by the department and who previously held the positions of sheriff and deputy sheriff pursuant to chapter 601.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. 1616, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1616, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 245 Public Safety and Corrections on S.B. No. 1751

The purpose of this bill is to redirect monies presently withheld from an inmate's proceeds and wages to the Correctional Industries Revolving Fund. Currently up to twenty per cent of an inmate's proceeds and wages are deducted as payment of costs incident to employment and deposited in the General Fund.

The redirection of these monies from the General Fund to the Correctional Industries Revolving Fund will enable the department of public safety to expand employment programs and also to cover incidental expenses associated with private sector ventures.

Your Committee heard testimony in support of this bill from the department of public safety. Your Committee agrees with the department that supplying meaningful employment to inmates is one of the best ways to prepare them to re-enter the community as wage-earning, productive citizens.

Your Committee strongly supports this measure, and as an indication of its intent to expand the prison industries program has amended this bill to provided for a one-time appropriation of \$, to recover monies previously paid to the general fund from wages earned by inmates in private sector ventures.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. 1751 as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No 1751, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 246 Public Safety and Corrections on S.B. No. 1752

The purpose of this bill is to establish a Corrections Population Management Commission, which would develop mechanisms to prevent overcrowding in correctional facilities.

Your Committee and the public at large are greatly concerned with the current overcrowding in correctional facilities. This bill will enable all three branches of government, and all criminal justice agencies in the State to work together in an effort to develop strategies to control the population of all of the State's correctional facilities.

Your Committee heard testimony in support of this measure from the department of public safety and the Honolulu prosecutor's office, and has worked with both to draft amendments to meet their concerns.

Your Committee has amended the bill to clarify that the commission shall establish specific guidelines for release, and that the guidelines are solely for the purpose of prison population management and shall not be construed as granting any person the right to be released.

Your Committee has further amended the bill to provide for immunity from civil or criminal liability resulting from inmate release or the establishment of maximum inmate populations. Additionally, "prosecutorial policies" was deleted from the list of items upon which the commission is directed to make recommendations. Further, the chairperson of the Hawaii Paroling Authority was added to the membership of the commission, and language regarding payment of expenses, and the appointment by the Governor of the Commission chairperson, which was inadvertently omitted, was restored. Finally, language was added to require the commission to report annually to the legislature.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1752, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 247 (Majority) Public Safety and Corrections on S.B. No. 1757

The purpose of this bill is to make the county attorney or corporation counsel's office responsible for deciding whether or not it will represent a police officer in civil and/or criminal proceedings. Formerly, this was the responsibility of the county police commissions.

The Corporation Counsel's Office testified in favor of the bill. They described the present procedure as duplicitous and circular. At present the Honolulu Police Department reviews files on the matter to make a recommendation to the Honolulu Police Commission; the Corporation Counsel reviews files to also make a recommendation to the Police Commission. The Police Commission reviews the files and then notifies the same agencies of its findings. SHOPO submitted written testimony against this bill but was not present to answer questions.

While your Committee is greatly concerned with the needs of SHOPO, we favor this bill for the following reasons: This bill will clearly define and streamline procedure and will serve police officers better by eliminating delays and obstacles in securing legal services.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. 1757 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 248 Public Safety and Corrections on S.B. No. 1777

The purpose of this bill is to appropriate funds to upgrade the telecommunications system of the Honolulu Police Department.

Your Committee heard testimony in favor of this bill from Chester E. Hughes, Assistant Chief of Police. Currently, there are insufficient police radio channels resulting in severe radio traffic congestion, and potentially critical delays in transmitting essential information. Additionally, there are several areas in deep valleys and highrise districts where radio messages cannot be transmitted or received. These deficiencies may place officers and the public in wholly preventable danger. While recognizing the current budget constraints, your Committee supports the funding of this worthwhile project. Your Committee has amended the bill to appropriate the sum of \$3,537,009 for the Phase III Trunked Two-Way Voice Radio System and has deleted funding for the Phase IV Mobile Data Terminal Radio System.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1777, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 249 Public Safety and Corrections on S.B. No. 1807

The purpose of this bill is to implement the recommendations of "Corrections 2000: A Plan to Manage the Correctional Population in Hawaii." The bill further provides that any action by the legislature to increase any term of imprisonment must be accompanied by a statement of the fiscal impact on the revenues of the State for the forthcoming fiscal year. Additionally, the bill deletes the required 30-day written notice requirement for release of convicted felons to work furlough or similar programs. It also provides that parole violators may be released to such programs by the department without notice to county prosecutors and police chiefs.

The director of the department of public safety testified in support of the bill calling it "a far reaching measure than can alter the course of corrections in Hawaii."

Your Committee believes that Corrections 2000 will greatly improve corrections the State of Hawaii. It will expand bed space for violent and repeat offenders, increase intermediate punishment programs for the less serious offenders as well as improve inmate education and training.

Your Committee has amended the bill to restore the current 30-day written notice requirement for release of convicted felons and persons committed for an offense against the person as described in chapter 707.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1807, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 250 Tourism, Recreation and Transportation on S.B. No. 10

The purpose of this bill is to appropriate \$200,000,000 for the planning and design of a vehicular tunnel under Pearl Harbor and a supporting roadway network for motorists traveling between the Ewa and downtown Honolulu areas of Oahu.

Your Committee finds that development of additional and alternative transportation routes is necessary to alleviate increasing traffic congestion on our roads and highways.

The Department of Transportation supports the intent of this bill, but expressed concern in light of the Department's existing priorities and the State's current economic situation.

Your Committee understands the concerns of the Department of Transportation, but also recognizes the great need to alleviate worsening traffic conditions on Oahu.

Upon due consideration, your Committee has amended this bill by deleting the appropriation amount so that a more accurate determination of costs may be ascertained at a later date.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 10, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 10, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 251 Tourism, Recreation and Transportation on S.B. No. 968

The purpose of this bill is to make an appropriation of \$90,000 for Hawaii's Plantation Village.

Hawaii's Plantation Village is part of the Waipahu Cultural Garden Park. Through its public programs, it ensures that the experiences, lifestyles, struggles, sacrifices, adjustments, innovations, and contributions of Hawaii's plantation laborers and their families continue to be known, acknowledged, and seen as the cornerstone of Hawaii's multi-ethnic culture and society.

This appropriation will be used to provide marketing funds to promote the Village as a major tourist attraction.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 968 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 252 Tourism, Recreation and Transportation on S.B. No. 980

The purpose of this bill is to shift the responsibility of cleaning shores and beaches from the counties to the State.

There has been concern that the counties are not properly maintaining the shorelines and beaches by keeping them free of seaweed, limu, and other debris. There have been situations where the beaches are not only unsightly, but also unsanitary or a public nuisance. Your Committee believes that clean shorelines and beaches enhance the State's image, especially with tourists.

Upon careful consideration, your Committee has determined that the counties are in a better position to maintain and clean the State's shorelines and beaches. Therefore, your Committee has amended this bill to keep shoreline and beach cleaning responsibilities with the counties.

Your Committee recognizes that the counties may not have the personnel to inspect every beach and shoreline on a constant basis. Consequently, your Committee has also amended this bill to allow residents to report any shoreline or beach that is unsanitary or a public nuisance to the appropriate state agency. The State would then inform the counties if the State finds an unsanitary condition or a public nuisance. Your Committee has further amended this bill to allow the State or a resident to clean a shoreline or beach if the county does not do so within five days of receiving notice. If the State or a resident performs the clean up, the State or the resident may recover costs from the county.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 980, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 253 Tourism, Recreation and Transportation on S.B. No. 1076

This is a short form bill that your Committee has amended by inserting an appropriation of \$25,000 for the second annual Royal Hawaiian Masters Rugby Festival.

This bill also provides that no funds shall be made available unless matched dollar for dollar by private sector donations.

Last year, the Legislature supported the inaugural Royal Hawaiian Masters Rugby Festival, which was successful in bringing foreign teams and supporters to the State.

Your Committee finds that continued support and promotion of the Royal Hawaiian Masters Rugby Festival will ensure a continued boost to our State's tourist industry and overall economy.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1076, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1076, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 254 Tourism, Recreation and Transportation on S.B. No. 1397

The purpose of this bill is to create a trails and access special fund to be administered by the department of land and natural resources.

The federal National Recreational Trails Fund Act of 1991 requires a state that imposes a tax on non-highway recreational fuel to reserve a reasonable estimation of the revenues from that tax for use in providing and maintaining recreational trails in order to be eligible for federal funding under the Act.

Your Committee notes the testimony indicating the problems of defining an off-road vehicle and in assessing the amount of fuel taxes collected from fuel sales for such vehicles. The Department of Transportation offered testimony that 0.3 per cent of the proceeds from the state highway fund be deposited into the trails and access special fund as an alternative until details can be worked out. This will provide conformity with the language used in federal legislation.

Your Committee has amended the bill in accordance with the testimony of the Department of Transportation.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1397, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1397, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 255 Tourism, Recreation and Transportation on S.B. No. 1590

The purpose of this bill is to make an appropriation of \$400,000 for the Visitor Industry Education Council.

The Visitor Industry Education Council was founded in 1974 by visitor industry and business leaders to communicate the facts and benefits of tourism to the community and to serve as a resource on industry-wide facts.

This appropriation is to be used for statewide "tourism awareness" workshops, a media campaign on the benefits of tourism with the message "support Hawaii's visitor industry, it supports our life in Hawaii," and to manage visitor industry programs in the Department of Education.

Testimony in support of the intent of this bill was received from the Department of Business, Economic Development and Tourism. Supporting testimony was also received from the Hawaii Visitors Bureau and the Visitor Industry Education Council.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1590 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 256 Tourism, Recreation and Transportation on S.B. No. 1592

The purpose of this bill is to make an appropriation of \$250,000 for the Aloha Festival Activities.

The Aloha Festival is for the observance and study of the Hawaiian Culture. The Festival has been in existence for forty-seven years. It provides multi-cultural programs and events to broaden cultural awareness and to enhance the attractiveness of Hawaii.

Your Committee received testimony in overwhelming support of this bill.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1592 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 257 Tourism, Recreation and Transportation on S.B. No. 1605

The purpose of this bill is to clarify State law relating to civil liability for recreational and water activities.

This bill relieves adjacent landowners from liability for injuries resulting from recreational activity or an inherent risk of water activities if the landowner posts a warning sign in compliance with the statute.

Your Committee finds that landowners should have some protection against users of public beaches if adequate safety precautions are taken.

Your Committee received testimony in support of this bill from the Hawaii Hotel Association and testimony in opposition from the Hawaii Academy of Plaintiff's Attorneys.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1605 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 258 Tourism, Recreation and Transportation on S.B. No. 1831

The purpose of this bill is to establish a special tourism promotion account in the state treasury to be used to provide Ho'olaule'a style promotional extravaganzas around the world.

The bill provides that the account is for legislative appropriations of up to \$1,000,000 per year, to be matched on a dollar-for-dollar basis by private contributions.

Your Committee believes that the creation of a public-private tourism promotion account will enable the State and the visitor industry to become more flexible and innovative in promoting Hawaii as a premier resort destination.

Your Committee has made stylistic amendments that do not affect the substance of the bill.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1831, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 259 Tourism, Recreation and Transportation on S.B. No. 1863

The purpose of this bill is to change the transient accommodations tax and to provide for a percentage of transient accommodations tax revenues to be deposited into the convention center development revolving fund.

This bill also grants the State authority to develop and construct a convention center using money in the fund.

Your Committee believes that the transient accommodations tax is a logical source of funding for a world-class convention center. In fact, your Committee notes that the transient accommodations tax was originally instituted for this purpose.

Your Committee has amended this bill by increasing the transient accommodations tax from five to six percent and by requiring that one percent of transient accommodations tax revenues be deposited into the convention center development revolving fund.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1863, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 260 Tourism, Recreation and Transportation on S.B. No. 1879

The purpose of this bill is to appropriate \$1,400,000 million for fiscal year 1993-1994, and \$1,400,000 for fiscal year 1994-1995, to the Oahu Attractions Association for the promotion of tourism in Hawaii.

Tourism is perhaps Hawaii's major industry. However, due to a slowing of the economy on a global scale, Hawaii must compete more aggressively with other tourist destinations such as Australia, New Zealand, and Guam to attract visitors to our islands.

The Oahu Attractions Association is committed to enhancing the desirability of Oahu as a tourist destination by promoting the breadth and quality of the attractions available to visitors. Your Committee finds that funds are necessary to support and promote tourism so that more people throughout the world will consider Oahu, and our State as a whole, a desirable vacation destination.

Your Committee has amended this bill by deleting the appropriated amounts and inserting the sum of \$1, so that a more accurate determination of funding may be made at a future date.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1879, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 261 Planning, Land and Water Use Management on S.B. No. 766

The purpose of this bill is to appropriate \$500,000 during the coming fiscal year to the Department of Land and Natural Resources for the dredging of the Ala Wai Canal.

The canal is a two mile, man-made waterway that serves as the major drainage system for the Waikiki district of Honolulu and a conduit for surface water runoff from the Makiki, Manoa, St. Louis Heights, Palolo, Moiliili, and Kapahulu areas as well as parts of Kaimuki and Diamond Head.

As the repository of significant amounts of natural and urban-related debris, sediment, and litter, the canal is one of the most polluted bodies of water in the State. Edward K. Noda and Associates, Inc. recently completed a comprehensive study regarding the clean-up and maintenance of the Ala Wai Canal by virtue of funds appropriated by the Legislature in 1990. One of the recommendations for maintaining and improving the water quality of the canal included regular dredging.

The last major dredging of the Ala Wai Canal was completed in 1978. Based on the history of maintenance dredging and an analysis of the rate of sedimentation within the canal, the study recommended a maintenance plan that included major dredging of at least 100,000 cubic yards every ten years. Your Committee finds that the lack of dredging during the last fifteen years has caused an excessive buildup of debris, sediment, and pollutants. Dredging of the canal will greatly improve the water quality and provide an acceptable venue for water-based recreational activities.

While fully supporting the appropriation of funds to design and develop specifications for dredging the canal, your Committee is concerned about the cost involved in of this project. Your Committee requests that the Department of Land and Natural Resources review all available information and specifications of the 1978 Ala Wai Canal dredging project and the Noda study to determine whether any of this material may still be of use in reducing the cost of the current undertaking.

Your Committee has amended this bill by deleting the amount of the appropriation so that a more accurate determination of costs may be made at a future date.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 766, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 262 Planning, Land and Water Use Management on S.B. No. 767

The purpose of this bill is to appropriate \$300,000 during the coming fiscal year to the Department of Land and Natural Resources for the drilling of test borings from underground sources near the Ala Wai Canal to determine the quantity and quality of water available from these sources.

The canal is a two mile, man-made waterway that serves as the major draining system for the Waikiki district of Honolulu and a conduit for surface water runoff from the Makiki, Manoa, St. Louis Heights, Palolo, Moiliili, and Kapahulu areas, as well as parts of Kaimuki and Diamond Head.

Department of Health analyses of water quality samples from the Ala Wai Canal show levels of nutrient-related parameters and bacteria that routinely exceed State water quality standards. Edward K. Noda and Associates, Inc. recently completed a comprehensive study regarding the clean-up and maintenance of the Ala Wai Canal for the Department of Land and Natural Resources by virtue of funds appropriated by the Legislature in 1990. One of the recommendations for maintaining and improving the water quality of the canal included flushing the canal with large quantities of sea water to reduce the nutrient supply of algae.

Your Committee finds that this bill will provide funds to determine the availability and feasibility of an underground water source that would improve water flow, reduce algae growth, and minimize decomposition of organic matter in the canal.

Your Committee recognizes that nonpoint source pollution is a serious problem affecting the water quality of the canal, and finds that these contaminants are a source of great concern to elected officials, the Department of Health, area residents, and sports enthusiasts who use the canal. The Noda study focuses specifically on various measures designed to control and mitigate nonpoint source pollution. Your Committee requests that the Department of Land and Natural Resources review the study and consider all other information available on the mitigation of nonpoint source pollution when developing plans for the clean-up and maintenance of the Ala Wai Canal to prevent and control, to the extent possible, the further introduction and increase of nonpoint source pollutants.

Your Committee has amended this bill by deleting the amount of the appropriation so that a more accurate determination of costs may be made at a future date.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 767, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 263 Planning, Land and Water Use Management on S.B. No. 1367

The purpose of this bill is to delete the requirement under the State Disaster Loan Program that a party must first be rejected by a private lending institution in order to qualify for a commercial disaster loan administered by the Department of Business, Economic Development and Tourism.

Your Committee finds that deleting this requirement would clarify the intent of the program, to assist applicants who are unable to repair or restore their businesses with their own resources. The Department of Business, Economic Development and Tourism testified that it assists applicants denied loans by the Small Business Administration due to a poor credit rating, low income, or are unsecured or underinsured and have limited personal resources.

Your Committee notes that this bill will give Hurricane Iniki victims needed relief because this bill would be retroactive to September 10, 1992.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1367 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 264 Planning, Land and Water Use Management on S.B. No. 1728

The purpose of this bill is to reappropriate funds to the Department of Taxation that were unexpended or unencumbered during the 1992-1993 fiscal year for the Department to administer the provisions of the Tax Relief for Natural Disasters Law.

An appropriation of \$1,600,000 was made to the Department of Taxation pursuant to Act 300, Session Laws of Hawaii 1992, that will lapse into the general fund on June 30, 1993.

Hurricane Iniki has clearly devastated the State, most notably on Kauai, where property losses are estimated in the hundreds of millions of dollars. Preliminary figures indicate that about 14,700 homes on Kauai and 500 on Oahu were damaged or destroyed, and about 2,500 businesses were damaged statewide.

Your Committee finds the proposed appropriation will help the Department of Taxation handle the more than 15,000 claims for tax relief expected to be submitted before March 10, 1993.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1728 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 265 Education, Labor and Employment on S.B. No. 324

The purpose of this bill is to require each state agency to establish a leave donation program.

Under these programs employees would be entitled to donate earned vacation credits to another employee in the same department, provided the donee has been with the State for five years, has exhausted or is about to exhaust accumulated vacation, sick leave, and compensatory credits, and needs the time off because of serious personal illness or injury not covered under Workers' Compensation.

The department director would have to approve all donation requests and could set up an advisory committee to help with the task.

Your Committee finds that this measure may help some public employees stay on the payroll when faced with a personal health crisis of some duration.

Your Committee has amended this bill by allowing the Governor or any mayor to establish a state or county-wide leave sharing program. The Director of Personnel Services of a jurisdiction opting for a program will adopt rules to ensure fair treatment of employees and protect them from coercion. To be eligible, a donee's record must be clear of sick leave abuse for two years and the incapacitating illness or injury must be verified by a doctor.

Your Committee believes that this bill as amended will accomplish the purpose of leave donation or sharing with maximum efficiency and flexibility.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 324, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 266 Education, Labor and Employment on S.B. No. 336

The purpose of this bill is to appropriate funds to provide equipment, supplies, and services to improve the safety of high school athletic programs.

Your Committee finds that athletic programs can serve as an integral part of a student's education by emphasizing values such as a healthy lifestyle and working together as team members. Your Committee further finds that Hawaii's high schools have not kept pace with the health and safety requirements of a modern athletic program. Your Committee is concerned that the lack of adequately trained personnel and equipment not only hampers the advancement of our high school athletes, but poses a growing risk of harm to them.

Testimony in support of this bill was provided by the Department of Education, the Hawaii Student Athletic Trainers' Association, the Hawaii Athletic Trainers' Association, and various physicians working with athletic programs.

Your Committee has amended this bill by:

- (1) Providing an appropriation amount of \$900,000 for each fiscal year of the 1993-1995 biennium; and
- (2) Indicating that the appropriation is to hire one full-time athletic trainer for each public high school.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 336, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 267 Education, Labor and Employment on S.B. No. 350

The purpose of this bill is to expand membership of the Board of Trustees of the Employees' Retirement System to more accurately reflect the System's constituency.

Current membership consists of two general employees, one teacher, three citizens one of whom is a financial expert, and the Director of Finance.

This bill adds one retirant of the System and one general employee.

Your Committee finds that the System's extensive roster of retiree-beneficiaries warrants inclusion of a retirant on the Board to represent their interests.

Your Committee has amended this bill by deleting the additional general employee member in order to better reflect the intent of this measure to give retirants a significant voice in the Board's decisions. In consideration of this amendment, your Committee has also amended Section 88-28, Hawaii Revised Statutes, to provide for a quorum of five members to do business.

In addition, your Committee has added an appropriation of \$20,000 to facilitate the Board's restructuring, and made some nonsubstantive changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 350, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 268 Education, Labor and Employment on S.B. No. 353

The purpose of this bill is to make permanent the Pensioners Bonus for Employees' Retirement System retirants enacted pursuant to Act 339, Session Laws of Hawaii 1990.

Act 339, which provided an increase in the Pensioners Bonus for persons retired for ten years or more, is slated for repeal on June 30, 1995, at which point the previous statute will be reenacted.

Your Committee finds that the repeal provided by Act 339 is appropriate and has amended this bill accordingly. Your Committee, however, is concerned that retirants and pensioners could lose accrued benefits after reenactment and has further amended this bill by providing that reenactment of the previous statute shall not affect entitlement to benefits accrued pursuant to Act 339 prior to July 1, 1995. It is the intent of your Committee to develop a new mechanism to merge the Post Retirement Plan with the Pensioners Bonus effective July 1, 1995. This bill will facilitate your Committee's efforts in this regard.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 353, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 269 Education, Labor and Employment on S.B. No. 476

The purpose of this bill is to provide additional death benefit options to beneficiaries of public employees who die in service.

Under current law, if a member's designated beneficiary changes marital status or dies the designation is null and void, and the only benefit payable is a lump sum comprised of a portion of the member's final salary and the member's accumulated contributions paid to the member's estate. The Employees' Retirement System reports many instances where a surviving spouse was unable to receive joint survivor benefits because the member had failed to file or update the beneficiary form.

This bill allows the surviving spouse to choose an Option 2 or 3 pension depending on whether the member was eligible to retire at the time of death or had ten years of service, and if a lump sum payment is selected, probate can be avoided even if the beneficiary form is invalid or nonexistent.

If there is no surviving spouse, the bill enables dependent children to receive the lump sum death benefit. Also, the surviving spouse of a noncontributory member may receive a benefit similar to the contributory benefit, and the surviving spouse and dependents can qualify for Health Fund benefits.

In addition, this bill increases the death benefit for beneficiaries of noncontributory members from fifteen percent to thirty percent of the member's average final compensation, and noncontributory members will be able to change beneficiaries after retirement.

Your Committee finds that this bill will allow many spouses and dependents to receive benefits they should, in equity, receive. Failure to fill out or update a form should not prevent eligibility under the Employee's Retirement System.

Your Committee has amended this bill by correcting a statutory citation on page 3, line 6, and by making several technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 476, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 270 Education, Labor and Employment on S.B. No. 680

The purpose of this bill is to amend the amount payable for disfigurement under the workers' compensation law from \$15,000 to \$30,000.

Your Committee finds that the \$15,000 cap on payments for disfigurement under the workers' compensation schedule has been in effect since 1971, and although adjustments have been made in amounts paid for other injuries, there has been no conforming adjustment for disfigurement. Your Committee further finds that of the total awards paid under this section, disfigurement awards represent only one-half of one percent of the total.

Testimony in support of this measure was provided by the Department of Labor and Industrial Relations and the ILWU Local 142.

Your Committee has amended this bill by making non-substantive changes to reflect proper drafting style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 680, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 680, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 271 Education, Labor and Employment on S.B. No. 877

The purpose of this bill is to allow negotiation under collective bargaining of teacher classification and salary ranges.

Your Committee finds that the present statutory teacher salary schedule has been in existence for over twenty-five years and thus collective bargaining negotiations have been limited to amounts within the steps and ranges of the schedule. Similarly, teacher classification as provided in the statutes requires resort to the legislature for any additions or changes that may be warranted. Your Committee further finds that, with the adoption of school/community-based management, negotiation of teacher compensation should become more flexible.

Testimony in support of this bill was submitted by the Hawaii State Teachers Association. The Office of Collective Bargaining submitted testimony indicating that this measure, as drafted, would allow negotiation of classification and salary ranges for all public employees, including teachers.

Your Committee has amended this bill to specify that negotiation of salary ranges and classification shall apply only to teachers.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 877, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 272 Education, Labor and Employment on S.B. No. 880

The purpose of this bill is to repeal the obligation of the State and counties to make up any shortfall in the earnings of the Employees' Retirement System.

Your Committee has amended this bill by deleting the contents and inserting provisions that:

- (1) Grant retirants credit for prior military service;
- (2) Increase from eight to ten the number of credited years of service required to be eligible for military credit;
- (3) Increase from four to five the total number of years of active military service that may be credited towards retirement, including fractions of years; and
- (4) Repeal the buy-back provision for military service.

Your Committee finds that this measure will provide appropriate opportunities for public employees and retirants to receive credit for time spent in service to their country.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 880, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 273 Education, Labor and Employment on S.B. No. 1363

The purpose of this bill is to amend the Uniform Information Practices Act (Modified), "UIPA", to clarify what individually identifying information about employee misconduct may be disclosed upon request, and at what stage of the disciplinary process such disclosure may occur.

Your Committee finds that the UIPA is intended to be a comprehensive public records law that applies to all state and county agencies and which promotes governmental accountability through public access to government records on the one hand while recognizing certain constitutional rights to privacy on the other. Your Committee is aware that the UIPA is a dynamic law and as various situations arise to test its applicability, the fine balance between the public's right to know and an individual's right to privacy is also tested.

Your Committee is also aware that one of the pressing issues of government accountability is the disclosure of employment-related misconduct by its government employees. Your Committee received testimony both in support of and in opposition to this measure and considered the concerns expressed by all those testifying. In the spirit of compromise, your Committee has amended this bill by providing that disclosure of information for employment-related misconduct shall be as follows:

"For employment-related misconduct resulting in an employee's suspension or discharge, the following information shall be disclosed thirty calendar days after a written decision sustaining the suspension or discharge is rendered at the highest level of non-judicial grievance procedure timely invoked by the employee or the employee's collective bargaining agent: the name of the employee; the name of the complainant; the nature of the employment-related misconduct; the agency's summary of the allegations of misconduct; findings of fact and conclusions of law; and the disciplinary action taken by the agency against the employee; provided that this subparagraph shall not apply to police officers;"

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1363, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 274 Education, Labor and Employment on S.B. No. 1422

The purpose of this bill is to strengthen and clarify the law relating to family leave.

Specifically, the bill provides for employee notification of the provisions of Chapter 398, Hawaii Revised Statutes; employer record keeping; complaint filing; investigation and conciliation; appeals and hearings; civil actions; remedies; penalties; compliance review; and rulemaking.

In addition the bill clarifies the definitions of "child," "employee," and "parent," the exclusion of employers with less than one hundred employees, and enforcement of the chapter.

Chapter 398 was enacted to grant employees of large employers the right to take time off from work without pay while attending to essential family matters, and is slated for initial application commencing January 1, 1994.

Your Committee finds that the intent of this bill is for the most part already addressed by the current provisions of Chapter 398. Therefore, your Committee has amended this bill by deleting its contents and amending Act 328, Session Laws of Hawaii 1991, the Act that established Chapter 398, to defer implementation of Chapter 398 until July 1, 1994, in anticipation of changes arising from impending federal legislation.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1422, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 275 Education, Labor and Employment on S.B. No. 1426

The purpose of this bill is to enable the Department of Labor and Industrial Relations to determine the amount of each employer's Workers' Compensation Special Compensation Fund assessment and receive payment directly from self-insured employers.

Currently these assessments are collected by the Department of Commerce and Consumer Affairs.

Your Committee finds that this bill will expedite the assessment and collection process.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1426, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 276 Education, Labor and Employment on S.B. No. 1670

The purpose of this bill is to establish a literacy and lifelong learning program to be administered by the state librarian.

Your Committee finds that the importance of learning communication skills in this era of information technology cannot be undervalued, and illiterate individuals are now more disadvantaged than ever due to our society's growing dependence on information technology. Your Committee further finds that the coordination of government and private sector literacy programs is necessary to avoid duplication of efforts and ensure that programs are available on a statewide basis. Your Committee agrees that the state library system is an appropriate mechanism through which such coordination can take place, and agrees that the Private-Public Partners for Literacy Trust Fund established by Section 581-1, Hawaii Revised Statutes, should be transferred to the Department of Education. With the transfer, Section 581-1 is repealed.

Testimony in support of this measure was submitted by the Board of Education, the Oahu Library Advisory Commission, and the Governor's Office of Children and Youth.

Your Committee has amended this bill by deleting administration of the Private-Public Partners for Literacy Trust Fund as one of the Librarian's duties to maintain the private nature of the trust. Your Committee expresses its concern over the concept of private administration of state funds but finds it appropriate to leave this issue to the expertise of the Committee on Ways and Means. Your Committee has also made several editorial changes to reflect proper statutory language and drafting style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1670, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 277 Education, Labor and Employment on S.B. No. 1748

The purpose of this bill is to establish the Hawaii State Library Foundation Trust Fund to be administered by the Hawaii State Library Foundation.

Your Committee finds that the private trust fund proposed by this measure is a public/private initiative intended to establish support in perpetuity for the state libraries and develop private sources of funding to match state revenues appropriated for library programs. Your Committee further finds that if the Foundation is not established or if state funds are not matched by private contributions, the state funds appropriated shall lapse to the credit of the state general fund. Your Committee expresses its concern about the lack of control by the State over state funds appropriated to a private trust fund, but finds it appropriate to leave consideration of this question to the expertise of the Committee on Ways and Means.

Testimony in support of this measure was submitted by the State Librarian, the Board of Education, and the Chairperson of the Oahu Library Advisory Commission.

Your Committee has amended this bill by making editorial changes to reflect proper statutory language and drafting style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1748, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1748, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 278 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 394

The purpose of this bill is to authorize private actions to enforce the State's endangered species law or to require the Board of Land and Natural Resources to do so.

Your Committee agrees that there is a need to authorize citizen suits as an additional mode of enforcing Chapter 195D, but finds that the bill does not provide sufficient guidance to potential plaintiffs or the courts, especially as to procedural matters, court jurisdiction and powers, and applicable remedies. Your Committee has rewritten the bill to:

- (1) Clarify the types of enforcement actions that are authorized;
- (2) Add provisions relating to the jurisdiction and powers of the circuit court in those actions; and
- (3) Require notice to the Board and Department of Natural Resources, and to alleged violators, prior to the commencement of a lawsuit.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 394, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 279 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 433

The purpose of this bill is to provide the respective counties with revenues collected under the public service company tax which are in lieu of real property taxes.

Your Committee has amended this bill by deleting amendments to section 239-10, Hawaii Revised Statutes, and inserting the amendments proposed by S.B. No. 1338. Your Committee feels this amendment would be more appropriate and would allow for proper administration of the public service company tax.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 433, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 280 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 603

The purpose of this bill is to create a Department of Environmental Protection.

Your Committee finds that although the creation of a Department of Environmental Protection is necessary to ensure the protection of the State's fragile ecosystems, it is also cognizant of the State's current financial problems.

Therefore, your Committee believes that a task force should be created to study alternative funding mechanisms such as permit and discharge fees to fund the creation of a Department of Environmental Protection. Your Committee has amended the bill to reflect this concept.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 603, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 281 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 728

The purpose of this bill is to provide limited immunity from liability for removal costs and damages associated with oil spills if the activities are performed in a manner consistent with the Federal National Contingency Plan or when under the direction of a federal on-scene coordinator or an appropriate state official.

Testimony supporting the intent of the bill was presented by the Department of Health and BHP Petroleum Americas (Hawaii).

According to testimony submitted to your Committee, the State's existing environmental response law, Chapter 128D, Hawaii Revised Statutes (HRS), already contains a "good samaritan" provision to limit liability when a person acts under the guidance of an on-scene coordinator. Enacting the provisions contained in the bill as written would create ambiguities and inconsistencies in the existing law.

In light of this, your Committee has amended the bill by deleting its substance and substituting provisions adding the definitions of "federal on-scene coordinator" and "state on-scene coordinator" to Section 128D-1, HRS, and clarifying the intent of Section 128D-6(e), HRS.

Your Committee believes that these amendments are consistent with the bill's original intent and finds that they will accomplish the same goal in a more efficient manner.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 728, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 282 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1698

The purpose of this bill is to amend the laws relating to hazardous waste by requiring persons who produce, transport, or store hazardous waste to directly notify the Department of Health (DOH) annually of the disposition of the hazardous waste in their possession.

Testimony in support of the bill was received from the DOH.

According to the DOH, as the State's hazardous waste program is currently considered by the Environmental Protection Agency (EPA) to be on unauthorized status, the program relies on the EPA's hazardous waste listings. As the State's hazardous waste program approaches delegated status, the DOH is finding that many of the EPA's database listings contain inaccuracies regarding generator status and activities. By requiring direct hazardous waste status notification to the DOH, the problems associated with such inaccuracies can be easily rectified on the local level.

Furthermore, as the DOH seeks to develop and implement a fee structure to support the hazardous waste program, an accurate database of hazardous waste handlers in Hawaii will be imperative.

Your Committee has amended the bill to require more comprehensive and specific information in notifications filed with the DOH and by making technical and stylistic amendments which have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1698, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 283 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1691

The purpose of this bill is to amend the State's air pollution laws contained in Chapter 342B, Hawaii Revised Statutes (HRS).

Specifically, the bill:

- (1) Amends the definition of "covered source" to allow the Director of Health to determine standards governing what constitutes a "covered source";
- (2) Amends the definition of "regulated air pollutant" by adding nitrogen oxides;
- (3) Requires the Department of Health to make information and data on emissions regulated under Chapter 342B, HRS, available to the public during normal office hours;
- (4) Shortens the amount of time allowed for a person to request a public hearing and for public comment under Chapter 342B, HRS, from sixty to thirty days;
- (5) Amends Section 342B-29, HRS, by removing the 4000 ton per year cap on covered source emissions and requiring that the covered source fee be assessed on the basis of individual emission units;
- (6) Clarifies the civil and criminal penalty provisions of Chapter 342B, HRS; and
- (7) Deletes the definition of "modification" from Section 342B-1, HRS.

Your Committee finds that reducing the time to request a public hearing or provide comment on a proposed emission permit to thirty days will give the general public too little time to respond. Additionally, your Committee finds that the removal of the 4000 ton per year cap on a covered source's emissions would negatively impact on the financial stability of certain public utility providers.

The Department of Health supported repeal of the term "modification" as it intends to define the term by rule. However, your Committee finds that if the definition of "modification" is repealed before the departmental rule is adopted, no legal definition of the term will exist during the interim.

Therefore, your Committee has amended the bill by:

- (1) Allowing the public forty-five days to request a public hearing or provide comment on a proposed emission permit;
- (2) Deleting SECTION 6 of the bill, which removes the 4000 ton per year cap;
- (3) Providing that repeal of the definition of "modification" shall be effective only after a definition of the same term, which conforms with certain guidelines, is adopted by the Department of Health; and

- (4) Making several technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1691, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 284 (Majority) Health on S.B. No. 256

The purpose of this bill is to require all employers in the State to adopt smoking policies.

Currently, smoking is prohibited in certain places open to the public such as elevators, lobbies, theaters, banks, and parts of restaurants, and all employers that operate to any extent with public funds are required to adopt and enforce policies that reasonably accommodate the preferences of their smoking and nonsmoking employees.

This bill requires all employers, regardless of whether or not they receive any money from the State, to adopt smoking policies within three months after the bill is signed, and clarifies that it is unlawful to allow smoking in any public place where it is already prohibited in order to reach a reasonable accommodation between smokers and nonsmokers.

Your Committee is keenly aware of incontrovertible evidence linking smoking and second-hand smoke with lung cancer and other diseases. Considering the risks and society's demand for protection, it is fully consistent with the obligations and authority of the Legislature to require all employers to be aware of and responsive to the legitimate health needs of their employees and their right to work in a safe, smoke-free environment if they choose.

Your Committee has amended this bill by exempting small employers (those with ten or less employees) that don't receive any state money from the smoking policy requirement and allowing employers six months, rather than three, to adopt their policies. Your Committee has also changed the effective date of this measure to January 1, 1994 and made several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 256, S.D. 1, and be referred to the Committee on Education, Labor and Employment.

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

SCRep. 285 Judiciary on S.B. No. 18

The purpose of this bill is to require that all family court judges be circuit court judges, with the requisite background, powers, and compensation of regular circuit court judges.

Your Committee finds that, because of the impact that family courts have on the lives of children and families, this bill is necessary to assure that family court judges meet the highest standards as well as to ensure that these judges are adequately compensated for the enormous responsibilities they bear. All applicants, including interested district family court judges, should be required to meet the same standards.

Your Committee has amended this bill by:

- (1) Changing references to "district family judges" to "family court judges" to avoid ambiguity in the use of the word "district" in existing law and to reflect the intent of the bill to elevate district family court judges to circuit court status;
- (2) Changing references to the term "circuit family court judges" to "family court circuit judges" to conform with statutory designation of circuit judges;
- (3) Changing the term of tenure of family court judges from six years to ten years to conform with the existing length of office of circuit court judges;
- (4) Making a number of technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 18, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 18, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 286 Judiciary on S.B. No. 208

The purpose of the bill is to eliminate fees to be deposited with the clerk of the district courts by the party requesting a garnishment.

Your committee received testimony in support of the bill from the Judiciary.

Your committee finds that the collection and disbursement of all garnishment fees provided for in Section 652-13, Hawaii Revised Statutes, impose unnecessary and costly record keeping on the courts. Your committee further finds this

section is no longer relevant as the amount of the fee has become insignificant and does not compel the parties to file a return or make an appearance in court.

Your committee has amended the bill to repeal Section 652-13 in its entirety.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 208 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 208, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 287 Judiciary on S.B. No. 887

The purpose of this bill is to create a committee to make a study of status offenders and report its findings to the Legislature.

Testimony in support of the bill was given by the Prosecuting Attorney of the City and County of Honolulu, the Judiciary and the Department of Human Services.

Your Committee finds there is a critical need to recognize the philosophical distinction between the juvenile who has committed a crime and a truant or runaway. Disposition of status offender cases under the present system involves essentially all elements of the criminal justice system. Your Committee finds this adversarial proceeding to be inappropriate and recognizes the need for a viable alternative. A study of the situation resulting from the enactment of this bill would meet that need.

Your Committee has amended the bill by requiring that the committee be composed of at least one member from each county and to clarify that the Office of Youth Services shall have general oversight and supervision of the committee staff. Other nonsubstantive technical changes were made for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 887, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 887, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 288 Judiciary on S.B. No. 1495

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy claims for legislative relief, judgments against the State, settlements and miscellaneous claims.

The Department of Attorney General submitted testimony indicating that since the measure was first introduced, four additional cases were concluded or settled, and the Department recommended payment of the additional claims.

Your Committee has amended the bill by:

- (1) Including an appropriation of \$34,272.50 for the settlement of the claim of Mary Caseres.
- (2) Including an appropriation of \$40,000.00 for the amount of settlement for John K. Moniz, et al. v. State of Hawaii, et al., Civil No. 90-241K, Third Circuit.
- (3) Including an appropriation of \$46,063.29 for the amount of settlement for Darrel A. Smith v. Charles Toguchi, et al., Civil No. 91-559 HMF, U.S.D.C.
- (4) Including an appropriation of \$150,000.00 for the amount of settlement for Kenneth B. Smith, et al. v. Charlene T. Goo, et al., Civil No. 88-083(K), Third Circuit.
- (5) Deleting the claims and appropriations for Rowena Akana v. Board of Trustees of the Office of Hawaiian Affairs, et al., Civil No. 92-0685-02, First Circuit; Hoolehua Naone & George Naone v. State of Hawaii, Civil No. 55105, First Circuit; and William E.H. Tagupa v. Office of Hawaiian Affairs, et al., Civil No. 88-616, First Circuit; to afford the Senate additional time to consider whether the payment of those claims would be more appropriate if derived from special funds of the Department of Hawaiian Homes and the Office of Hawaiian Affairs rather than from State general funds.
- (6) Deleting the claims and appropriations for Mary L. Gueble v. State of Hawaii, et al., Civil No. 90-00713 DAE, U.S.D.C.; and Hawaii Helicopter Operators Association, et al. v. State of Hawaii, et al., Civil No. 90-00369 ACK, U.S.D.C., to give the Senate additional time to review the files on those cases.

It is not the intention of your Committee to recommend against funding of the claims in paragraphs (5) and (6), supra, but rather to encourage further deliberation of and attention to those particular claims.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1495, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Gaulty.

SCRep. 289 Science, Technology and Economic Development on S.B. No. 134

The purpose of this bill is to provide an income tax credit of 20 percent of the cost for the installation of waste heat recovery systems.

Waste heat is expended by central air conditioning systems and refrigeration systems.

Your Committee finds that the installation of waste heat recovery systems should be encouraged since they reduce our dependence on imported oil. Your Committee further finds the use of these energy-efficient systems can play a major role in energy and environmental conservation.

Testimony in support of this measure was provided by the Department of Business, Economic Development, and Tourism and the Hawaiian Electric Company, Inc.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 134 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 290 Science, Technology and Economic Development on S.B. No. 135

The purpose of this bill is to provide an income tax credit to employers who purchase equipment for telework centers.

Your Committee finds that although Hawaii was the first nationally to promote the concept of telework, Hawaii businesses have not followed the State's lead because of the initial capital investment in purchasing equipment to establish telework centers. Your Committee further finds that creating an income tax credit for employers who purchase equipment for telework centers will stimulate interest in this concept within the private sector as well as provide other benefits such as:

(1) Improving the quality of life of employees by allowing them to work at home and spend more time with their families;

(2) Reducing fuel consumption and traffic congestion by eliminating the need for employees to commute to work; and

(3) Providing employment opportunities for the physically disabled, persons physically separated from business centers, and persons who are unable to work a full day.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 135 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 291 Science, Technology and Economic Development on S.B. No. 136

The purpose of this bill is to provide an income tax credit for the construction of the first commercial energy generating plant using ocean thermal energy conversion (OTEC) technology.

Your Committee finds that the use of alternative energy sources to generate electricity should be encouraged since they reduce our dependence on imported oil. Your Committee further finds that alternative energy sources such as OTEC have potential application throughout the Pacific Basin and is an ideal candidate for future technology transfer from Hawaii.

Testimony in support of this measure was provided by the Department of Business, Economic Development, and Tourism, the Natural Energy Laboratory of Hawaii Authority, and Hawaiian Electric Company, Inc.

Your Committee has amended this bill to clarify that the tax credit shall only be taken after the plant is operational.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 136, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 292 Science, Technology and Economic Development on S.B. No. 313

The purpose of this bill is to increase the income tax credit provided for the installation of solar energy systems from thirty-five to fifty percent of the actual cost of the system.

Your Committee finds that the use of solar energy to heat water should be encouraged since it reduces our dependence on imported oil. Your Committee further finds that solar energy systems for residential water heating can play a major role in energy conservation.

Testimony in support of this measure was provided by the Department of Business, Economic Development, and Tourism, and Hawaiian Electric Company, Inc.

Your Committee has amended this bill by making a technical change in the intent section of the bill to conform the section with the body of the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 313, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 293 Science, Technology and Economic Development on S.B. No. 709

The purpose of this bill is to exempt the sale of clean fuels used as fuel for motorized vehicles from the general excise tax.

Your Committee finds that the development and use of alternative fuels can reduce our dependence on traditional sources of energy. Your Committee further finds that the encouragement of widespread use of clean alternative fuels is an environmentally responsible policy.

Your Committee has amended this bill by amending the definition of "clean fuels" to include only those fuels consisting of at least ten percent biomass-derived alcohol, natural gas, liquified petroleum gas, hydrogen, electricity, or other biomass-derived liquid.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 709, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 294 Science, Technology and Economic Development on S.B. No. 946

The purpose of this bill is to provide an exemption from gross income for taxpayers who receive rebates from an electric or gas utility for the purchase and installation of any energy conservation measure.

Your Committee finds that successful utility rebate programs can reduce Hawaii's dependence on traditional energy sources. Your Committee further finds that this tax exemption would encourage taxpayers to participate in programs which offer rebates for installing energy conservation devices.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, and the Hawaiian Electric Company, Inc.

Your Committee on Science, Technology, and Economic Development is in accord with the intent and purpose of S.B. No. 946 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 295 Science, Technology and Economic Development on S.B. No. 957

The purpose of this bill is to classify producers of electricity as manufacturers so that materials purchased for energy production will be taxed at the wholesale general excise tax rate of one-half of one percent.

Your Committee finds that the wholesale general excise tax rate would effect a related decrease in utility costs and charges to consumers. Your Committee further finds that it is the intent of this legislation to provide such an incentive to utility companies through the inclusion of raw materials purchased for energy generation under the wholesale excise tax rate.

Your Committee has amended this bill by:

- (1) Including sales of fuel for generation of energy by a public utility under the definition of wholesaler in section 237-4; and
- (2) Including producers of energy under the excise tax of one-half of one per cent imposed on importers or purchasers under section 238-2.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 957, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 296 Science, Technology and Economic Development on S.B. No. 1344

The purpose of this bill is to provide an income tax credit for the purchase and installation of equipment for the manufacturing of electric vehicles and conversion of conventional internal combustion engines.

Your Committee finds that the manufacture of electric vehicles and the conversion of conventional internal combustion engines should be encouraged since they reduce our dependence on imported oil and provide emission-free modes of transportation. Your Committee further finds that alternative transportation modes such as electric vehicles can play a major role in energy and environmental conservation.

Testimony in support of this measure was provided by the Department of Business, Economic Development, and Tourism and the Electric Vehicle Association of Hawaii.

Your Committee has amended this bill by allowing the tax credit to the taxpayer who purchases an electric vehicle or converts a vehicle to an electric vehicle.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1344, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 297 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 223

The purpose of this bill is to appropriate \$295,000 for the Hale Kuamo'o Hawaiian Language Center and the Hawaiian Studies Department at the University of Hawaii-Hilo.

The Hale Kuamo'o Hawaiian Language Center provides the Department of Education's Hawaiian Language Immersion Program with much needed translations, curriculum development, and classroom materials in the Hawaiian language, while the Hawaiian Studies Department prepares students for teaching in the Immersion Program as well as in other fields.

Your Committee finds that support of these programs will ensure a foundation for continued Hawaiian Studies education and research that will benefit Hawaiians and the community at-large.

Your Committee has amended this bill by increasing the appropriation amount to \$450,000 and by clarifying that the funds be appropriated to the University of Hawaii-Hilo for the purpose of providing a portable building to accommodate the Hale Kuamo'o Hawaiian Language Center and the Hawaiian Studies Department. Your Committee has further amended this bill by making technical changes that have no substantive effect.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 223, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 298 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 358

The purpose of this bill is to make an appropriation of \$2,810,000 for the design of an addition to the Hamilton Library at the University of Hawaii at Manoa.

Your Committee notes that the 1991 Legislature appropriated \$2,800,000 for this same purpose; however, the Administration has not yet released the funds. Consequently, your Committee believes that this bill is necessary to provide for the library addition, which will comfortably house Hamilton Library's growing collection and adequately accommodate library patrons and staff.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 358 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 299 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1138

The purpose of this bill is to regulate unaccredited colleges and universities.

Your Committee finds that there has been a proliferation of persons or organizations which grant degrees for a fee but are essentially mail-order operations. It is in the public interest to prohibit these types of so-called "universities" and "colleges."

Your Committee notes the concern of the State Attorney General that the language of this bill may be vague and overbroad. However, your Committee nonetheless believes that this bill has merit and deserves serious discussion and consideration.

Your Committee has amended this bill by:

- (1) Adding a findings and purpose section to make clear that this chapter is to protect the consumer;
- (2) Adding a section creating a post-secondary education commission to have the responsibility of regulating the chapter; and
- (3) Deleting the class C felony penalty.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1138, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 300 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1150

The purpose of this bill is to authorize an additional amount of indirect overhead funds generated by the University of Hawaii for research and training purposes to be deposited into the Research and Training Revolving Fund in order to reimburse the Research Corporation of the University of Hawaii (RCUH) for management fees. In addition, the bill authorizes the board of directors of RCUH to expend funds deposited in the Research and Training Revolving Fund for the purpose of making reimbursement.

The University of Hawaii testified in favor of adding an amount equivalent to the RCUH management fee to the deposits made into the Research and Training Revolving Fund, but suggested changes in language for the purpose of clarity. The University also testified in support of permitting expenditures from the fund to reimburse RCUH, provided the Board of Regents, rather than the RCUH Board of Directors, is given the authority to do so. The University testified that authorizing the Board of Regents to expend the funds will preserve the University's traditional role as steward for state funds that are paid to the research corporation for services rendered to the University.

Upon due consideration, your Committee has amended this bill by adopting the recommendations of the University of Hawaii. Your Committee has also made some nonsubstantive technical changes for the purpose of clarity.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1150, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 301 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1346

The purpose of this bill is to separate the University of Hawaii at Hilo from the University of Hawaii system and to establish it as an independent Hawaii State University with its own president and board of regents.

Your Committee received testimony from the University of Hawaii at Manoa supporting the underlying purpose of the bill to provide the support necessary so that the UH-Hilo can excel in undergraduate education. However, the UH-Manoa is of the opinion that this can be better done if the UH-Hilo remains part of the UH system. Supporting testimony was received from the Japanese Chamber of Commerce and Industry of Hawaii, the immediate past president of the Hawaii Island Board of Realtors, and from Big Island Councilperson James Y. Arakaki.

Your Committee notes that the Hawaii State Constitution may prohibit the establishment of a Hawaii State University. Article X, Section 5 provides "The University of Hawaii is hereby established as the state university." However, your Committee nonetheless believes that the establishment of a Hawaii State University has merit and deserves serious discussion and consideration.

Your Committee has amended this bill to provide for dollar-for-dollar matching funds from private sources and to require that the necessary infrastructure be in place before expansion of the facilities on the campus.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1346, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 302 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1347

The purpose of this bill is to establish and fund medical training programs in rural and medically under-served areas of the State.

The University of Hawaii School of Medicine will establish the Family Practice Residency Program, and the School of Medicine, the Schools of Nursing at Manoa and Hilo, Hilo Hospital, and the Department of Health will jointly establish a Family Practice Ambulatory Health Center at the old Hilo Hospital site and a two-year Rural Health Care Training Project at the Family Practice Ambulatory Health Center. Curriculum for the programs will encompass areas such as inpatient, outpatient, and emergency room training and ancillary services such as occupational, physical, and respiratory therapy and social services.

Your Committee finds that there is a serious lack of medical services in rural areas of the State and the neighbor islands and that on-site training programs are an appropriate means of addressing the problem.

Your Committee has amended this bill by:

- (1) Providing that consideration be given to student as well as resident housing accommodations in close proximity to the training site;
- (2) Appropriating \$450,000 for the Family Practice Residency Program and Rural Health Care Training Project in combination;
- (3) Deleting specific funding for a family practice ambulatory health center;

- (4) Specifying that the sum appropriated be expended by a the University of Hawaii School of Medicine, Department of Family Practice; and
- (5) Making some technical changes that have no substantive effect.

The old Hilo Hospital site is retained for the programs, and all concepts offered in the bill as introduced remain in the bill as amended.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1347, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 303 (Joint) Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management on S.B. No. 640

The purpose of this bill is to appropriate funds for the design of a four-year campus for the University of Hawaii-West Oahu at Kapolei, Oahu.

Your Committees observe that the student population at the University of Hawaii's Manoa campus has been rising steadily for years. Although the University's West Oahu campus was designated in 1989 as the facility that would meet the need for another full-fledged, four-year program on Oahu, that campus still resides in a parking lot on the Leeward Community College grounds. Rapid expansion and population growth in the second city of Kapolei, and in central and west Oahu as well, make it imperative that construction of a permanent west Oahu campus begin in short order. Your Committees believe that the appropriation proposed by this measure will provide a timely and necessary stimulus for the achievement of that goal.

Your Committees note that this bill addresses the need for a second baccalaureate campus on the island of Oahu as reflected in the master plan adopted by the Board of Regents of the University of Hawaii on January 18, 1991. Your Committees further note that the University is presently in the site assessment stage for a West Oahu campus.

Your Committees on Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management are in accord with the intent and purpose of S.B. No. 640 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. 304 (Joint) Agriculture and Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1300

The purpose of this bill is to appropriate \$105,000 for the University of Hawaii's Department of Urban and Regional Planning to coordinate activities relating to the control of alien species in the State.

Supporting testimony was received from the Department of Agriculture, the Natural Area Reserves System Commission, the Hawaii Farm Bureau, and the Natural Resources Defense Council.

Your Committees find that every year, an average of at twenty new alien invertebrate species are introduced into Hawaii. Some of these species become major economic pests that significantly impact on the State's fragile environment and agricultural activities. Establishing a coordinated program to mitigate this problem is the first step in preventing future infestations.

Your Committees have amended the bill by making the Governor's Agriculture Coordinating Committee the expending agency.

Your Committees on Agriculture and Higher Education, Culture, Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 1300, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1300, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Tanaka.

SCRep. 305 Agriculture on S.B. No. 305

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes that establishes a Sustainable Agriculture Program Committee to administer a Sustainable Agriculture Program within the Department of Agriculture.

Your Committee finds that production agriculture in Hawaii faces rapidly growing competition from international markets whose basis of competition is their low cost of production. In order to compete, agricultural producers in the State must be the most effective at adapting to productivity enhancing technologies.

Your Committee believes that the provisions of the bill will help the State's agricultural community effectively adapt and compete with its international counterparts.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 305 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 Ikeda.

SCRep. 306 Agriculture on S.B. No. 429

The purpose of this bill is to shorten the season prohibiting the taking of Kona crabs from the existing closed season extending from the beginning of May until the end of August, to a closed season beginning on May 15th and ending at the end of August.

Your Committee finds that the State's Kona crab population has diminished in recent years and that scientific data indicates that this decrease could be attributable to the open season on the taking of Kona crabs infringing too closely on the crabs' spawning season.

Based on this information, your Committee has amended the bill by retaining the existing starting date of the closed season and extending the closed season on Kona crabs until September 15th of each year.

Your Committee believes that the proposed amendment will help replenish the State's Kona crab population, thereby ensuring its existence for future generations to enjoy.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 429, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 307 Agriculture on S.B. No. 611

The purpose of this bill is to appropriate \$248,220 for the Governor's Agriculture Coordinating Committee to continue biomass research for energy and alternate uses.

Testimony in support of the bill was received from the County Council of Hawaii. The Department of Business, Economic Development, and Tourism and the University of Hawaii's College of Tropical Agriculture and Human Resources provided qualified support, stating that current budgetary constraints prohibit them from fully supporting the appropriation.

Your Committee finds that the State's almost total dependency on petroleum as an energy source requires the State to explore alternate forms of energy.

Furthermore, with the reduction of sugarcane acreage in the State, tree plantation biomass could become a serious contender for crop replacement if proven to be technically and economically feasible.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 611 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 308 Agriculture on S.B. No. 855

The purpose of this bill is to appropriate \$100,000 for the Department of Agriculture to maintain the existing irrigation system located in Kealia, Kauai.

Testimony in support of the bill was received from the Hawaii Farm Bureau Federation.

Your Committee finds that Lihue Plantation has maintained a well designed irrigation system in the Kealia area for its production needs. However, since Lihue Plantation no longer utilizes the Kealia area, it has no plans to maintain the existing irrigation system for the area.

Your Committee further finds that the Kealia area irrigation system is situated on State-owned land and should therefore be maintained for agricultural and other future needs of the area.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 855 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 Ikeda.

SCRep. 309 Agriculture on S.B. No. 1920

The purpose of this bill is to provide animal control officers with the authority to inspect, investigate, and cite any commercial animal establishment to ensure humane caretaking procedures are being enforced.

Testimony in support of the bill was received from the Hawaiian Humane Society.

Your Committee finds that recent reports of the inhumane treatment and housing of animals by commercial animal establishments have prompted public outcries and indignation over such treatment. Your Committee believes that the provisions of the bill would provide animal control officers with the necessary authority to protect these animals.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1920 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 310 Public Safety and Corrections on S.B. No. 1071

The purpose of this bill is to amend the laws of the State relating to public safety.

Your Committee has amended this short-form bill to insert substantive provisions which would establish a series of statewide regulations for the possession, storage, sale and use of fireworks. Under the provisions of this measure, no person may possess, store, sell, keep or offer for sale, expose for sale, use, explode or cause to explode any fireworks within the State, with the following exceptions.

1. Wholesalers for shipment out of state, and licenses retailers;
2. Storage or sale for persons licensed as provided herein;
3. Sale to and use by an organization obtaining permit as provided herein;
4. An organization obtaining permit for religious or ceremonial occasions as provided herein;
5. Motor vehicle operators and transportation agencies for signal, warning or illumination purposes;
6. Blank cartridges for theatrical or athletic uses;
7. Materials for use in legally permitted firearms;
8. Use by defense organizations for defense purposes;
9. Certain permitted occupational safety uses;
10. Certain permitted agricultural uses; and
11. Officers or agents of temples, cemeteries, restaurant, cultural or religious organizations which have obtained a permit as provided herein.

The bill provides for a non-transferable license to sell or store fireworks, such license to be issued by the director of public safety. It also provides for a permit for public display of fireworks and requires proof of insurance and bond. The bill prohibits the sale or supply of fireworks to persons below the age of eighteen, and further provides that parents or guardians who knowingly permit such minors to purchase or use fireworks shall violate this chapter.

Your Committee believes this measure displays an awareness of and a sensitivity to the many cultural and religious uses of fireworks in Hawaii and provides for a reasonable permitting process for these uses.

Your Committee heard testimony in support of this measure from the Honolulu Police Department.

Your Committee has amended the bill to address a concern of the Police Department by adding language that will authorize county and state law enforcement officers and fire department personnel to conduct inspections to detect illegal fireworks and to determine if safety regulations are being met by organizations and facilities who sell or store fireworks.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1071, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 311 Public Safety and Corrections on S.B. No. 1722

The purpose of this bill is to grant authority to the director of department of public safety to order the pretrial release of certain inmates when prison capacity is exceeded. The measure provides that no person who has been denied bail or whose bail is set at more than \$10,000 shall be released pursuant to this section. The bill further prohibits the release under this chapter of a person who is being held for a serious crime involving violence against a person as defined in Section 804-3.

Testimony from the Honolulu prosecutor's office raised questions regarding the separation of powers, which they felt would be weakened by this measure. They were also concerned with the civil and criminal immunity granted to the director of public safety.

Testimony by the director of department of public safety strongly supports this bill, and your committee is persuaded that by granting the director this authority, prison space for violent and serious offenders will increase and the safety of the community will be ensured.

Your committee has amended the bill to lower the bail threshold for space management release from \$10,000 to \$5,000. Additionally, language indicating release to public safety programs has been added, in lieu of release on "recognizance," and a repeal date of July 1, 1996 added.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1722, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1722, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 312 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1137

The purpose of this bill is to increase the University of Hawaii's allotment of tuition waivers at all campuses, and to specifically designate Hawaiians and other underrepresented minorities as recipients of tuition waivers.

Your Committee believes that minority groups, especially Hawaiians, are significantly underrepresented among students enrolled in the State's university system. Quite often it is the unavailability of financial resources that prevents these individuals from enrolling. Your Committee finds that this bill will enable more Hawaiians and other minorities to pursue higher education.

Your Committee has amended this bill by:

- (1) Inserting appropriate increases, which your Committee finds reasonable;
- (2) Adding a new subsection that allows tuition waivers for students enrolled in Hawaiian language courses and courses taught in the Hawaiian language; and
- (3) Making technical amendments for purposes of style and clarity.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1137, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Mizuguchi.

SCRep. 313 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 119

The purpose of this bill is to establish a temporary state, county, and Office of Hawaiian Affairs task force within the Office of State Planning to develop a cultural landscape preservation scheme. This bill also provides for the development of administrative procedures and appropriates funds to allow the Land Use Commission to implement the scheme.

Your Committee finds that the preservation of cultural landscapes, as opposed to individual sites, is emerging as an area of growing public concern.

Your Committee is aware that the Office of State Planning is currently conducting a Land Use Regulation and Management Study that takes a comprehensive look at and evaluates current land use regulations and management at both the state and county levels. The study also addresses some of the concerns of this bill.

Representative Peter Apo, the foremost proponent of this bill, met with the Department of Land and Natural Resources, who in turn consulted both the Office of State Planning and the Land Use Commission, in arriving at several proposed amendments to this bill.

Upon due consideration, your Committee has adopted those recommendations and has amended the bill by:

- (1) Establishing the task force within the Department of Land and Natural Resources rather than the Office of State Planning for administrative purposes;
- (2) Deleting the provision that the task force develop specific land use categories for cultural landscape districts based on criteria utilized by the National Park Service to define sites for the National Register of Historic Places;
- (3) Adding that the task force include the director of the Office of State Planning or the director's designated representative, representatives of appropriate Hawaiian organizations, and representatives of major or affected large property owners;
- (4) Designating the chairperson of the Department of Land and Natural Resources or the chairperson's designated representative as the chairperson of the task force;
- (5) Deleting SECTION 3 of the bill, which provides for an appropriation;
- (6) Changing the effective date of the Act from July 1, 1993 to its approval date; and
- (7) Making technical changes that have no substantive effect.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 119, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Kobayashi, B.

SCRep. 314 Housing on S.B. No. 1680

The purpose of this bill is to extend Act 15 of the 1988 Session Laws of Hawaii (Act 15) for two years. This bill also provides for indemnification to the counties for injury or damage involving Act 15 developments.

Act 15 was passed in 1988 to address a critical shortage of housing which existed at that time. In addressing this issue, the legislature drafted Act 15 in such a way that the Housing Finance and Development Corporation (HFDC) was given relaxed standards by which they could develop affordable housing in a short period of time. Act 15 did not, however, allow public health and safety standards to be compromised.

Your Committee feels that Act 15, while it served a necessary function at the time it was implemented, is no longer a necessary measure and should be sunsetted. The original five year lifespan of Act 15 demonstrated an intent by the

legislature to make its affordable housing solution temporary, with 201E, Hawaii Revised Statutes, being the permanent vehicle for such development.

Your Committee has heard testimony from numerous county officials and finds that the provisions of Act 15, which allowed HFDC to bypass county approval for projects which would later be dedicated to the counties, has resulted in various problems between the State and respective counties. Among these problems are questions of zoning as well as liability related to faulty construction and/or planning of a development.

Your Committee finds that development of affordable housing should primarily be handled by the individual counties and that they should have the right to inspect and approve projects constructed within their respective jurisdictions. Given these findings, 201E, HRS, is better suited to give the counties greater control than Act 15. While HFDC must, of necessity, remain involved with affordable housing as the projects referenced in this bill are completed, it is the intent of the committee that HFDC be down-sized as the counties assume greater responsibility for affordable housing.

This bill does not, however, stop all Act 15 projects immediately. This bill has been amended to allow certain projects, identified in the bill, to continue under Act 15 rules until their completion. Only phases of work currently under construction on these projects are exempted. Any future phases currently in the planning stage must comply with 201E, HRS. Any other project not listed within this bill must immediately comply with 201E, HRS.

Your Committee has further amended this bill to delete provisions providing indemnification to the individual counties for injuries or damage involving Act 15 projects. Because S.B. 1824, S.D. 1, fully addresses the indemnification problem, your Committee feels that it is more appropriate to utilize that bill to provide for a solution to those concerns.

Your Committee on Housing is in accord with the intent and purpose of S.B. 1680 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1680, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 315 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 483

The purpose of this bill is to appropriate \$180,000 for the 1993-1995 Fiscal Biennium to design a new Hilo day activity center.

Testimony in support of the bill was received from numerous residents of the Hilo area.

Your Committee finds that the existing day activity center is inadequate and a new facility should be constructed to accommodate the needs of the Hilo community.

Your Committee has made stylistic amendments to the bill which have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 483, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 316 (Majority) Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1531

The purpose of this bill is to require state and county agencies to give preference in awarding public work contracts to contractors who have filed and paid state taxes for five years, if the contract is worth less than \$5 million, and ten years, if the contract is worth \$5 million or more, as long as their bids are no more than ten percent higher than other contractors.

Your Committee finds that contractors who have contributed to the State's economy and paid state taxes on a continuing basis should be accorded the preference proposed by this measure. Your Committee also finds, however, that the five and ten year payment (waiting) periods may be prohibitive as to out of state contractors who might otherwise bring their businesses here.

Your Committee has amended the bill by lowering the time requirements to two successive years for contracts under \$5,000,000, and four years for contracts at or over \$5,000,000. Your Committee has also reduced the percentage by which a preferred contractor's bid may exceed other bids to five percent.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1531, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1531, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tanaka.
Senator Blair did not concur.

SCRep. 317 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1555

The purpose of this bill is to provide a comprehensive approach to making government operations more efficient by establishing performance standards and measurements; establishing a competitive grant program for information technology training resources; allowing state agencies to retain savings from a previous fiscal year for use in the next fiscal year; and providing an early retirement incentive program to streamline the workforce.

Your Committee received testimony from the department of budget and finance, the department of personnel services, the department of education, and Common Cause. There was general agreement among those testifying that there is an urgent need for the development of innovative approaches to make government more responsive and efficient in its delivery of services to the public.

The department of personnel services noted that the executive branch has already embarked on a course of entrepreneurship through the establishment of the center for excellence which will serve as an incubator for innovative ideas. Your Committee believes that the time is right and that state agencies are ready to "reinvent" state government by streamlining operations, increasing productivity and responsiveness, and becoming mission-driven and results-oriented. This bill will facilitate progress by providing state agencies with implements to steer the course. The department of budget and finance agreed with the bill's intent to allow agencies to keep savings resulting from more efficient operations. However, it noted that such incentives ought to be compatible with the budget requirements of chapter 37, Hawaii Revised Statutes.

After due consideration of the comments and suggestions made at the hearing, your Committee has amended this bill to:

- (1) Delete the provisions dealing with the information technology training grants and the early retirement incentive program;
- (2) Limit the performance standards and measurements only to employee performance; and
- (3) Refine the language on the retention of savings into the next fiscal year and specify that up to ten per cent of the appropriation may be retained.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1555, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 318 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1765

The purpose of this bill is to authorize the counties to impose a tax based on the market value of all vehicles located within its jurisdiction (ad valorem tax).

The intent of the bill is to assess county motor vehicle taxes on the market value of the vehicle rather than the current practice of assessing motor vehicle taxes by vehicle weight.

Your Committee finds that taxing motor vehicles based on market value is reflective of a taxpayer's ability to pay while a tax based on weight is not. Thus, the method proposed by this bill is, in your Committee's view, fairer and less arbitrary than the method currently used.

Your Committee has amended the bill by making stylistic changes for the purpose of clarity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1765, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 319 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on S.B. No. 1361

The purpose of this bill is to regulate the disposal of petroleum-contaminated soil by including it under the laws regulating solid waste management and solid waste pollution.

The bill also appropriates an unspecified amount to pay for costs associated with enforcing the provisions of the bill.

Your Committees find that recent events involving the exportation and disposal of petroleum-contaminated soil have attracted the attention of the community, various government agencies, and elected officials. State laws regulating solid waste management must evolve as more information becomes available concerning the liabilities associated with contaminated solid waste. Your Committees believe that the provisions of this bill will aid in preserving and protecting our natural environment.

Your Committees have amended the bill by:

- (1) Amending the proposed definition of "petroleum-contaminated soil" to provide that the Director of Health will set levels for determining at what point soil is considered contaminated with petroleum;
- (2) Deleting the proposed amendment to 342H-4(b), Hawaii Revised Statutes (HRS), and adding the act of disposal to the list of actions that require an application to be filed with the Department of Health when handling certain types of solid waste;
- (3) Amending the proposed new section in SECTION 4 of the bill by changing the phrase "solid waste" to read "petroleum-contaminated soil"; and

- (4) Making nonsubstantive amendments for the purpose of style.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary are in accord with the intent and purpose of S.B. No. 1361, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1361, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 320 Housing on S.B. No. 1824

The purpose of this bill is to provide indemnification to the individual counties for injuries or damage, not arising from maintenance activities, involving Act 15 housing developments.

Act 15 of the 1988 Hawaii Session Laws was enacted by the legislature to address a critical shortage of affordable housing. Act 15 gave the Housing Finance Development Corporation (HFDC) the power to develop projects and dedicate them to individual counties without allowing the counties the right to approve the plans of development; therefore, the counties now, and will in the future, have responsibility over housing developments which they were not able to inspect for compliance with county codes.

Your Committee finds it would be unfair to force the counties to assume liability resulting from projects over which they were not able to exercise control. Furthermore, the Department of the Attorney General, in a letter to Kathleen N.A. Watanabe, County Attorney for the County of Kauai, dated November 15, 1991, stated that indemnification by HFDC in favor of the counties would be ineffective without legislative appropriation of funds to cover the promise of indemnification.

Your Committee has therefore amended S.B. 1824 to provide indemnification in favor of the counties for injuries and damages which result on housing projects developed under Act 15. The amendments do not provide for indemnification in cases where the counties are responsible, such as faulty maintenance or lack of maintenance.

Your Committee is aware that future problems may arise due to the unique "non-conforming" status of Act 15 buildings, lots, and structures vis-a-vis existing county standards. Accordingly, your Committee has further amended this bill to provide that such buildings, lots, and structures be deemed "legal non-conforming", and shall be subject to the specific ordinances of the appropriate county.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1824, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1824, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Kobayashi, A.

SCRep. 321 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 735

The purpose of this bill is to establish a five-cent-per-barrel tax on oil imported into the State.

The revenues generated by the tax are for deposit in the Environmental Response Revolving Fund created pursuant to Section 128D-2, Hawaii Revised Statutes (HRS).

Testimony submitted to your Committee from BHP Petroleum Americas (Hawaii) (BHPAH) indicated support for the intent of the bill but disagreed with the method by which the tax is to be imposed.

BHPAH testified that taxing only importers of crude oil to supplement the Environmental Response Revolving Fund would be unfair since oil importers would be singled out to subsidize all hazardous substance releases in the State, whether the releases be petroleum-related or not.

Your Committee realizes the need for an adequately funded Environmental Response Revolving Fund. However, your Committee also agrees with BHPAH that the tax as proposed in the bill would be inequitable.

Therefore, your Committee has amended the bill by deleting the existing language and substituting therefor:

- (1) An amendment to Section 243-4, HRS, that imposes an unspecified tax on the retail sale of gasoline on a per gallon basis in all counties until total tax deposits to the Environmental Response Revolving Fund equal \$30,000,000;
- (2) An amendment to Section 243-6, HRS, that clarifies that the revenues generated by the Environmental Response Tax shall only be used for petroleum-related environmental response activities; and
- (3) Several nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 735, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 322 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 738

The purpose of this bill is to establish an Asbestos Abatement Special Fund to pay for the State's Asbestos Abatement Program.

Testimony in support of the bill was received from the Department of Health.

Your Committee finds that allowing programs to use funds generated by the program makes sound fiscal sense, especially in these times of limited resources.

Your Committee has amended the bill by deleting the Asbestos Abatement Special Fund and creating an Air and Waste Management Special Fund into which fees collected pursuant to State environmental statutes shall be paid. Your Committee has amended the bill further by adding language that would ensure that no general funds are diverted away from the program until rules to administer the special fund are adopted by the Department of Health and moneys become available for program use.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 738, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 738, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 323 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1745

The purpose of this bill is to establish an Environmental Health Program Enhancement and Education Fund to pay for environmental program enhancement and public education.

Testimony in support of the bill was received from the Department of Health.

Your Committee finds that the establishment of the fund will enable environmental programs to provide the necessary education and training opportunities to staff, so as to enhance their interactions when educating the public.

Your Committee has amended the bill by making stylistic changes which have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1745, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1745, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 324 (Joint) Legislative Management and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 7

The purpose of this bill is to ensure proper expenditure of public money by establishing the Procurement Investigation Agency in the Office of the Auditor.

The Agency will be headed by a Chief Investigator with staff to monitor procurement transactions of all departments, agencies, and offices of the State. The agency will have power necessary to detect irregularities and improprieties in books, files, papers, contracts, bids, proposals, and records relating to expenditures of public funds to ensure that transactions are carried out in conformity with law. The agency will also furnish the Legislature, the Governor, and the Comptroller with annual reports of activities and transmit any document relating to audit functions to the appropriate agency.

The bill further appropriates \$150,000 to establish the Procurement Investigation Agency.

Your Committees find that monitoring and investigation will encourage adherence to expenditure laws.

Your Committees have amended this bill by clarifying that all branches of government will be scrutinized by the Procurement Investigation Agency and by giving the Agency discretion to evaluate procurement transactions as appropriate. In addition your Committees have deleted the definition of "governmental unit" as unnecessary, provided for the Chief Investigator and staff to be civil service exempt, and made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committees on Legislative Management and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 7, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 7, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Holt and Tanaka.

SCRep. 325 Human Services on S.B. No. 583

The purpose of this bill is to make an appropriation to the Department of Human Services for support services.

Specifically, the bill appropriates \$84,500 for 1993-1994 and \$88,000 for 1994-1995 to provide administrative support to the Wai'anae Coast Coalition for Human Services to ensure the continued provision of services by the Coalition,

implement agency collaboration, maximize the effectiveness of existing community-based service providers, strengthen alternatives to meet the need for community empowerment.

Your Committee has amended this bill by reducing the appropriation to \$75,000 for both fiscal years. Testimony indicated that the Coalition expects to receive funds of approximately \$10,000 from the Department of Business, Economic Development and Tourism.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 583, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino, Levin and Mizuguchi.

SCRep. 326 Human Services on S.B. No. 1040

The purpose of this bill is to provide services to Filipino veteran immigrants.

With the enactment of the Immigration Act of 1990, Filipino veteran immigrants who had fought with U.S. forces in the Philippines during World War II were allowed to come to the United States and apply for citizenship in the United States. Beginning in the spring of 1992, immigration officials and social service agencies have experienced a large influx of veterans and their family members intending to settle in Hawaii. These veterans and family members have not easily integrated into the local Filipino population and are much more likely than other immigrants to utilize the services of government and private social service agencies for employment training and referral, health services, counseling, and public assistance.

Your Committee recognizes that the unanticipated increase in the number of Filipino veteran immigrants to the State has detracted from the delivery of services to the overall immigrant population by the Department of Labor and Industrial Relations Office of Community Services and several private agencies. Under their current budgets, these government and private agencies are unable to adequately meet the growing demand for services from the Filipino veteran and other immigrant populations. It is the intent of your Committee to provide resources for services to meet the needs of all immigrants to Hawaii, including Filipino veterans.

Your Committee has amended this bill by changing the budget program to be supplemented by the proposed purchase of service from the program on Service to Veterans (DEF 112) to the program on Family Development Services Statewide for Immigrants (LBR 903-08). Your Committee finds that the Department of Defense currently has no mechanism to award purchase of service contracts, and the Department of Labor and Industrial Relations, through the Office of Community Services, currently provides services to immigrants and has the authority to award purchase of service contracts. Consequently, your Committee has further amended the bill to change the expending agency for the funds from the Department of Defense to the Department of Labor and Industrial Relations.

Your Committee emphasizes that the funds appropriated in this measure are intended to supplement, and not replace, the Department of Labor and Industrial Relations' 1993-1994 funding request for budget program LBR 903-08. While recognizing the State's fragile economic situation due to an anticipated shortfall in revenues, your Committee believes that the appropriation of additional funds provided in this bill is warranted and in the best interest of the State.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1040, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino, Levin and Mizuguchi.

SCRep. 327 Human Services on S.B. No. 1562

The purpose of this bill is to designate the Department of Human Services as the lead agency in the executive branch for all programs related to domestic violence and sexual assault.

The bill provides that the department shall contract with a master contractor who will handle all subcontracts with private agencies.

Your Committee finds that various programs related to domestic violence and sexual assault are supported by state funds, but there is no central agency within the executive branch providing oversight and coordination of these programs. It is the intent of your Committee that by designating responsibility for the coordination of these programs to a single state agency, the programs would receive much needed recognition and support as an integral part of the department and duplication of services will be avoided.

Your Committee notes that the Sixteenth Legislature, Regular Session of 1992, passed a similar measure that was vetoed by the Governor because funds had not been appropriated for implementation of the concept. Your Committee has appropriated the sum of \$120,000 to the Department of Human Services for three social worker IV positions, and in addition, transfers one social worker IV position currently in the Department of Health to the Department of Human Services.

Your Committee has also made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1562, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino, Levin and Mizuguchi.

SCRep. 328 Human Services on S.B. No. 1593

The purpose of this bill is to establish guidelines for multidisciplinary team services within the Department of Human Services.

A multidisciplinary team would consist of health care and social service professionals who would provide consultant services to the Department of Human Services. The teams would make recommendations relating to the diagnosis and treatment of a complex or severe child abuse or neglect case referred by the Department of Human Services.

Currently, the State has five multidisciplinary teams, one for the City and County of Honolulu, one each for the counties of Maui and Kauai, and two for the county of Hawaii, one each in West Hawaii (Kailua-Kona) and East Hawaii (Hilo). Your Committee has been informed that funding has recently become available to set up a sixth team to service the islands of Molokai and Lanai.

Although the multidisciplinary team approach has been a part of Hawaii's child protection scheme since its inception in 1969, your Committee finds that the multidisciplinary team is neither mandated by statute nor given any direct role in the child protection process. Currently, the team's function as an auxiliary service is purely consultative in nature on cases deemed appropriate for teaming by the Department of Human Services and the Child Protective Services.

Your Committee finds that multidisciplinary teams have been able to provide valuable services necessary to prevent further abuse and to provide the best possible treatment for victims and their families. The Department of Human Services opposed this bill and stated its position that this issue could be dealt more appropriately by administrative rule. However, your Committee wants to make it clear that this issue is so compelling that legislative action is required.

Your Committee has amended this bill by:

- (1) Requiring the Department of Human Services to establish a multidisciplinary team for each county in the State;
- (2) Requiring the referral of a child abuse and neglect case to the multidisciplinary team when the child involved is between the ages of zero and three;
- (3) Deleting the requirement for referral of cases involving the death of a child under the age of one regardless of the possibility of abuse or neglect;
- (4) Clarifying the scope of referrals to the multidisciplinary team to include situations where the Department of Human Services determines that serious abuse may occur or where the likelihood of repeated abuse exists; and
- (5) Defining the composition of the multidisciplinary team to include representatives from the medical, mental health, nursing, legal, and social services professions.

In addition, technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1593, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1593, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino, Levin and Mizuguchi.

SCRep. 329 Human Services on S.B. No. 1714

The purpose of this bill is to establish a State Advisory Council on Rehabilitation and a Statewide Council on Independent Living to replace the Board of Vocational Rehabilitation within the Department of Human Services.

In 1992, Congress amended the Rehabilitation Act of 1973 to require that states establish a rehabilitation advisory council and a statewide independent living council. These councils replace the board of vocational rehabilitation which does not meet the requirements of the new federal law.

Testimony in support of this bill was received from the Department of Human Services, the Protection and Advocacy Agency of Hawaii, the State Planning Council on Developmental Disabilities, and the Commission on Persons With Disabilities.

Your Committee has amended this bill to conform to federal law by providing that the State Advisory Council on Rehabilitation shall establish a working relationship between the department and the councils. Other technical, nonsubstantive amendments were made for the purposes of style and clarity and to correct drafting errors.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1714, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino, Levin and Mizuguchi.

SCRep. 330 Human Services on S.B. No. 1794

The purpose of this bill is to allow purchase of service providers to review and make recommendations on budget restrictions imposed by the Governor on purchases of service.

Your Committee has amended this bill by deleting the contents in its entirety and inserting language that would:

- (1) Require each agency administering purchase of service contracts to meet with agency providers at least once every six months;
- (2) Establish an appeals board for the chapter 42D process. The appeals board would accept and investigate written complaints and grievances, and issue a final decision on matters involving the funding, policy, or procedural decisions of an agency's purchase of service contract;
- (3) Add a provision to section 42D-4, Hawaii Revised Statutes, requiring the advisory council to conduct meetings at least once a year to address the concerns and recommendations of providers and consumers of services;
- (4) Require the Governor and the Chief Justice to submit an annual report to the Legislature on the purchase of service program for each agency;
- (5) Require each agency that administers purchase of service contracts to establish a mechanism to improve contract execution and administration and develop a mission statement of long-term goals and a funding plan for using private providers; and
- (6) Require the Legislative Auditor to monitor the implementation of chapter 42D by the agencies.

Your Committee has been made aware of the need to give providers the opportunity for on-going planning, prioritizing, and input in the chapter 42D process and believes the amendments proposed in this bill will respond to the providers' concerns.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1794, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino, Levin and Mizuguchi.

SCRep. 331 (Joint) Planning, Land and Water Use Management and Agriculture on S.B. No. 945

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for the expansion of the park and improvement of commercial fishing facilities at Pohoiki, Hawaii.

Your Committees find that there is a need to expand shoreline park facilities at Pohoiki to replace facilities at Black Sand Beach Park destroyed by the lava flow from Kilauea volcano. In addition, your Committees believe that Pohoiki is a feasible site for a small craft harbor facility and launching area to accommodate commercial fishermen, whose industry is a valuable economic resource for the island.

Your Committees have amended this bill by deleting the amount of the appropriation so that a more accurate determination of costs may be made at a future date.

Your Committees on Planning, Land and Water Use Management and Agriculture are in accord with the intent and purpose of S.B. No. 945, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 945, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 332 (Joint) Planning, Land and Water Use Management and Tourism, Recreation and Transportation on S.B. No. 1874

The purpose of this bill is to create the Kaneohe Bay Regional Council to implement the Kaneohe Bay Master Plan developed pursuant to Act 208, Session Laws of Hawaii 1990, and to perform other duties related to the management and administration of Kaneohe Bay

In addition, the bill transfers all ocean recreation activities within Kaneohe Bay currently under the authority of the Department of Land and Natural Resources (DLNR) to the Council, and requires the Office of State Planning to convene a task force in 1999 to evaluate the status and effectiveness of the activities undertaken by the Kaneohe Bay Regional Council.

Kaneohe Bay is a treasured natural resource that must be protected and preserved for continued use and enjoyment by future generations. The bay is an extensive ecosystem containing a unique estuary system surrounded by barrier reefs that are unequaled anywhere in the world. Currently, Kaneohe Bay is used by marine research programs, commercial ocean recreation operations, and the general public, sometimes creating conflicting use situations. The Kaneohe Bay Master Plan was developed to resolve the concerns regarding conflicting uses of the bay and provide guidelines for the regulation of all activities. Your Committees find that the establishment of a body to oversee the management of the bay and implementation of the Kaneohe Bay Master Plan, as proposed in this bill, will ensure the protection of this precious resource and provide a means of addressing important concerns regarding the use of the bay.

Your Committees have amended this bill by deleting all language relating to the transfer of ocean recreation management functions from the DLNR to the Kaneohe Bay Regional Council. Your Committees find that these provisions

exceed recommendations made by the Kaneohe Bay Task Force regarding the authority of the Council and would preclude the DLNR from effectively implementing the State Boating Law.

In addition, your Committees have changed the designation of one of the ex officio members of the Council. The member will now represent the "Division of Boating and Ocean Recreation" rather than the "boating branch."

Your Committees on Planning, Land and Water Use Management and Tourism, Recreation and Transportation are in accord with the intent and purpose of S.B. No. 1874, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1874, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Holt and Fernandes Salling.

SCRep. 333 Planning, Land and Water Use Management on S.B. No. 1740

The purpose of this bill is to amend Chapter 128, Hawaii Revised Statutes, to authorize the Governor to co-sign or participate with political subdivisions or other public or private agencies in civil defense matters.

During the recovery process following the impact of Hurricane Iniki on September 11, 1992, it became apparent to civil defense authorities that certain federal disaster relief programs, including loans available to political subdivisions of the State, required the cooperation, co-signature, or participation of the State in order for the political subdivisions to receive disaster relief funds.

Under present law, the State is not authorized to co-sign or participate with the respective political subdivisions for these purposes. Your Committee finds that the additional authority granted to the Governor under this measure would ensure that county governments will be able to timely obtain available resources for disaster relief where participation of the State is required.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1740 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 Holt.

SCRep. 334 Planning, Land and Water Use Management on S.B. No. 1726

The purpose of this bill is to increase the conveyance tax from five cents per hundred dollars to ten cents per hundred dollars and allocate specific tax revenues to the Rental Housing Trust Fund, the Natural Area Reserve Fund and the Forest Stewardship Fund.

In addition, this bill proposes several other amendments to improve the administration of the conveyance tax by:

- (1) Providing that any overpayment of conveyance taxes imposed shall be credited within three years after the filing of a conveyance tax certificate;
- (2) Prohibiting commencement of a court proceeding without assessment for the collection of taxes before the expiration of the three year period;
- (3) Allowing for the assessment or levying of the conveyance tax at any time if a false or fraudulent certificate was filed with the intent to evade taxes or if a certificate was not filed;
- (4) Clarifying the basis and rate of the conveyance tax to include any promise, act, forbearance, property interest, value, gain, advantage, benefit, or profit, as well as money; and
- (5) Clarifying the section on exemptions from the conveyance tax to include: (a) the threat of eminent domain, the point at which most conveyances to government occurs, (b) partition deeds that result in equal value to the co-owners and no change in the proportionate interest of the co-owners' exemption, (c) conveyances involving divorced couples ordered by the courts to dispose of property, and (d) transfers involving certain testamentary trusts and grantor revocable living trusts.

The Rental Housing Trust Fund was created by Act 308, Session Laws of 1992, to help address the acute shortage of safe, decent, and affordable rental housing in the State of Hawaii. Initial funding for the trust fund was provided with a \$15,000,000 transfer from the Rental Assistance Revolving Fund administered by the Housing Finance and Development Corporation. This \$15,000,000 was a one-time transfer and your Committee finds it inadequate to meet the anticipated need for affordable housing. Your Committee determines that it is in the public interest to provide a continuous source of funding for the Rental Housing Trust Fund that will subsidize the development of affordable rental housing for Hawaii's very low and low income households.

Your Committee further finds that in 1991, the Legislature established the Natural Area Partnership and Forest Stewardship programs to provide incentives for private landowners to protect important natural resources on their lands. Act 326, Session Laws of Hawaii 1991, established the Natural Area Partnership and provided State funds on a two-to-one basis with private funds for the management of important private natural areas, including lands with intact native ecosystems and essential habitats for native species. To qualify, landowners must permanently dedicate their land to conservation. Act 327, Session Laws of Hawaii 1991, established the Forest Stewardship program and also provided State funds on a two-to-one basis with private funds for the management of important natural resources such as non-native watersheds, timber resources, fish and wildlife habitats, small patches of native forests, and isolated populations of endangered species.

Both programs are off to a strong start and provide new and innovative ways of addressing the pressures and threats facing Hawaii's natural resources. Interest in the programs by the private sector has been greater than expected; all appropriated funds to date have been encumbered and several qualified projects remain unfunded.

Your Committee finds that the Rental Housing Trust Fund and the Natural Area Partnership and Forest Stewardship programs need permanent, dedicated sources of funding to make accomplishment of their intended purposes a realistic goal.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1726 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 335 Planning, Land and Water Use Management on S.B. No. 1434

The purpose of this bill is to prohibit the release of fish or other aquatic organisms into the wild.

Your Committee is concerned that the introduction of non-native species of fish and other wildlife may compete or even destroy Hawaii's native species, and your Committee would like to find a means to alleviate the problem which is already occurring in our State waters.

Your Committee finds that although this bill would basically allow the Department of Land and Natural Resources to cite anyone for releasing anything alive into the State's waters, there may be situations where the department should not cite a person. For example, a person who caught opae for bait and kept it in a container while fishing should be allowed to release the opae back in a place where it was already established. Your Committee feels this type of release may actually conserve our resources and not destroy them.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1434 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Holt and Ikeda.

SCRep. 336 Planning, Land and Water Use Management on S.B. No. 1440

The purpose of this bill is to clarify various fees in the Bureau of Conveyances covered by chapters 501 and 502, Hawaii Revised Statutes.

This bill would enable the Bureau of Conveyances to establish fees for services rendered by rules adopted pursuant to chapter 91, Hawaii Revised Statutes.

This bill would also enable the Department of Land and Natural Resources to adopt rules in a timely manner and be responsive to economic and industry changes.

Your Committee has made an amendment to correct a drafting error.

Testimony was submitted in support of this bill by the Department of Land and Natural Resources and the Judiciary.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1440, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Ikeda.

SCRep. 337 Planning, Land and Water Use Management on S.B. No. 1480

The purpose of this bill is to authorize the Department of Business, Economic Development and Tourism (DBEDT) to transfer an aggregate of \$2,000,000 from the revolving funds for the Large Fishing Vessel, Small Fishing Vessel, Hawaii Capital, and Innovation Development Loan Programs to the State Disaster Loan Revolving Fund.

The DBEDT testified in strong support of this measure, stating that as of December 31, 1992, the net amount in the loan revolving funds from which the transfer would be made was \$9,059,887. The State Disaster Loan Revolving Fund, which makes commercial and personal loans, has a balance of \$531,689, and the DBEDT has already received more than 1,300 loan applications with an expected payout of more than \$1,000,000.

Transfers to the State Disaster Loan Revolving Fund would be made only upon declaration of a State disaster and with approval by the Governor, and the DBEDT is required to report all transfers to the Legislature within ten days.

Your Committee finds that allowing DBEDT to transfer funds into the State Disaster Loan Revolving Fund will provide for more efficient use of available resources and allow the Department to provide immediate assistance to businesses and individuals with disaster relief and rehabilitation needs.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1480 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 Holt and Ikeda.

SCRep. 338 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 734

The purpose of this bill is to authorize the Department of Health to establish, assess, and collect fees for environmentally related services.

Testimony in support of the bill was received from the Department of Health (DOH) and the Hawaiian Sugar Planters Association.

Your Committee finds that the DOH should be allowed to charge fees for the services it provides. By authorizing fee assessments, the DOH will require less State general funds, thereby freeing up already scarce general funds for other worthwhile programs.

Your Committee has amended the bill by:

- (1) Deleting the amendments to Chapters 328 and 330, Hawaii Revised Statutes (HRS);
- (2) Adding two new sections to Chapter 321, HRS, that create the Air and Waste Management Special Fund and the Water Quality Management Special Fund into which fees collected pursuant to the State's environmental statutes are deposited for use by the DOH to operate environmental programs;
- (3) Broadening the DOH's authority to use the revenues generated by the collection of fees for operation costs associated with the contributing programs;
- (3) Adding fee establishing authority to Chapters 340E, 342D, 342J, 342L, 342P, and for noncovered sources in 342B, HRS; and
- (4) Ensuring that no general funds shall be diverted from the respective programs until rules to administer the special funds are adopted by the Department of Health and there are sufficient moneys available in the special funds to cover program costs.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 734, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 339 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1028

The purpose of this bill is to amend the laws of the State relating to Hawaiian sovereignty.

Your Committee has amended this short form bill by deleting its contents and inserting substantive provisions requiring a plebiscite of Hawaiian and native Hawaiian citizens to determine whether there shall be Loa'a Ka Pono (to secure what is right) to discuss and decide issues relating to Hawaiian self-governance.

Each group in the State representing Hawaiians or part Hawaiians will provide one or two representatives for a Loa'a Ka Pono Organizing Committee (LOC) that with the assistance and support of the Lieutenant Governor's Office will establish and implement the plebiscite at a date to be determined. Provision is made for statewide representation on the LOC. Once the LOC is certified by the Lieutenant Governor it will begin educating Hawaiians, native Hawaiians, and the general public on the impending plebiscite with the active cooperation of Hawaiian and native Hawaiian organizations.

The question to be decided in the plebiscite will read: "Shall there be Loa'a Ka Pono (to secure what is right) to consider and decide issues relating to self-governance?"

Anyone eligible to vote in Office of Hawaiian Affairs (OHA) elections may vote in the plebiscite, and the LOC and other groups will place strong emphasis on encouraging the largest possible turnout.

If the answer is yes, the LOC will continue education activities expanding into areas such as transition from current government to self-governance, implications relating to various methods of self-governance, and status of kinship and clan organizations within different self-governance models. Again, community groups will be enlisted to actively participate in these efforts.

The LOC will establish and implement an election of delegates to Loa'a Ka Pono from districts apportioned statewide in conformance with guidelines suggested by Article IV of the State Constitution. The Loa'a Ka Pono will be bicameral with one chamber elected and the other determined by the LOC to maximize rural cultural representation. Candidates will have to be eligible for OHA voting, and campaign spending rules will apply. The LOC will set the date of the election.

Upon convening, the Loa'a Ka Pono will establish its own procedures for conducting business and its own agenda. No time limit will be placed on the deliberations, and the Loa'a Ka Pono will not be adjourned until its final product is published and disseminated.

Since the Office of the Lieutenant Governor will be required to provide materials and resources and pay considerable expenses, including neighbor island delegate and LOC member per diem, an appropriation in an amount to be determined by the next Committee is included.

Your Committee recognizes and affirms the inherent right of the indigenous Hawaiian people to sovereignty and self-determination and supports their efforts to establish a sovereign government with powers, duties, and land, ocean, water,

and financial resources as they determine. This bill will aid in redressing the wrongs and inequities resulting from the overthrow of the Hawaiian Kingdom and usurpation of the government, lands, and treasury of the indigenous Hawaiian people.

Additionally, this bill will assist in ameliorating the spiritual, health, social, and economic plight of the indigenous Hawaiian people through empowerment of their self-determined institutions and repossession of their land, ocean, water, and financial resources.

Your Committee wishes to expressly acknowledge specific contributions of two of its members - Senators Malama Solomon and Eloise Yamashita Tungpalan - in the formulation of these amendments. Senator Tungpalan, through Senate Bill No. 1139, provided spirit and historical perspective culminating in this plan, and Senator Solomon facilitated community input and provided the mechanics and much of the language. Mahalo to them and to our friends in the Hawaiian community who have worked so hard to effectuate this vision.

Your Committee on Government Operations, Environmental Protection and Historic Preservation is in accord with the intent and purpose of S.B. No. 1028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1028, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 340 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1415

The purpose of this bill is to establish a Noncovered Source Special Fund to pay for costs not covered by the Clean Air Program's Clean Air Special Fund.

The Department of Health provided testimony in support of the bill.

Your Committee finds that the provisions of the bill would enable the Department of Health's Clean Air Program to pay for costs not covered by the Clear Air Special Fund through the fees it generates.

Your Committee has amended the bill by:

- (1) Deleting the proposed Noncovered Source Special Fund and creating an Air and Waste Management Special Fund into which fees collected pursuant to the State's environmental statutes shall be paid;
- (2) Adding language to ensure that no general funds are diverted away until rules to administer the special fund are adopted by the Department of Health and sufficient moneys are in place to the special fund to cover program costs; and
- (3) Making a technical amendment to correct a drafting error.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1415, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1415, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 341 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 553

The purpose of this bill is to conform State laws relating to public accommodations with the federal Americans With Disabilities Act of 1990.

Testimony in support of the bill was received from the Commission on Persons With Disabilities and the Hawaii Civil Rights Commission.

Your Committee finds that adoption of the federal standard regarding removal of an architectural barrier to accommodate persons with disabilities would enhance the ability of the Hawaii Civil Rights Commission to ensure access to public accommodations by the disabled.

Your Committee has amended the bill by:

- (1) Adding the definitions of guide, signal, and service dogs to Chapter 489, Hawaii Revised Statutes (HRS); and
- (2) Adding a new section to Chapter 489, HRS, that makes it unlawful for a public accommodation to charge a person using a guide, signal, or service dogs an extra fee for the dog.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 553, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 342 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 725

The purpose of this bill is to require the Department of Transportation's roadside spraying of pesticides to be subject to review of an environmental assessment.

This bill would require an environmental assessment pursuant to chapter 343, Hawaii Revised Statutes, for the roadside spray maintenance programs. Your Committee feels that while an environmental assessment may be inappropriate to require, nonetheless, the Roadside Spraying Task Force report did contain many worthwhile recommendations to improve the current system of roadside maintenance.

Accordingly, your Committee has amended this bill by deleting its contents and inserting provisions which would require the Department of Transportation and the county public works departments to implement some of the recommendations as contained in the task force report. Your Committee has also included a findings and purpose section.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 725, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 725, S.D. 1, and be referred to the Committee on Tourism, Recreation and Transportation.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 343 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1027

The purpose of this short form bill is to amend the laws relating to the Office of Hawaiian Affairs.

Your Committee has amended this short form bill to provide for the compensation of trustees of the Office of Hawaiian Affairs.

Your Committee finds that pursuant to Act 318, Session Laws of Hawaii 1992, an advisory commission was established for this purpose.

In its preliminary findings, the commission determined that the role and mission of the Office of Hawaiian Affairs has significantly increased in order to meet the changing needs of its beneficiaries. During this period, compensation for trustees was increased, but the process of compensating trustees on a "per meeting" basis remained the same. Because of their increased duties, trustees have often found that the current compensation mechanism has forced them to make choices that either limit their ability to respond to the needs of their beneficiaries, or have caused them to suffer personal hardship.

Based on these preliminary findings, the commission recommended that trustees be paid a salary that would allow them to meet the needs of their beneficiaries on a full time basis. The commission also recommended that trustees be allowed the same benefits enjoyed by other state employees, with the exception of benefits related to retirement.

Your Committee agrees with the commission's findings that compensating the trustees with a livable salary would increase the attractiveness of the position, resulting in a greater diversity of candidates in future elections.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1027, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1027, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 344 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1143

The purpose of this bill is to raise the formal bid threshold for the expenditure of public funds from \$8,000 to \$15,000, the informal bid range for goods and services from \$4,000-\$8,000 to \$8,000-\$15,000, and the informal bid range for public roadwork and the repair and maintenance of buildings from \$4,000-\$15,000 to \$8,000-\$15,000.

Your Committee notes that, while the Legislature is currently considering legislation providing for a comprehensive revision of the State's procurement laws, the subject of public contract bidding is in need of immediate attention. Your Committee finds that existing bidding thresholds and ranges have caused unacceptable delays in both the furnishing of needed goods and services and the commencement of routine public work projects. Raising the bidding thresholds and ranges should help to remedy this problem during the interim between the approval of this bill and the effective date of the procurement legislation.

Your Committee has amended this bill by raising the informal bid range for goods and services to \$10,000-\$15,000, and the informal bid range for public work projects to \$10,000-\$25,000.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1143, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 345 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1410

The purpose of this bill is to establish a Hawaii Emergency Planning and Community Right-to-Know (HEPCRA) program.

The bill would also establish a special fund and fee collection system to support HEPCRA.

Your Committee finds that the establishment of HEPCRA will help Hawaii prevent many hazardous chemical accidents that would otherwise occur and, in the event of an accident, ensure that response personnel are properly trained and equipped to deal with it.

Your Committee has amended this bill to correct numerous grammatical and drafting errors.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1410, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1410, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 346 Health on S.B. No. 1247

The purpose of this bill is to enable HIV testing without a patient's informed consent when an emergency service provider or health care worker has been exposed to a patient's blood or bodily fluids.

The treating physician will have to determine that the person's safety may be in jeopardy.

If the patient refuses to be tested, the patient's identity will be protected and counseling will be made available. The patient will be able to obtain the test results and appropriate counseling. If the patient tests positive, any emergency or health care worker exposed will be promptly notified, and other workers who will be in direct exposure to the patient will be informed. Discrimination in terms of availability or quantity of continued health services provided to a patient tested pursuant to these provisions will not be allowed, regardless of the test result.

Emergency service providers are defined as emergency medical technicians, police officers, firefighters, paramedics, lifeguards, or similar persons who provide lifesaving, emergency, medical, or transportation assistance prior to a patient's hospitalization.

Your Committee received divided opinions in testimony on this measure. The Department of Health objected stating that there is no substitute for strictly following mandatory OSHA guidelines regarding universal precautions and bloodborne pathogens, and the Governor's Committee on HIV and AIDS also demurred preferring written informed consent except in specific situations already provided in the law. However, the Hawaii Federation of Physicians and Dentists, the Hawaii Medical Association, the Hawaii Nurses Association and several physicians supported the measure, strongly advocating adoption of stronger, more flexible testing authority to protect health care and emergency workers.

Your Committee finds that exposure to patient blood or bodily fluids capable of transmitting HIV is an all too common occurrence. 947 exposures were documented in one year alone, and those only in acute and long-term care facilities. Health care and emergency service providers often risk their lives to provide assistance to individuals who could make them ill or cause their death, and for them your Committee looks with approval upon this measure.

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

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1247, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 347 Health on S.B. No. 1905

The purpose of this bill is to require the Department of Health to immunize and vaccinate uninsured and underinsured children and expand the scope of its immunization and vaccination program.

The bill specifically requires additional vaccinations for measles, mumps, rubella, haemophilus influenza (systemic), and pneumococcal disease, and requires health insurance policies to provide coverage for childhood vaccination and immunization. Funds are provided for free vaccinations and immunizations.

Your Committee strongly supports proposals to expand the target group for immunizations and vaccinations, but is constrained to approve the mandatory health insurance coverage provision. Sections 23-51 and 23-52, Hawaii Revised Statutes, specifically require an Auditor assessment of such proposals before they can be implemented. The Department's Blue Ribbon Panel and the proposed Hawaii Health Commission stress the need to analyze proposed additions to health and accident insurance coverage, and the aforementioned Sections provide for just such a review applicable to this measure.

Your Committee concurs with this policy and has amended the bill accordingly.

Your Committee is also concerned about the feasibility of locating and inoculating all uninsured and underinsured children at this time, and is not convinced that the Department, despite good faith and energetic efforts, could reasonably be expected to accomplish this task. Therefore, your Committee has further amended this bill to delete specific requirements and instead give the Director of Health flexibility, to expand the immunization and vaccination target group to the extent practical.

Your Committee has also made some nonsubstantive changes to this bill for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1905, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 348 Health on S.B. No. 1805

The purpose of this bill is to enable sexual assault victims to require the attacker to be tested for HIV and obtain results and appropriate counseling.

Your Committee finds that sexual assault victims are often fearful of contracting HIV, adding to the extraordinary psychological trauma accompanying such crimes. Counseling, testing, and knowledge (if requested) of the attacker's HIV status will help alleviate some of the trauma.

This bill is essentially a catalog of victim's rights to support the victim psychologically and symbolically and provide relief if the offender tests negative. Sexual offenders do not have the same right to privacy as ordinary law abiding citizens having violated the privacy of the victim in an egregious manner.

Your Committee notes that in addition to the public purpose represented in this measure, passage will result in \$267,000 in federal funds forthcoming from the federal government.

Your Committee, has amended this bill to clarify which medical practitioners are allowed to transmit confidential information and the clinical objective of HIV testing, and to require notification of the victimizer of positive test results and clarify the circumstances under which counseling must be provided.

Your Committee has also amended this bill by restoring existing language from Section 325-101 (a)(4) and (5) inadvertently omitted from the bill as introduced and by making several nonsubstantive technical changes for the purposes of style and further clarification.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1805, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 349 (Joint) Science, Technology and Economic Development and Planning, Land and Water Use Management on S.B. No. 700

The purpose of this bill is to establish a marine and coastal affairs program within the Office of State Planning to strengthen the State's ability to coordinate various agency responsibilities for ocean policy development and ocean resource management.

Your Committees find that in order to maintain the momentum of the State's current efforts to coordinate the responsibilities for ocean policy development and ocean resource management, a specific entity needs to be created which will focus on marine and coastal affairs and oversee related activities of the various state and county agencies. Your Committees further find that this bill also seeks to emphasize the importance of ocean resource development and management as long-term economic and environmental goals of the State.

The marine and coastal affairs program will assist the governor and the legislature in carrying out the policies, principles, and recommendations in the Hawaii ocean resources management plan, which this bill repeals.

Your Committees have amended this bill by:

- (1) Deleting the designation of a deputy director for marine and coastal affairs;
- (2) Adding a provision which elevates the Ocean Resources Branch of the Department of Business, Economic Development, and Tourism to division status; and
- (3) Deleting the appropriation section.

Your Committees on Science, Technology and Economic Development and Planning, Land and Water Use Management are in accord with the intent and purpose of S.B. No. 700, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 700, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Holt.

SCRep. 350 Science, Technology and Economic Development on S.B. No. 1146

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Kauai Electric Division of the Citizens Utilities Company in providing electricity to the residents of Kauai and lowering the capital costs associated with restoring the necessary electrical infrastructure.

Your Committee finds that the devastation caused by Hurricane Iniki has left the island of Kauai with a weakened and fragile energy production capacity that is barely sufficient for its needs.

Your Committee further finds that special purpose revenue bond financing offers a lower cost alternative to financing capital improvement projects such as these.

Your Committee received testimony in favor of the bill from the Department of Business, Economic Development, and Tourism, the Department of Commerce and Consumer Affairs, and James H. Case.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1146 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.

SCRep. 351 Science, Technology and Economic Development on S.B. No. 1338

The purpose of this bill to distribute to the counties the portion of the public service company taxes collected in excess of four per cent.

Your Committee finds that the public service company (PSC) tax is paid by public utilities in lieu of other state and local taxes, including county property taxes. Your Committee further finds that the PSC tax rate is based on the company's gross income and generally exceeds the standard four per cent excise tax paid the the State by most other businesses. Your Committee agrees that this measure is necessary to provide parity to the counties for the loss of property tax revenues.

Testimony in support of this measure was submitted by the Hawaii County Council, the City and County of Honolulu, the Chamber of Commerce of Hawaii, and various public utility companies.

Your Committee has amended this bill by:

- (1) Clarifying that the revenues shall be from taxes imposed pursuant to subsection 239-5(a); and
- (2) Requiring the comptroller, in consultation with the director of taxation, to determine the amount of revenues actually collected during the preceding fiscal year and distributing the amount owing to the counties no later than October 1 of each fiscal year.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1338, S.D. No. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 352 Science, Technology and Economic Development on S.B. No. 1570

The purpose of this bill is to expand the exemption from the general excise tax for computer software to other information products developed in the State for export.

Your Committee finds that the tax exemption provided for the production of computer software sold outside the State was an initial step to encourage the development of an information technology industry in Hawaii. Your Committee further finds that expanding the exemption to include other information products would make Hawaii more attractive to multi-national companies that wish to develop their information technology business components.

Your Committee has amended this bill by:

- (1) Requiring that a taxpayer claiming an exemption under this section obtain a certificate of digital network service;
- (2) Adding a definition of "certificate of digital network service" and requiring that such certificate shall be submitted to the Department of Taxation to verify a claim for an exemption under this section; and
- (3) Requiring a certificate of export from purchasers of information products to verify that such products will be used outside the State.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1570, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 353 Science, Technology and Economic Development on S.B. No. 1704

The purpose of this bill is to authorize the Director of Commerce and Consumer affairs to hire civil service exempt technical assistants for the Consumer Advocate.

Your Committee finds that the Consumer Advocate is involved in the regulation of very different industries such as electric and gas utilities, telecommunications companies, private water and sewer operators, ocean transportation, and the trucking of goods.

Your Committee further finds that the Consumer Advocate has broad duties, limited resources, and an increasing case load, which requires more flexibility by the staff.

Testimony in support of this bill was received from the Hawaiian Electric Company which indicated that if the Consumer Advocate is understaffed, the dockets at the Public Utilities Commission become backlogged, thereby delaying rate-making cases.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1704 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.

SCRep. 354 Science, Technology and Economic Development on S.B. No. 1709

The purpose of this bill is to create a revolving fund to support the expenses of the Division of Consumer Advocacy.

Your Committee finds that the regulation of public utilities encompasses the Public Utilities Commission which is responsible for investigating the performance and financial condition of all public utilities, and the Consumer Advocate who represents the interests of utility customers. Your Committee further finds that various taxes and fees assessed upon public utilities generate sufficient revenues to support the regulation activities undertaken by the State on behalf of the public interest.

Testimony regarding this measure was submitted by the Consumer Advocate, the Public Utilities Commission, the Citizens Utility Company of Kauai, GTE Hawaiian Tel, the Gas Company, and Hawaiian Electric Inc.

Upon further consideration of concerns expressed by the testifiers, your Committee has amended this bill by removing its substance and inserting provisions which:

- (1) Establish a public utility regulation special fund, into which shall be deposited all revenues collected under sections 237-13.5, 240-1, and 269-30 to support the operations of the Public Utilities Commission and the Consumer Advocate; and
- (2) Allow for supplemental appropriations to the special fund, if revenues in such fund are not adequate to support the operations of the Public Utilities Commission or Consumer Advocate in any fiscal year.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1709, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 355 (Joint) Science, Technology and Economic Development and Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1917

The purpose of this bill is to establish the Hawaii Education and Research Consortium in the University of Hawaii and the Hawaii Research and Education Network.

Your Committees received testimony in support of this bill from the University of Hawaii which offered testimony that this bill would put Hawaii in line with the emerging national programs and initiatives of the new federal administration as to information technology and networking.

Your Committees on Science, Technology and Economic Development and Higher Education, Culture, Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 1917 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 Holt, Mizuguchi and Tanaka.

SCRep. 356 Tourism, Recreation and Transportation on S.B. No. 871

The purpose of this bill is to establish a portion of the Ala Wai Golf Course as the convention center site.

This bill also deletes last year's Convention Center Authority mission on site surveys; specifies 200,000 square feet as a minimum for an exhibit hall; deletes reference to the Waikiki Task Force; establishes a convention center district; ensures that the developer includes capability for expansion; extends the sunset clause to June 30, 1998; and appropriates an unspecified amount for fiscal biennium 1993-1995.

Your Committee received numerous testimony in support of a world-class convention center in or near Waikiki. Upon careful consideration of the several different proposals, your Committee has determined the Ewa portion of the Ala Wai Golf Course to be the least objectionable site.

The selection of the Ala Wai Golf Course site represents a compromise of competing concerns. All of the proposed sites offer relatively convenient locations, adequate facilities, and ample parking. However, the proposed Ala Wai Community and Convention Center represents the least impact on existing land use. Moreover, a convention center at this site could be a stand-alone government-developed convention center, obviating the need for a developer. This could save the State and the public both time and money.

Your Committee notes The Queen Emma Foundation's concern that the tax map key number for the Ala Wai Golf Course is 2-7-36 and not 2-6-36, as identified in the bill.

Your Committee has left blank the appropriation amount. However, testimony from Engineering Concepts, Inc. indicates that the cost is estimated to be \$255,000,000.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 871 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt, Tanaka and Koki.

SCRep. 357 Tourism, Recreation and Transportation on S.B. No. 1636

The purpose of this bill is to make an unspecified appropriation for marine toxin research.

Your Committee finds that marine toxins (such as ciguatera toxin) are a threat to the welfare of the general public. Marine toxins are acquired through the consumption of reef fish that feed on toxin-producing coral and algae, producing extremely violent symptoms such as vomiting, diarrhea, dehydration, and a variety of neuromuscular maladies.

Reef fish are considered a cultural delicacy in Hawaii and are becoming more readily available in the marketplace. Therefore, further research is necessary to ensure the public health and safety.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1636 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 Holt, Tanaka and Koki.

SCRep. 358 (Joint) Housing and Planning, Land and Water Use Management on S.B. No. 612

The purpose of this bill is to prohibit the use of moneys on deposit in the Homes Revolving Fund to finance the development of golf courses or golf driving ranges.

Your Committees observe that Kapolei, on the Ewa plain of the island of Oahu, has been designated as the site of the secondary urban center in furtherance of the need to direct population growth away from the already overcrowded urban Honolulu area. State officials have estimated that, by the year 2010, there will be about 132,000 people living on the Ewa plain -- more than three times the population of that area in 1988.

With the development by the State of affordable housing in Kapolei and surrounding areas has come the need to provide residents with community-wide facilities such as recreational complexes and child care centers. Currently, the Housing Finance and Development Corporation is without express authority to use its Homes Revolving Fund and Rental Housing Revolving Fund for these specific purposes.

Your Committees find that the development of child care and recreational facilities to serve the needs of the rapidly increasing population of Kapolei is in the public interest.

Your Committees have amended this bill by deleting its contents and replacing them with provisions authorizing the use of the homes and rental housing revolving funds for the construction and operation of child care and recreational facilities and other community-wide facilities. Your Committees have also authorized the Housing Finance and Development Corporation to contract with Seagull School for the construction and operation of a community-wide child care facility at Kapolei.

Your Committees on Housing and Planning, Land and Water Use Management are in accord with the intent and purpose of S.B. No. 612, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 612, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators McCartney, Chang, Holt and Ikeda.

SCRep. 359 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 736

The purpose of this bill is to add new definitions to the Environmental Impact Statement (EIS) laws, and also to amend the definition of environmental impact statement so that cultural values and cumulative impact of a proposed action are taken into consideration in an EIS.

Your Committee has amended this bill by:

1. Adding the definition of "preparation notice" to section 343-2, Hawaii Revised Statutes;
2. Deleting Section 2 of the bill and inserting language which would amend section 341-4, Hawaii Revised Statutes, to require the director to participate in the chapter 343 review process;
3. Clarifying that an environmental assessment under section 353-5, Hawaii Revised Statutes, is required for actions which propose the development of a golf course on agricultural land;
4. Deleting the amendments which would have required an environmental assessment under section 353-5, Hawaii Revised Statutes, for actions which are subject to a development agreement, which propose any use within one yard of a special stream, and which propose to the introduction of alien or genetically altered species;

5. Changing language to clarify that an environmental assessment would be required when an action would propose any use that may adversely affect a designated critical area; and
6. Deleting amendments to section 353-5(b) and (c), Hawaii Revised Statutes.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 736, S.D. 1, and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee except Senators Blair and Tanaka.

SCRep. 360 (Majority) Judiciary on S.B. No. 216

The purpose of the bill is to empower the Chief Justice to convene an annual judicial conference to be known as the Hawaii State Judicial Conference.

Your Committee received testimony in support of the bill from the Judiciary.

Your Committee finds that a forum for unfettered discussion of problems encountered in the judiciary system is necessary for educated and practical solutions.

Your Committee has amended the bill to expand conference attendees to include observers who are members of the Bar and members of the Legislature selected by the Senate President and Speaker of the House.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 216, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 216, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 361 Judiciary on S.B. No. 788

The purpose of this bill is to require that the chief election officer prepare, publish and distribute to every household in Hawaii, a voter information pamphlet containing the photograph, biographic summary, qualifications, and positions of every candidate for State office and candidates in special elections.

Your Committee received testimony in support of the bill from the Lieutenant Governor and the League of Woman Voters. However, the Lieutenant Governor noted that its office has neither the staff nor the funding to accomplish the task.

Your Committee finds that programs to provide information and knowledge to voters are to be encouraged but alternative approaches should be examined.

Your Committee amends the bill to delete essentially all its provisions and insert a directive that the Lieutenant Governor issue a request for proposals to accomplish the intent of the bill and report the results to the Legislature prior to its 1994 regular session. It may be that civic minded organizations, singly or in a consortium, might be willing to prepare, publish and/or distribute each pamphlet with limited or no government assistance.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 788, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 362 Judiciary on S.B. No. 1281

The purpose of this bill is stated in the title.

Your Committee received testimony in favor of the bill from the Attorney General.

Your Committee's deliberations on this proposal are incomplete due to time restraints imposed by the session calender and the bill is being reported out in its existing form. Your Committee has requested that the Attorney General submit a detailed plan for the reorganization of the Child Support Enforcement Agency and that the plan address the faults outlined in the Legislative Auditor's recent report entitled "Management Audit of the Child Support Enforcement Agency".

Your Committee anticipates that further consideration of the reorganization plan in light of the Auditor's report will be given by a subsequent committee.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1281 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 363 (Joint) Housing and Human Services on S.B. No. 1712

The purpose of this bill is to transfer the administration of the Homeless Families Assistance Act (HFAA) and homeless shelter stipends from the Department of Human Services (DHS) to the Hawaii Housing Authority (HHA).

Supportive testimony of this administration measure was heard from the Hawaii Housing Authority as well as the Department of Human Services.

Your Committees believe that since the actual transfer of the HFAA and the homeless shelter stipends has already taken place, the Hawaii Revised Statutes should be amended to reflect this change.

Your Committees on Housing and Human Services are in accord with the intent and purpose of S.B. No. 1712 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 Senator Fernandes Salling.

SCRep. 364 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1747

The purpose of this bill is to create a solid waste management special fund to enable the Office of Solid Waste Management to carry out its functions and duties without using State general funds. The bill also establishes a glass recovery program to promote glass recycling activities in the State.

Testimony in support of the bill was received from the Department of Health.

Your Committee finds that the provisions of the bill would enable the Office of Solid Waste Management to comply with federal requirements for solid waste management facility regulation under 40 C.F.R. 258 (Subtitle D), thus allowing the Office to pursue the waste diversion programs mandated by the Integrated Solid Waste Management Act (Chapter 342G, Hawaii Revised Statutes).

Your Committee has amended the bill by:

- (1) Deleting the provisions creating and referring to the Solid Waste Management Special Fund;
- (2) Adding a new section that establishes an Air and Waste Management Special Fund;
- (3) Replacing all references to the Solid Waste Management Special Fund with references to the Air and Waste Management Special Fund;
- (4) Adding a requirement that the Department report to the Legislature on the effectiveness of the solid waste management and glass recovery programs two years after implementation; and
- (5) Adding a section regulating the recycling of white goods (appliances).

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1747, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Blair and Tanaka.

SCRep. 365 Judiciary on S.B. No. 1448

The purpose of this bill is to allow the commission to assign the determination of eligibility of compensation to an administrator for cases 1) where no serious, permanent bodily injury is involved; 2) that can be adjudicated on available records or documents; and 3) where the applicant has waived a hearing. The bill also allows funds received from collateral sources to be deposited into the criminal injuries compensation fund and removes negligent homicide in the second degree, negligent injury in the first and second degree from the definition of a violent crime.

Your Committee received testimony from the Department of Public Safety and the Department of Prosecuting Attorney of the City and County of Honolulu in general support of the bill. However, the Department of Prosecuting Attorney stated that the revision of the term "violent crime" is unnecessary since the commission has the discretion to determine if the applicant warrants a hearing.

Your Committee finds that the delegation of cases by the commission to an administrator would streamline the eligibility determination process and aid victims of violent crimes to a quicker recovery, as well as allow the commission more time to evaluate cases that require more attention. However, your Committee is concerned that the applicant have a full opportunity to be heard and, therefore has amended the bill to allow the applicant the right to appeal to the commission for a de novo review based on the full record. Your Committee has also amended the bill by removing the revision of the definition of violent crimes because your Committee finds the revision unnecessary and unjustified.

Your Committee has further amended this bill by making a nonsubstantive technical change for the purposes of clarity, style, and conformance with recommended drafting techniques.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1448, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1448, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 366 Judiciary on S.B. No. 222

The purpose of the bill is to provide statutory authority for the court to rule on the likelihood that a conditionally released defendant will be fit to proceed in the future. The bill provides for the appointment of a panel of three qualified examiners to conduct a medical examination of both committed and conditionally released defendants and to report their findings to the court.

Testimony in support of the bill was received from the Judiciary.

Your Committee finds that a lack of authority under existing statutes prevents the court from gathering information necessary for its rulings in cases where a defendant has been conditionally released.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 222 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 367 Judiciary on S.B. No. 506

The purpose of the bill is to appropriate funds to provide additional investigator positions for the Hawaii Civil Rights Commission.

Your Committee received testimony in support of the appropriation from the Hawaii Civil Rights Commission, the Commission on Persons with Disabilities, the Hawaii State Commission on the Status of Women, the Hawaii Women's Political Caucus, Na Loio No Na Kanaka and an interested citizen.

Your Committee finds a lack of adequate staff for the commission to effectively process its case load but realizes budget constraints may not permit additional funding for this purpose. If the Committee on Ways and Means determines that no increase of funds is available, your Committee urges the Commission to give high priority to those complaints which do not fall within the jurisdiction of the Equal Employment Opportunity Commission.

Your Committee understands that the Commission sees its activities as supplementing rather than duplicating the work of the Equal Employment Opportunity Commission, but given the reality that not all cases are being handled on a timely basis, necessity should dictate that priority be given to those cases in which there is not concurrent jurisdiction. That would seem the best way to maximize resources and serve the greatest number of clients.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 506 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 368 Judiciary on S.B. No. 1498

The purpose of the bill is to update the requirements and procedures for issuing Hawaii state identification cards and to increase the card fees.

Your Committee received testimony in support of the bill from the Attorney General.

Your Committee finds that the purpose for issuing identification cards will be served better by minor administrative changes and housekeeping revisions contained in the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1498 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 369 Judiciary on S.B. No. 1651

The purpose of the bill is to facilitate the availability, use and administration of absentee voting.

Your Committee received testimony from the Lieutenant Governor and the League of Women Voters.

Your Committee finds the occasional existence of extreme conditions might require that votes be cast by absentee ballot.

Your Committee has amended the bill by providing that mandating voting by absentee ballot shall be allowed only in the event of a natural disaster or extreme emergency, and clarifying that the determination whether such conditions exist must be made by both the chief election officer and the clerk of the affected county. Your Committee has further amended the bill to clarify the person to receive completed absentee ballots.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1651, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 370 Judiciary on S.B. No. 1652

The purpose of the bill is to require that resident tax return forms contain space for voter registration of qualified residents; to provide a means to reactivate a registration after being purged; and, to permit the transfer of registration at any time.

Your Committee received testimony on these measures from the Lieutenant Governor, the Department of Taxation and the League of Women Voters.

Your Committee finds a need to further enhance voter registration and encourage voter participation in all elections.

Your Committee has amended the bill to clarify that voter registration material shall be included with tax return forms sent to residents rather than printed directly on the tax return form.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1652, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 371 (Joint) Education, Labor and Employment and Judiciary on S.B. No. 217

The purpose of this bill is to allow the Chief Justice and the Administrative Director of the Courts to appoint the Judiciary's Gender and Other Fairness Project Coordinator.

This position, which promotes the Judiciary's commitment to equal justice for all people, is currently subject to civil service hiring laws and procedures. If exempted, the Coordinator would serve at the pleasure of the appointing authority.

Your Committees find that the Coordinator assumes considerable responsibility representing the Judiciary to both the public and private sectors, and that the appointing authority should have maximum discretion in determining the most suitable person for the job.

Your Committees on Education, Labor and Employment and Judiciary are in accord with the intent and purpose of S.B. No. 217 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 Holt and Solomon.

SCRep. 372 (Joint) Education, Labor and Employment and Judiciary on S.B. No. 219

The purpose of this bill is to authorize additional law clerks for the Judiciary.

The Administrative Judge of the Circuit Court of the First Circuit would get two and the Civil Motions and Criminal Motions Judges of the Circuit Court of the First Circuit would get one each.

Your Committees find that the dramatically increased workloads of the Civil and Criminal Divisions warrant the additional positions.

Your Committees have amended this bill by including one additional law clerk for the Criminal Administrative Judge of the Circuit Court of the First Circuit, a position that was inadvertently omitted from the bill as prepared by the Judiciary.

Your Committees on Education, Labor and Employment and Judiciary are in accord with the intent and purpose of S.B. No. 219, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 219, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Holt and Solomon.

SCRep. 373 Education, Labor and Employment on S.B. No. 352

The purpose of this bill is to amend laws relating to Employees' Retirement System investment income.

Currently, all earnings in excess of the eight percent investment yield rate are deposited into the Pension Accumulation Fund and used to reduce the amount of contributions owed by the State and counties. This bill would authorize use of up to half of the excess earnings to liquidate the System's unfunded accrued liabilities. After all accrued liabilities have been funded, the money in the Pension Accumulation Fund, including all excess investment earnings, will be used to provide benefits for beneficiaries.

The bill also provides that the expenses of the System, which are currently paid by the public employers, will be paid out of investment earnings, subject to gubernatorial approval.

Finally, the bill requires the Board of Trustees to establish the System's investment yield rate beginning with the year ending June 30, 1993.

Your Committee finds that these changes will enable more accurate application of the System's assets and more efficient discharge of its obligations.

Your Committee has amended this bill by incorporating a phased approach to reducing the System's unfunded liability. As amended, twenty-five percent of the excess investment earnings will be applied effective July 1, 1993; fifty percent will be applied beginning July 1, 1995; seventy-five percent beginning July 1, 1997; and one hundred percent beginning July 1, 1999. Your Committee considers this a more prudent and orderly means of redirecting the excess earnings.

Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 352, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 374 Education, Labor and Employment on S.B. No. 467

The purpose of this bill is to establish separate budgeting and allotment procedures for the Department of Education.

Your Committee finds that the establishment of separate budgeting and allotment procedures for the public schools is a necessary component of school/community based management. Your Committee further finds that the Department of Education is currently developing a weighted pupil allocation system which will take into consideration relevant factors affecting each school for the purpose of determining each school's resource needs.

During committee hearings held to discuss the issue of fiscal autonomy for schools, your Committee received testimony from the Lt. Governor, the Department of Education, the Department of Budget and Finance, the Hawaii State Teachers' Association, and the Chamber of Commerce as well as parent groups. The testimony reflected support for the concept of fiscal autonomy and a commitment from both government and private sector participants to cooperate in developing this concept in the spirit of school/community based management.

Upon consideration of the testimony of various parties on this issue and in the hope of continuing discussion, your Committee has amended this bill by:

- (1) Providing an exemption for the Department of Education from the quarterly allotment system, so that the Department may allocate funds to the public schools based on an allotment plan developed by the Department; and
- (2) Providing an exemption for the Department of Education from the lapsing provisions of section 37-41, so that the Department may carryover up to ten percent of its appropriations from one fiscal year to the next.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 467, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 375 (Joint) Education, Labor and Employment and Higher Education, Culture, Arts and Historic Preservation on S.B. No. 478

The purpose of this bill is to authorize the Department of Education and the University of Hawaii to invest in custodial contracts (mutual funds) on behalf of their employees.

Current law allows educators to fund their Tax Shelter Accounts in annuities pursuant to authority granted by the Internal Revenue Code of 1954. However, 1986 amendments to the Code now entitle investment in custodial accounts, a before-dollar I.R.A. option that all but a handful of states have adopted.

Your Committees find that this bill will afford educators an appropriate investment option without additional cost to the State.

Your Committees on Education, Labor and Employment and Higher Education, Culture, Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 478 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 Holt, Tanaka and Mizuguchi.

SCRep. 376 Education, Labor and Employment on S.B. No. 501

The purpose of this bill is to provide funding to continue the school-level minor repair and maintenance accounts.

Your Committee finds that the school-level minor repair and maintenance accounts established by Act 296, Session Laws of Hawaii 1992, have allowed each school to address minor projects in a more efficient and effective manner. Your Committee further finds that these efforts to make small-scale improvements to the school's facilities contribute to an improved learning environment for our students.

Testimony in support of this measure was submitted by the Department of Education and the Department of Accounting and General Services expressing their commitment to assisting schools in exercising authority over minor repair and maintenance projects and suggesting that minor improvement projects also be authorized in the spirit of school/community-based management.

Your Committee has therefore amended this bill by amending sections 103-23, 296-40.5, and 296-40.6 to add minor improvement projects to the permitted uses under the statutory guidelines of the fund.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 501, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 377 (Joint) Judiciary and Public Safety and Corrections on S.B. No. 1749

The purpose of this bill is to establish a program of regimental discipline implemented by the Department of Public Safety for defendants who are: 1) males; 2) between sixteen and twenty-four years of age; 3) convicted of a class B or C felony; and 4) have never been previously convicted of a felony. Defendants are sentenced to the program by the courts as an alternative to incarceration.

The Department of Public Safety and the Government Efficiency Team Private Sector submitted testimonies supporting the bill. Testimony opposing the bill was submitted by the Department of Prosecuting Attorney of the City and County of Honolulu. The Prosecuting Attorney expressed concern that the selection criteria for eligible participants for the regimental discipline program are unjustified and discriminatory.

Your Committees are vitally concerned with the problem of prison overcrowding. Your Committees find that a viable alternative to incarceration is to establish a regimental discipline program for first time offenders as they are more likely to respond to rehabilitative efforts.

Your Committees have amended the bill to redefine the eligibility requirements for a program of regimental discipline by eliminating any gender or age discrimination criteria. In addition, your Committees have amended the measure to clarify that the Director of the Department of Public Safety implements the program and that the court is still responsible for sentencing.

Your Committees on Judiciary and Public Safety and Corrections are in accord with the intent and purpose of S.B. No. 1749, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1749, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 378 Education, Labor and Employment on S.B. No. 1351

The purpose of this bill is to give University of Hawaii employees a retirement plan option.

Currently, University employees are members of the Employees' Retirement System. This bill authorizes the University to establish its own plan and enables employees to choose between it or noncontributory ERS membership, provided the employee is not currently vested with the ERS.

The Board of Regents will designate at least two companies from which to purchase annuities and the University will contribute an amount equivalent to fifteen percent of the employee's annual salary towards payment. If the University needs additional money for contributions the Legislature will appropriate it.

Your Committee finds that the presence of an alternate retirement plan will aid University recruiting and improve higher education in Hawaii.

Your Committee has amended this bill by:

- (1) requiring the transfer of funds under the Employees' Retirement System to the alternative retirement plan; and
- (2) requiring that any amounts to be contributed above the existing State contribution shall be subject to Chapter 89.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1351, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 379 Education, Labor and Employment on S.B. No. 1360

The purpose of this bill is to prohibit the discharge of or other discrimination by employers against employees for engaging in certain lawful lifestyle activities during non-working hours.

Your Committee finds that recent cultural attitudes about certain lifestyles have permeated business employment practices, resulting in employers infringing upon an individual's right to participate in lawful activities during non-working hours. Your Committee further finds that while this form of discrimination is most often targeted toward persons whose lifestyle habits such as smoking or alcohol abuse result in increased employment costs, such discrimination may also include recreational or organizational activities which are perceived as unacceptable by the employer. Your Committee notes that in order to protect individual freedoms, it is necessary to clarify the conditions under which an employer may consider lawful lifestyle activities as a condition of employment.

Testimony in support of this measure was presented by the American Civil Liberties Union, the Hawaii Government Employees Association, and the Hawaii Civil Rights Commission. The Hawaii Civil Rights Commission testified that without substantial additional resources, it would not be able to accept responsibility for enforcement of this measure and suggested that enforcement be placed under the purview of the courts.

Your Committee has amended this bill by deleting its substance and inserting the following provisions, which are modelled after the Whistleblowers' Protection Act:

- (1) Definitions of employee, employer, lifestyle activities, person, and working hours;
- (2) Prohibitions against discharge of, threats to, or discrimination against employees for engaging in lawful lifestyle activities; exceptions for activities creating a conflict of interest, incompatible with fundamental objectives of business, or adversely affecting an individual's ability to perform work; and an exclusion for non-profit or religious organizations that, as a primary purpose, discourage lawful lifestyle activities;
- (3) Civil actions for injunctive relief or damages; applicable remedies; and penalties for violations; and
- (4) Provisions establishing the precedence of collective bargaining rights; providing for employee notice; and recognizing common law rights.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1360, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 380 Education, Labor and Employment on S.B. No. 1425

The purpose of this bill is to clarify the authority of the Director of Labor and Industrial Relations to assess administrative penalties for claiming unapproved fees under the Workers' Compensation Law.

Current law provides for a fine of up to \$10,000 or up to one year in jail or both.

This bill eliminates the criminal sanction and establishes the fine as an administrative penalty.

Your Committee finds that this bill will expedite imposition and collection of penalties. Your Committee further finds that criminal sanctions are inconsistent with the intent of the statute.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1425, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Holt.

SCRep. 381 Education, Labor and Employment on S.B. No. 1600

The purpose of this bill is to establish commissions on school violence within each school district.

Your Committee finds that violence on public school campuses is increasing at an alarming rate in some areas, and that the violence is often related to acts perpetrated by students using legal but potentially dangerous items brought onto the school grounds. Your Committee further finds that while measures are being taken to address school violence, a district commission composed of school staff working with the law enforcement community would provide an efficient mechanism to identify and develop rules to ban potentially dangerous items from school campuses.

Testimony in support of this concept was submitted by the Superintendent of Education and the District Superintendent of the Central Oahu District.

Your Committee has amended this bill by:

- (1) Establishing a pilot school violence commission in the Central Oahu District; and
- (2) Providing for the repeal of the commission on July 1, 1995.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1600, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 382 Education, Labor and Employment on S.B. No. 1604

The purpose of this bill is to create a ten year financing mechanism to support construction and improvement of public educational facilities.

Your Committee finds that the construction and renovation of public educational facilities statewide is critically backlogged due to inadequate funding and burdensome specifications governing construction and improvements. Your Committee further finds that without immediate attention to this problem, Hawaii's public school students will be faced with continuously deteriorating facilities and outdated learning environments.

Your Committee is submitting this proposal for discussion and consideration with others which may be proposed for accomplishing this purpose. In submitting this proposal, your Committee concurrently recognizes that existing funds dedicated for this purpose could be spent more efficiently and effectively through a streamlined bidding and procurement process and urges that the needs of the schools be placed above bureaucratic procedures. Your Committee also recognizes that existing funds can be leveraged so that we can obtain more from the funds we are proposing to set-aside, and finally, that seeking new sources of revenues is a last resort in the face of a problem which is growing exponentially.

Your Committee anticipates an annual collection of \$35 million from the .10 per cent excise tax surcharge, which your Committee estimates to be only five cents per person per day. Your Committee notes that the 10-year funding mechanism proposed in this bill will raise an estimated \$2.75 billion in revenues to be expended as follows: \$2.0 billion for construction of new schools; \$250 million for renovation and maintenance of existing facilities; and \$500 million for implementation of modern learning technologies.

Your Committee has amended this bill by:

- (1) Changing the initiation date of the surcharge to July 1, 1994;
- (2) Placing the earmarking of general excise taxes under section 237-31;
- (3) Repealing the termination of the state educational facilities improvement special fund; and
- (4) Requiring the Department of Education, in conjunction with the Department of Accounting and General Services, to develop streamlined construction specifications and a plan for implementation of the Department of Education's capital improvement program priority system.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1604, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 383 Education, Labor and Employment on S.B. No. 1735

The purpose of this bill is to establish a fee for enhanced service program within the state library system and a special fund for the deposit of all fees received for such services.

Your Committee finds that one of the most important aspects of any education program is a good library system. Your Committee further finds that due to the State's uncertain financial condition, the time may be right to establish a fee for enhanced library services program. However, it is your Committee's intent that the enhanced services program be directly linked with public demand, and further that such services be fully supported by the fees collected.

Your Committee has amended this bill by:

1. Changing the term "enhanced service" to "enhanced services" to clarify that this program may include multiple services;
2. Designating the fund as a revolving fund rather than a special fund;
3. Requiring the state librarian to adopt a rule providing for the waiver of fees for persons who are unable to pay for such services; and
4. Adding a provision that this program will be automatically repealed three years from the effective date of this Act.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1735, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 384 Education, Labor and Employment on S.B. No. 1754

The purpose of this bill is to place the State's Administrative Director, appointed county administrators and department heads, and the Administrative Director and Deputy Administrative Director of the Courts in contributory Class A of the Employees' Retirement Service.

Incumbents are given to September 30, 1993 to opt for Class A membership effective October 1, 1993 or remain Class C members for the duration of their appointments.

These positions are currently assigned to noncontributory Class C.

Noncontributory members need ten years of service to qualify for a retirement benefit. Act 149, Session Laws of Hawaii 1987, allowed state directors and deputy directors whose salaries are provided by statute to become members of Class A, enabling a vested retirement benefit after five years. Without this provision they would likely be ineligible for a retirement benefit due to the limited duration of political appointments. This bill extends similar privileges to county administrators, the Administrative Director, and the Judiciary administrators.

Your Committee finds that this bill will enable retirement benefits for appointed individuals who might otherwise be ineligible.

Your Committee has amended this bill by deleting references to the State Administrative Director and the court administrators. In addition, your Committee has clarified that all administrators appointed by a mayor after the effective date of this measure will be Class A members, and provided for incumbents who opt for Class A effective October 1, 1993 to file a statement with the Board of Trustees and arrange for contributions.

Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1754, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 385 Education, Labor and Employment on S.B. No. 1760

The purpose of this bill is to enable public employees to continue receiving pay should the State or a county convert its payroll system from a predicted-time basis to a time-reported basis.

Currently, an employee's pay is based on a prediction of the time to be spent in the next pay period. This system can result in errors that must be corrected and also presents problems in integrating leave and cost accounting records into the payroll records.

If a conversion is implemented, this bill will entitle employees to eighty hours of pay in lieu of vacation, or out of accumulated vacation if the conversion is implemented at the end of the year.

Your Committee finds that this bill will benefit both employees and employers if a payroll system change is implemented.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 1760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1760, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 386 Planning, Land and Water Use Management on S.B. No. 797

The purpose of this bill is to establish a new chapter in the Hawaii Revised Statutes which would provide for a land speculation tax.

This bill would discourage speculation by providing a sliding scale tax on the gain from the sale or exchange of residential or agriculturally zoned property.

Your Committee finds that property values in Hawaii have skyrocketed to exorbitant levels in the past decade. This sudden escalation is due to overzealous speculation of real property by persons who purchase real property solely for profit.

Your Committee believes that the imposition of the tax contained in the bill will deter future occurrences of real property speculation and encourage long term investment to promote greater economic stability in the State.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 797 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 Holt.

SCRep. 387 Planning, Land and Water Use Management on S.B. No. 943

The purpose of this bill is to create a special fund for Kauai disaster relief and rehabilitation.

Under this bill, one-half of the general excise tax revenue increase generated from Hurricane Iniki-related construction activity in the State would be appropriated for deposit into the Kauai-Hurricane Iniki Special Fund. Instead of amending the general excise tax law to dedicate tax revenues to the special fund, the bill provides a formula to determine the amount of the general fund appropriation to be deposited into the special fund.

Your Committee is concerned about the difficulty in accurately determining the amount of revenues generated by Hurricane Iniki-related construction activity. Therefore, your Committee has amended the bill by deleting the proposed formula for calculating the amount of revenue to be deposited into the Kauai-Hurricane Iniki Special Fund.

In addition, your Committee has appropriated \$5,400,000 from the State Risk Management Revolving Fund to rebuild State buildings and facilities completely destroyed by Hurricane Iniki. Damage to State buildings and facilities are covered by a statewide property insurance policy purchased by the Department of Accounting and General Services Risk Management Program. Accordingly, repairs for facilities damaged by Hurricane Iniki will be paid by insurance settlements. The \$5,400,000 appropriated in this bill will cover the cost of rebuilding State facilities that were completely destroyed by the hurricane and not covered by insurance.

Finally, your Committee has inserted a provision to include as a first priority, the award of grants for the repair of State facilities in Kauai County and the reimbursement of expenses incurred that are not covered by Federal Emergency Management Agency or insurance reimbursements.

Your Committee on Planning, Land and Water Use Management, is in accord with the intent and purpose of S.B. No. 943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 943, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 388 (Joint) Planning, Land and Water Use Management and Tourism, Recreation and Transportation on S.B. No. 1550

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism in an amount reflective of transient accommodations tax revenues lost by the County of Kauai due to Hurricane Iniki.

The funds appropriated would be used to contract with the Hawaii Visitor's Bureau to implement a special marketing plan to promote tourism on Kauai.

Your Committees are committed to assisting the Kauai County visitor industry by providing appropriate resources to stimulate the economy and provide jobs that will help foster individual and community recovery from the devastation of Hurricane Iniki.

Your Committees left the amount of the appropriation blank so that a more accurate determination of costs may be made at a future date.

Your Committees on Planning, Land and Water Use Management and Tourism, Recreation and Transportation are in accord with the intent and purpose of S.B. No. 1550 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 Holt, Fernandes Salling, Tanaka and Koki.

SCRep. 389 Judiciary on S.B. No. 901

The purpose of the bill is to transfer the Office of Public Guardian from the Judiciary to the Office of the Governor.

Your Committee received testimony in favor of the bill from the Judiciary, the Hawaii State Planning Council on Developmental Disabilities and the Guardianship Task Force.

Your Committee finds that the establishment of the Public Guardianship Program within the Judiciary has created a conflict of interest for the courts and administrative personnel.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 901 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 390 Judiciary on S.B. No. 1622

The purpose of the bill is to create the Office of Medical Examiner at the state level and establish a child death review program.

Your Committee received testimony in opposition to the bill from the Judiciary. The Child Abuse and Neglect Secondary Prevention Advisory Committee and the State Advisory Council on Child Welfare Services testified in support of the bill.

Your Committee finds a need to establish a child death review program in the continuing effort to prevent child abuse and neglect.

Your Committee has amended the bill to delete the provisions creating a State Office of Medical Examiner and designating the Medical Examiner of the City and County of Honolulu in its stead.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1622, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1622, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Solomon and Koki.

SCRep. 391 Judiciary on S.B. No. 1809

The purpose of this bill is to appropriate funds for grants-in-aid to the county prosecuting attorneys for the creation or maintenance of career criminal, youth gang and domestic violence prosecution units and victim witness programs.

Your Committee received testimony in support of the bill from the Prosecuting Attorney of each county in the State.

Your Committee sees the victim witness program as fulfilling a critical role in protecting the rights of victims and witnesses in criminal proceedings. Continuation of the special prosecution units to deal with career criminals, youth gangs and domestic violence is even more critical in difficult economic times.

Your Committee has amended the bill by inserting the dollar amounts necessary to accomplish the purpose of the appropriations.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1809, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 392 Human Services on S.B. No. 539

The purpose of this bill is to require persons in need of public assistance to work on public projects.

Your Committee finds that the concept of "workfare" is controversial and an integrated approach of providing child care, education, and job training to persons on public assistance is preferable to workfare mandates. However, your Committee is also concerned about the generations of families who have become dependent on public assistance, with little hope for children raised within this socioeconomic strata of breaking out of the cycle.

Your Committee received testimony in opposition to this bill from persons expressing concerns that this requirement to work may penalize individuals who are unable to work, especially the disabled and the elderly. After careful consideration of these concerns, your Committee agrees that this mandate to work as a condition precedent to receiving public assistance may be too stringent in certain situations. Therefore, your Committee has amended this bill by removing the requirement to work on a public project as a condition precedent to receiving public assistance.

However, your Committee notes that of the 8,187 individuals currently receiving general assistance, 3,000 are participating in the Food Stamp Employment and Training Program, and 92 are participating in the General Assistance Temporary Labor Force Program. It is clear that the current law has created a situation where many public assistance recipients do not participate in government work programs, and your Committee believes this bill will ensure increased participation in valuable employment training programs.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 539, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Fernandes Salling, Fukunaga, Hagino and Mizuguchi.

SCRep. 393 Human Services on S.B. No. 1529

The purpose of this bill is to establish the Hawaii Children's Trust Fund.

Your Committee finds that despite Hawaii's reputation as a leader in programs to prevent child abuse and neglect, the number of reported and confirmed incidents of abuse and neglect has more than doubled in the past decade. While this increase in statistics may reflect a higher percentage of cases being reported due to increased community awareness of the problem, your Committee is equally aware that these statistics also indicate that the problem of child abuse and neglect remains one of our most pressing social issues and deserving of our closest attentions. Your Committee recognizes that without identification and treatment for both abusers and their victims, the cycle of abuse continues and will be perpetuated in future generations.

Faced with these sobering facts, your Committee strongly believes that it is important to proceed with the establishment of the Hawaii Children's Trust Fund as a permanent source of funding to support an ongoing integrated public/private approach for the prevention of child abuse and neglect.

Testimony in support of the intent of this bill was submitted by the Office of Youth Services, the Director of Health, the Superintendent of Education, the Governor's Office of Children and Youth, the Hawaii Children's Trust Fund Coalition, and various child welfare advocates. Many testifiers informed your Committee that without this Trust Fund, Hawaii would be ineligible to receive federal prevention grants and further that Hawaii is one of only two states that does not have a Children's Trust Fund.

Upon further consideration of concerns expressed by those testifying, your Committee has amended this bill by:

- (1) Removing the word "secondary" from the name of the child abuse and neglect advisory committee, and designating this committee as the advisory body responsible for oversight of the trust fund;

- (2) Allowing the Governor to appoint four members to the advisory committee from a list of nine persons submitted by the Hawaii community foundation and designating the director of health as the chairperson of the advisory committee;
- (3) Reducing the number of members on the steering committee from seventeen to nine by eliminating the public sector members;
- (4) Deleting the requirement that the Department of Health provide staffing for to assist the committees; and
- (5) 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. 1529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1529, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Fernandes Salling, Fukunaga, Hagino and Mizuguchi.

SCRep. 394 (Majority) Human Services on S.B. No. 1715

The purpose of this bill is to generate increased revenues to cover health care payments for the federally funded Medicaid program and enable the Department of Human Services to earn additional federal matching funds on this revenue.

The bill would impose a monthly ten percent tax on all nursing facility income and a monthly four percent tax on all hospital income except income subject to the general excise tax. It establishes a health care revolving fund to receive the tax revenues out of which expenditure would be made by the Department.

Your Committee supports efforts to strengthen the State's Medicaid program and effect increased income and reimbursements.

Your Committee has amended this bill by reducing the nursing facility tax to six percent, clarifying hospital and nursing facility income, and providing for a flexible effective date to account for any medicaid state plan adjustment.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 1715, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1715, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Fernandes Salling, Fukunaga and Mizuguchi.
Senator Reed did not concur.

SCRep. 395 Planning, Land and Water Use Management on S.B. No. 1063

The purpose of this bill is to provide a vehicle to pass legislation.

Your Committee has amended this short form bill by inserting the contents of the proposed Senate Draft which was discussed thoroughly at a public hearing.

The draft would amend chapter 206, Hawaii Revised Statutes, to expand the role of the Hawaii Community Development Authority to engage in redevelopment activities in designated rural and urban areas and to establish a new community development district in the Hamakua region of the island of Hawaii.

Hamakua Sugar Company has announced that it will be closing its doors. With that news, the community is now concerned about its future since its economy was based on the sugar industry. The Hamakua community which brings back fond memories of those days past where everyone is friendly and willing to lend a hand, is looking for a new industry or economic boost. Your Committee feels that the State should assist Hamakua so that it can become economically stable and at the same time, retain its unique features.

Your Committee has amended this bill by adding an appropriation amount to fund this Act, and has changed the effective date of the proposed draft to reflect the fiscal year.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1063, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tungpalan.

SCRep. 396 Planning, Land and Water Use Management on S.B. No. 1195

The purpose of this bill is to authorize the issuance of special bonds for the Kauai Electric Division of Citizens Utilities Company to cover capital reconstruction costs.

Hurricane Iniki caused extensive damage to Kauai Electric's existing distribution and transmission system, and generating facilities. Your Committee believes that this bill will assist Kauai Electric in obtaining low cost financing for the restoration of its facilities, and in turn, may result in significant savings to ratepayers on Kauai.

Your Committee has amended this bill to increase the authorization from \$30,000,000 to \$40,000,000.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1195, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tungpalan.

SCRep. 397 Planning, Land and Water Use Management on S.B. No. 1759

The purpose of this bill is to provide tax relief to victims of natural disasters.

This bill would eliminate county real property taxes from the provisions of chapter 234, Hawaii Revised Statutes, and would give the counties greater statutory authority to grant relief to victims of natural disasters.

Your Committee finds that the victims of Hurricane Iniki would benefit from any relief from their existing financial burdens, especially in this critical time of reconstruction and recuperation.

Your Committee has amended the bill by deleting its contents and inserting a study to be conducted by the legislative reference bureau on chapter 234, Hawaii Revised Statutes.

Your Committee understands that the utilities, especially electric and telephone companies, may have incurred substantial loss due to the hurricane. In order to prevent rate increases, your Committee has also inserted language to provide for a public service company tax credit to utilities that sustained damages resulting from Hurricane Iniki.

Your Committee believes that this tax credit to public service companies would be passed on to the consumers, thus relieving them of some financial hardship.

The findings and purpose section was amended to conform to the amendments.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1759, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tungpalan.

SCRep. 398 Planning, Land and Water Use Management on S.B. No. 1883

The purpose of this bill is to provide landowners with limited tort liability where an act of God causes injury to a person or damage to property.

This bill would also provide that the landowner would still be accountable for injury or damage where the landowner contributed to the tort through an act or omission, and was intentional, malicious, or wilful.

While your Committee feels that this bill may have merit and should be kept alive for further discussion, it will defer to the expertise of the Committee on Judiciary as to the bill's legal implications.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1883 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Holt and Tungpalan.

SCRep. 399 (Joint) Planning, Land and Water Use Management and Public Safety and Corrections on S.B. No. 1218

The purpose of this bill is to authorize the Governor to establish additional claims commissions to administer the provisions of the Tax Relief for Disaster Losses Law, Chapter 234, Hawaii Revised Statutes.

This bill provides for the creation of additional claims commissions in the event of a major natural disaster, defined as a disaster where the Governor determines that more than 500 claims are likely to be filed as a result of the disaster.

Your Committees have amended this bill by deleting the salary provisions for commission members and inserting language related to compensation similar to the provisions for members of state boards and commissions.

Your Committees on Planning, Land and Water Use Management and Public Safety and Corrections are in accord with the intent and purpose of S.B. No. 1218, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1218, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Holt, Tungpalan, Koki and Reed.

SCRep. 400 (Joint) Judiciary and Tourism, Recreation and Transportation on S.B. No. 154

The purpose of the bill is to create a multi-agency task force to analyze traffic violations enforcement.

Your Committees received testimony in support of the bill from the Department of Transportation and the Public Defender.

Your Committees find a need for better coordination and cooperation among the numerous agencies responsible for traffic violation enforcement.

Your Committees have amended the bill by requiring that the neighbor islands be represented on the task force.

Your Committees on Judiciary and Tourism, Recreation and Transportation, are in accord with the intent and purpose of S.B. No. 154, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 154, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Koki, Reed, George, Fernandes Salling, Holt and Tanaka.

SCRep. 401 (Joint) Judiciary and Public Safety and Corrections on S.B. No. 320

The purpose of this bill is to authorize the council of any county to establish and maintain volunteer community patrols.

Your Committees received testimony in support of the measure from the Department of Labor and Industrial Relations and the Hawaii County Police Department.

Your Committees find that community patrols are an effective crime prevention activity and serve many of the functions of law enforcement agencies.

Your Committees have amended the bill by making technical changes that have no substantive effect.

Your Committees on Judiciary and Public Safety and Corrections are in accord with the intent and purpose of S.B. No. 320, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 320, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 402 Judiciary on S.B. No. 511

The purpose of this bill is to institute reforms in the State's laws relating to campaign contributions and expenditures.

Your Committee finds that voter registration and turn out have diminished in the past few years. Your Committee feels that the lack of voter interest may be attributable to decreased public faith and confidence in political candidates, committees, and their activities. Your Committee finds that improving citizen participation in political campaigns increases communication and understanding between citizens and those who run for and are elected to office, resulting in renewed public confidence in our political system. One possible way to improve the system might be meaningful public financing coupled with campaign spending limits.

Therefore, your Committee has amended the bill to provide for an appropriation for a report on public financing of campaigns, to be done by the Campaign Spending Commission.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 511, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 403 Judiciary on S.B. No. 1578

The purpose of the bill is to make appropriations to various state and county agencies to continue funding for a youth gang response system.

Your Committee received testimony in support of the bill from the City and County of Honolulu, the Kokua Kahihi Valley Comprehensive Family Services and the Social Science Research Institute. Testimony unfavorable to passage of the bill was received from the Department of Human Services and the Department of Education.

Your Committee finds that the systematic, multi-agency and community based approach is the most effective means to address the statewide youth gang problem. The balanced and coordinated approach developed from previous appropriations has received national recognition and is a significant factor in the State's continuing battle against gang membership.

Your Committee has amended the bill by making technical changes for the purpose of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1578, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 404 Judiciary on S.B. No. 1623

The purpose of the bill is to impose additional fines in criminal cases and to create a special fund for domestic violence treatment, education and prevention services.

Your Committee received testimony in support of the bill from the Hawaii State Commission on the Status of Women, Hawaii State Committee on Family Violence and Hope for Battered Women. The Public Defender testified in general opposition to the bill.

Your Committee finds a need to combat domestic violence by all means available in that the problem has reached crisis proportions.

Your Committee has amended the bill to create a special fund for deposit of fines imposed, to require an annual appropriation from the fund and to remove the mandatory nature of the fines.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1623, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 405 Judiciary on S.B. No. 1647

The purpose of the bill is to establish the Office of Elections and the Elections Appointment Panel to select and appoint a Chief Elections Officer and to transfer the functions and duties of the existing Elections Division of the Office of Lieutenant Governor to the Office of Elections.

Your Committee received testimony regarding the bill from the Lieutenant Governor and the League of Women Voters.

Your Committee finds that the bill reassigns the Chief Election Officer duties from the Lieutenant Governor to an independent officer selected by an Elections Appointment Panel and is based on the recommendations of the Task Force created by H.C.R. No. 299, Regular Session 1992, entitled "Concerning the Duties of the Lieutenant Governor".

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1647 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Blair.

SCRep. 406 Judiciary on S.B. No. 1658

The purpose of the bill is to allow voters to cast a write-in vote for someone other than candidates listed on the ballot.

Your Committee received testimony concerning the bill from the Lieutenant Governor, the American Civil Liberties Union and the Association of Clerks and Election Officers.

Your Committee finds that write-in voting is an important component of full participation in the State's electoral process.

Your Committee has amended the bill to require that write-in candidates for uncontested primary races meet the threshold number of votes required of non-partisan candidates. The bill is also amended to clarify that filing requirements are imposed on write-in candidates who are nominated or elected.

Your Committee has further amended the bill to clarify that a write-in candidate in a primary election will only qualify for listing on the ballot in the general election if the write-in candidate gets 10 percent of the total votes cast in the primary election or a vote equal to the lowest vote received by a partisan or nonpartisan candidate whose name appeared on the ballot and won the primary election.

So, for example, if for a particular Legislative seat only one party fields a candidate and no candidate files for the "X" party nomination, then a write-in candidate for the "X" party nomination must receive 10 percent of all votes cast in that primary election to qualify for a ballot listing in the general election.

By further example, if two parties field candidates, so the ballots in a primary election list candidates for party "A" and party "B" but no candidate for party "C", then a write-in candidate for party "C" would qualify for the ballot in the general election by receiving votes equal to the winner of the "A" or "B" party nomination who had received the lower number of votes or 10 percent of all votes cast.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1658, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1658, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 407 Judiciary on S.B. No. 1810

The purpose of the bill is to provide for a monetary assessment as a condition for alternative disposition of drug related offenses for use in drug rehabilitation and prevention programs.

Your Committee received testimony in support of the bill from the Honolulu Prosecuting Attorney. The Public Defender testified in general opposition to the bill.

Your Committee finds that adequate funding for drug rehabilitation and prevention programs is a concern shared by all those involved in the war against drugs.

Your Committee has amended the bill to remove the mandatory nature of the assessments.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1810, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1810, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 408 Judiciary on S.B. No. 1854

The purpose of the bill is to establish a substance abuse prevention and treatment fund through increased taxes on alcoholic beverages.

Your Committee received testimony in support of the bill from the Department of Health and the Salvation Army. The Department of Taxation and the Distilled Spirits Council of the United States opposed the bill.

Your Committee finds that the taxpayer costs associated with alcohol abuse are tremendous and that the expense of prevention and treatment of alcoholism should be imposed on the seller of alcoholic beverages.

Your Committee has amended the bill to increase the amount of tax on distilled spirits and beer other than draft beer to a rate calculated at 5 percent above the rate imposed by the Department of Taxation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1854, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 409 Judiciary on S.B. No. 1653

The purpose of this bill is to address issues regarding recruitment and placement of precinct officials by:

- (1) Permitting the Chief Election Officer to contract directly with community organizations for personnel and services;
- (2) Repealing the requirement that precinct positions be filled by party members;
- (3) Allowing waiver of other requirements when necessary to provide minority language assistance; and
- (4) Providing the pay schedule for election officials by rule rather than statute.

Your Committee received testimony in support of the bill from the Lieutenant Governor.

Your Committee finds that the recruitment of election officials has become increasingly difficult and that political parties are not currently providing adequate assistance and personnel.

Your Committee has amended the bill by eliminating provisions for contracts with organizations, clubs and nonprofit entities. Your committee would prefer not to have the recruitment of election officials be a fundraising activity, even if carried out by "worthwhile" organizations.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1653, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 410 Legislative Management on S.B. No. 1057

The purpose of this bill is to amend the laws of this State relating to the Legislature.

Your Committee has amended this short form bill by deleting its contents and inserting substantive provisions requiring the Legislature to hold a joint public hearing prior to appointing either the Director of the Legislative Reference Bureau or the Ombudsman.

The hearing must be held at least two days prior to appointment and the general public will have at least forty-eight hours notice.

Current laws require appointment of the Bureau's Director and the Ombudsman by majority votes of each house of the Legislature in joint session. This bill will allow the general public to be privy to deliberations relating to the appointments.

Your Committee notes that this bill is similar to S.B. No. 396, S.D. 1, as approved by your Committee, that proposes to amend the Constitution of the State of Hawaii to provide for a public hearing prior to appointment of the Auditor.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 1057, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1057, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

LCRep. 411 Legislative Management on S.B. No. 1058

The purpose of this short form bill is to amend the Hawaii Revised Statutes to effectuate the title of this bill.

Your Committee finds that the joint legislative management committee, which was created to evaluate, supervise, establish general policy for, and coordinate activities among the legislative service agencies, is not necessary.

Your Committee has amended this bill by adding a provision to abolish the joint legislative management committee.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 1058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1058, S.D. 1, and be recommitted to the Committee on Legislative Management for further consideration.

Signed by all members of the Committee except Senator Holt.

SCRep. 412 Ways and Means on S.B. No. 1130

The purpose of this bill is to authorize the issuance by the department of budget and finance of special purpose revenue bonds to assist Wailuku River Hydroelectric Power Company, Inc.

Wailuku River Hydroelectric Power Company, Inc., is currently constructing a ten-megawatt hydroelectric power plant and ancillary facilities on the Wailuku River in Hawaii county. Further, Hawaii Electric Light Company, Inc. (HELCO) customers continue to experience electric energy shortages due to an inadequate supply of electric energy, and assistance for the development of an additional energy generation project would be beneficial to Hawaii county residents.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1130, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 413 Ways and Means on S.B. No. 1420

The purpose of this bill is to appropriate an additional \$15,649,638, for fiscal year 1992-1993, to prevent the reduction or discontinuance of financial assistance payments to needy individuals and families under the aid to families with dependent children (AFDC), general assistance (GA), and aid to the aged, blind, and disabled (AABD) programs.

Your Committee finds that the department of human services will be forced to discontinue payments to qualified individuals and families under the abovementioned programs at the end of March 1993--three months before the close of fiscal year 1992-1993--if the legislature does not make this additional appropriation.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated from \$15,649,638, to the \$10,911,738 requested by the department of human services in written testimony submitted to the chairperson of your Committee on Human Services on February 2, 1993. Specifically, the department of human services requested an additional \$6,175,152, rather than \$9,688,036, in general funds, and an additional \$4,736,586, rather than \$5,961,602, in "other federal funds". According to the department of human services, "[a] review of the past six months' expenditures indicate that the projected shortfall will be less than the \$9,688,036 in general funds and \$5,961,602 in federal funds originally requested";
- (2) Declaring, in accordance with Section 9 of Article VII of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, that the appropriation contained in this bill will cause the revised state general fund expenditure ceiling for fiscal year 1992-1993, which is \$3,109,096,006, to be exceeded by \$10,911,738, or 0.3510 per cent; and
- (3) Making technical, nonsubstantive amendments 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. 1420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1420, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 414 Ways and Means on S.B. No. 1523

The purpose of this bill is to provide the comptroller, with the approval of the director of finance, the option of issuing checks in lieu of warrants to disburse funds out of the state treasury.

Your Committee finds that conversion to checks will reduce the state treasury's annual bank service charges by an estimated \$100,000. Your Committee also finds that the primary financial benefit of issuing warrants was the "float"

factor. The State gained one extra day of float because the clearing banks had to present the warrants at the treasury for redemption. The interest earned on this float was estimated at \$2,000 per day. However, the State no longer enjoys this advantage because the banks are now assessing interest on the one day float; therefore, the reason for issuing warrants no longer exists.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1523 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. 415 Ways and Means on S.B. No. 1713

The purpose of this bill is to make emergency appropriations for the state medical assistance program (Medicaid).

Your Committee finds that a critical funding emergency exists and the Medicaid program will experience a shortfall in funding before the end of the fiscal year. According to testimony submitted by the department of human services to your Committee on Human Services, this is due primarily to: (1) an increase in the Medicaid recipient population; (2) higher utilization of health care services; (3) adoption of federal services mandates; (4) Medicaid eligibility expansions; (5) a reduction of federal Medicaid matching funds; (6) payment rates reconsideration; and (7) double digit health care inflation rates.

Your Committee further finds that if this emergency appropriation is not provided, the department will be forced to discontinue payments to provide health care services to Medicaid recipients on April 15, 1993.

Your Committee has amended this bill to specify the amount and percentage by which the general fund expenditure ceiling for fiscal year 1992-1993 will be exceeded due to the appropriations.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1713, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1713, S.D. 1.

Signed by all members of the Committee except Senator Holt.

SCRep. 416 Ways and Means on S.B. No. 1732

The purposes of this bill are to:

- (1) Allow the department of transportation to issue special facility revenue refunding bonds for maritime and marine operations;
- (2) Delete the provision prohibiting the department from issuing these special facility revenue bonds after June 30, 1987; and
- (3) Update obsolete references to the state bond law.

In light of recent declines in interest rates payable on bonds, your Committee finds that it is in the best interest of the State to allow the department of transportation to provide the maritime industry with the opportunity to refund outstanding special facility revenue bonds with special facility revenue refunding bonds at lower interest rates.

Your Committee has made technical, nonsubstantive amendments 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. 1732, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1732, S.D. 2.

Signed by all members of the Committee except Senator Holt.

SCRep. 417 Ways and Means on S.B. No. 1738

The purpose of this bill is to authorize the issuance of \$136,500,000 in general obligation bond funds to satisfy the State's obligation to the office of Hawaiian affairs as provided in Act 304, Session Laws of Hawaii 1990. The bill also appropriates funds for debt service on the bonds.

Your Committee finds that Act 304, Session Laws of Hawaii 1990, established the terms and conditions for the payment of revenues to the office of Hawaiian Affairs. The Act also requires the State to pay interest at a rate of ten per cent on all unpaid balances due to the office. The amount in this bill is consistent with the terms established for the years 1981 through 1990. Your Committee finds that this bill proposes a fiscally prudent method of meeting the State's obligation to the office of Hawaiian affairs.

Your Committee has amended this bill to clarify that the bonds authorized to be issued in the last paragraph of section 7 are general obligation refunding bonds rather than general obligation bonds. Your Committee has also made technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1738, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1738, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 418 Consumer Protection on S.B. No. 125

The purpose of this bill is to remove the compensation and penalty provisions for bail bond agents from the sunset law and to provide that a bail bond agent may impose a one time compensation fee of ten percent.

Your Committee is in accord with the State Auditor's findings that bail bond agents have not harmed consumers, that is, the defendants who seek release from custody.

Your Committee has amended this bill by providing a range of five to fifteen percent for the one time compensation fee. Your Committee feels this amendment to the bill would allow bail bond agents to assess higher fees for defendants that pose a greater risk to them.

Your Committee also amended this bill by deleting language which would have made a violation of Section 804-62, Hawaii Revised Statutes, an unfair trade practice.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 125, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 419 Consumer Protection on S.B. No. 126

The purpose of this bill is repeal the sunset of the Board of Physical Therapy and to set a new sunset of 1999.

This bill also increases the Board's membership from five to seven and prohibits the use of invasive procedures.

Your Committee agrees with the Legislative Auditor's Sunset Evaluation Report (Report No. 92-20) that the practice of physical therapy should continue to be regulated.

Your Committee further agrees with the Auditor's report that physical therapists should not use invasive procedures in their practice. This bill would add a new section to Chapter 461J, Hawaii Revised Statutes, to address this concern.

Your Committee believes that there should be an increase in consumer membership and that the consumer member need not have a demonstrated interest in community health concerns. However, your Committee feels that increasing the consumer members from one to two members is sufficient and your Committee has amended this bill accordingly.

Your Committee believes that it is important that majority of the board's members should come from that profession. This would make the board's composition similar to other professional regulatory boards. This composition would ensure knowledgeable, professional judgment from the board and allow the practitioners to exercise some control over their profession.

Your Committee has also amended this bill to eliminate the physician, surgeon, or dentist member. Licensed physical therapists work closely with other medical professions, but not necessarily under their direct supervision. Your Committee feels that a physician, surgeon, or dentist may still be on the board, but as a consumer member.

Your Committee has further amended this bill by leaving Section 461J-4(c), Hawaii Revised Statutes, intact. Your Committee feels that it is important to retain the recommendation list for Board appointment by the Governor as submitted by the Hawaii Chapter of the American Physical Therapy Association. The Association is the only professional organization for licensed physical therapists in this State, and the association represents approximately half of the licensed physical therapists.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 126, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 420 Consumer Protection on S.B. No. 127

The purpose of this bill is to repeal the sunset provision for the regulation of podiatry and to establish a new sunset date of December 31, 1999.

This bill also changes the composition of the board of medical examiners from nine to ten to require that one member be a licensed podiatrist. The board of medical examiners is the licensing authority for podiatrists. The bill requires that applicant pass the written examinations administered by the National Board of Podiatric Medicine.

This bill follows the recommendations of the State Auditor.

Your Committee finds that this bill is necessary to protect the public health, safety, and welfare.

Your Committee has amended this bill by retaining the requirement for continuing education.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 127, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 421 Consumer Protection on S.B. No. 130

The purpose of this bill is to repeal the sunset for the Board of Medical Examiners and establish a new sunset date of December 31, 1999.

This bill also changes the composition of the Board from nine to eleven members, one to be a physician assistant and one to be a mobile intensive care technician.

Your Committee notes the testimony of the State Auditor who testified in favor of this bill as implementing the recommendations of their "Sunset Evaluation Report: Medicine and Surgery." The report also recommended that the composition of the Board be changed to add a physician assistant and a mobile intensive care technician to ensure fair representation since both of these are now regulated by the Board. Your Committee is in agreement with the report and finds that there is a continuing need to regulate the physicians, physicians assistants, and emergency medical service personnel to protect the health, safety, and welfare of the public.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 130 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 422 Consumer Protection on S.B. No. 801

The purpose of this bill is to allow motor vehicle dealers to obtain the required inventory of flooring line of credit from a financing source other than a federally insured financial institution.

A number of automobile manufacturers are part of large conglomerates, which may include a financial entity. This bill would allow dealers to obtain their line of credit from these financial entities. Your Committee feels requiring the financial source to have a \$50,000,000 net worth would insure the financial credibility of the financial source.

Your Committee has amended this bill by inserting the amendment proposed in S.B. No. 1710, which was also heard by your Committee. This amendment would permit current motor vehicle dealers and new applicants to obtain a bond, in lieu of a flooring or inventory line of credit, as an alternative form of security. Some smaller dealers may have difficulty obtaining a line of credit but have the ability to obtain bonds. Your Committee feels this bill may help those small dealers by allowing them to obtain bonds.

Your Committee received testimony in support of this bill and S.B. No. 1710 from the Motor Vehicle Licensing Board and Hawaii Automobile Dealers' Association.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 801, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 423 Consumer Protection on S.B. No. 821

The purpose of this bill is to repeal the requirement that a board member have a certain number of years of experience at the time of appointment for the following boards: Board of Barbers, Board of Cosmetology, Board of Chiropractic Examiners, Contractors License Board, Board of Dental Examiners, Board of Hearing Aid Dealers and Fitters, Board of Massage, State Board of Nursing, Board of Examiners in Optometry, Pest Control Board, Board of Pharmacy, Board of Physical Therapy, Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, Board of Psychology, Real Estate Commission, and Board of Veterinary Examiners.

Your Committee finds that the requirement for a minimum number of years of practice is an artificial device that has no bearing on competency and limits the number of candidates to be considered for board membership.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 821 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 424 Consumer Protection on S.B. No. 1380

The purpose of this bill is to prohibit a pawnbroker from allowing a customer's pawn account to exceed \$10,000.

A pawn account is the total accumulation of unpaid pawn finance charges.

Your Committee finds that customers who resort to pawnbrokers may be hard pressed to seek financing. If a customer's account is allowed to exceed \$10,000, the customer may be indebted to the pawnbroker indefinitely. Your Committee also finds the \$10,000 limit protects both the customer and the pawnbroker.

Your Committee has amended this bill to include a reference to penalty provisions under section 445-136.

Your Committee received testimony from the Honolulu Police Department in support of this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1380, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 425 Consumer Protection on S.B. No. 1381

The purpose of this bill is to require real estate broker partnerships to be under the direct management of an employee who holds a real estate broker license.

Your Committee has amended this bill, at the recommendation of the Real Estate Commission, to:

1. Change a reference to the "real estate commission" to the "commission" to conform the language of this section to other sections;
2. Remove the reference to written examinations since exams may be given orally and even electronically; and
3. Require only the person directly responsible for management of a partnership, whether a general partner or an employee, to hold a real estate license. The current language requires every member of a partnership to hold a real estate license.

Your Committee has made a technical amendment at page 1, line 3 by deleting "hereunder" and substituting "under this chapter."

Your Committee received testimony in support of this bill from the Real Estate Commission and the Hawaii Association of Realtors.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1381, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 426 Consumer Protection on S.B. No. 1483

The purpose of this bill is to correct an inconsistency in the present Lemon Law.

This amendment to section 431I-3, Hawaii Revised Statutes, would eliminate the possibility of consumers being told they must bring their vehicles in for further repair attempts if they have established a case for relief under the Lemon Law.

Your Committee has amended this bill by deleting subsections of section 431I-3, Hawaii Revised Statutes, which had no amendments. This amendment was done for the purpose of drafting style and has no substantive effect on this bill.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1483, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 427 Consumer Protection on S.B. No. 1486

The purpose of this bill is to raise the period of license suspension or revocation from two to five years.

Your Committee finds that the current two year time is insufficient, given that current grounds for suspension or revocation are usually for gross conduct which warrants a longer period. Your Committee also finds that a five year period would more effectively deter license violations.

This bill received the support of the Department of Commerce and Consumer Affairs.

Your Committee has amended this bill to include license suspension under Chapter 436B, to correct punctuation, to correct a Ramseyer error, and to correct the language at page 2, line 9 as follows: "apply" is deleted and "file for reinstatement" is inserted for consistency with the rest of the subsection.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1486, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 428 Consumer Protection on S.B. No. 1487

The purpose of this bill is to clarify that a candidate for a massage therapist license is required to complete an apprentice program approved by the Board of Massage Therapy.

Currently, the law provides for completion of "at least six months as a massage therapist apprentice or massage therapist student." This bill deletes this language and adds "or apprentice program," so that the statute would now read "in a school or apprentice program."

The Board of Massage Therapy offered testimony in support of this bill that the six month requirement is unnecessary for the reason that there is no evidence linking six months to being better trained. The Board feels that it is more appropriate to evaluate the content and substance of an applicant's education and training rather than on an arbitrary period of time.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1487 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 429 Consumer Protection on S.B. No. 1488

The purpose of this bill is to clarify the motor vehicle repair regulation system as to registration and inspection.

This bill requires that a repair dealer employ a registered motor vehicle mechanic and have a repair facility and the necessary equipment. This bill also allows for continued inspection of the facility and equipment, and deletes the inactive registration status for mechanics. The bill makes other amendments for housekeeping purposes.

Your Committee finds that the complexity of today's motor vehicles justifies this bill for the protection of the public.

Your Committee received testimony in support of this bill from the Motor Vehicle Repair Industry Board.

Your Committee has made minor technical amendments for correct statutory drafting purposes that have no effect on substance.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1488, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 430 Consumer Protection on S.B. No. 1491

The purpose of this bill is to delete the requirement for the Board of Acupuncture, the Board of Medical Examiners, and the Board of Osteopathic Examiners to jointly develop the certification procedure for the practice of acupuncture by licensed physicians and osteopaths so that physicians and osteopaths may be exempted from the licensing law for acupuncturists.

In 1989, the Legislature provided these boards with the opportunity to come together for the purpose of jointly developing the certification procedure for licensed physicians and osteopaths in order to exempt them from the licensing law for acupuncturists. Your Committee discovered that nothing was done since 1989 to develop procedures, and instead, the two professions are coming back to the Legislature to exempt themselves from the licensing laws for acupuncture because they feel their profession encompasses acupuncture. Your Committee is quite disturbed that the Legislature gave the two professions an opportunity to work with the Board of Acupuncture to develop procedures, and instead, they have ignored this opportunity and are now asking us to exempt them.

Your Committee has serious questions about the soundness of assuming that a licensed physician or osteopath is qualified to practice in acupuncture because the physician or osteopath is licensed in their own profession. Your Committee heard testimony which indicated that acupuncture is not a part of the normal curriculum of any medical or osteopath school. Your Committee finds that the wishes of the Legislature were ignored, and therefore, your Committee has amended this bill to require everyone to be licensed by the Board of Acupuncture.

Your Committee has also made a technical nonsubstantive amendment.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1491, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 431 Consumer Protection on S.B. No. 1492

The purpose of this bill is to make housekeeping amendments to Hawaii's corporation statutes.

The amendments are to make additions or changes to clarify sections or to delete provisions relating to repealed sections or chapters which were inadvertently not made in the statutes governing business corporations, nonprofit corporations, and partnerships.

Your Committee received testimony in support of this bill from the Commissioner of Securities.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1492 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 432 Consumer Protection on S.B. No. 1632

The purpose of this bill is to make various housekeeping and clarification amendments to Sections 467-9 and 467-9.5, Hawaii Revised Statutes.

This bill would provide for clarification of the real estate broker's name or tradename. This bill would also correct an inadvertent repeal of language which was deleted in Section 467-9.5, Hawaii Revised Statutes.

Your Committee has amended this bill by adding a subsection (c) to Section 467-9, Hawaii Revised Statutes, which would require that a real estate broker's license be placed on inactive status unless the broker immediately changes its name to exclude a person no longer employed by the firm or is not currently active.

Your Committee has also amended this bill by making various technical amendments recommended by the Real Estate Commission.

Your Committee received testimony in support of this bill from the Real Estate Commission.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1632, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 433 Consumer Protection on S.B. No. 1664

The purpose of this bill is to clarify the requirements for licensure for acupuncturists.

This bill clarifies the four ways to qualify for a license. The four ways consist of a formal program leading to a diploma at a school approved by the Board of Acupuncture, clinical experience, tutorship, and a combination of these. This bill is for housekeeping changes.

Your Committee received testimony in support of this bill from the Board of Acupuncture.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1664 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 434 Consumer Protection on S.B. No. 1665

The purpose of this bill is to make housekeeping amendments for the regulation of pest control operators.

Your Committee received testimony in support of this bill from the Pest Control Board and the Hawaii Pest Control Association.

Your Committee finds that this bill is in the interest of protection of the consumer.

Your Committee has amended this bill by adopting the recommendations of the Hawaii Pest Control Association as follows: (1) by keeping the requirement that no written inspection report is required for a live infestation (treatment is typically done on the spot anyway, so a report is not necessary); and (2) moving the effective date for section 10 from upon approval to one year after the date of approval (to give time for electric gun operators to comply with the amendments).

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1665, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 435 Consumer Protection on S.B. No. 1666

The purpose of this bill is to clarify that a pharmacy intern is required to have a permit to practice pharmacy from the Board of Pharmacy.

Pharmacy interns are now considered as pharmacy assistants. Both terms refer to a student of pharmacy. The nationally recognized terminology is pharmacy intern. This bill conforms Hawaii law to the national standards and provides that the Board may enact rules to regulate the practice of pharmacy interns.

Your Committee received testimony in support of this bill from the Board of Pharmacy.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1666 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 436 Consumer Protection on S.B. No. 1708

The purpose of this bill is to amend chapter 464, Hawaii Revised Statutes, by: deleting quorum requirements; lengthening the period of time in which to restore a license; and reestablishing disciplinary sanctions for corporations and copartnerships.

The first amendment would eliminate quorum requirements for the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board) because there is a difference between requirements for a quorum and requirements for a Board sanction. Currently, there is a requirement that six members of the Board have to be present for a quorum to conduct business. Sections 92-4, 92-15 and 436B-6, Hawaii Revised Statutes, require a minimum of eight votes to sanction a Board action.

The second amendment would lengthen the period of time in which to restore a license. Presently, section 464-9, Hawaii Revised Statutes, limits the period of time in which a person may restore a forfeited license to one year. The Board testified that this time period may be unduly restrictive and made a proposal to extend the period to four years.

The third amendment would impose penalties on corporations and copartnerships. While corporations and copartnerships are not licensed, they are allowed to practice in the profession so long as persons in the entity are licensed.

Your Committee has amended this bill by deleting the first amendment which would have eliminated the quorum requirement. Your Committee feels this amendment would not really have any effect. Your Committee also amended this bill by shortening the time period to restore a license from four years to two years. Your Committee feels two years is a sufficient time period for a person to seek restoration of their license.

Your Committee has also made several amendments to diction and punctuation for the purpose of correct statutory drafting which do not affect the substance of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1708, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1708, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 437 Consumer Protection on S.B. No. 1922

The purpose of this bill is to amend the definition of "precious or semiprecious metal" in section 486M-1, Hawaii Revised Statutes, by excluding bullion and bullion type coins.

Act 120, Session Laws of Hawaii 1991, amended the definition of "precious or semiprecious metal" to include bullion and bullion type coins. This amendment was made due to a last minute request by the Honolulu Police Department. While their intentions were good, the Honolulu Police Department probably did not realize the potential impact this would have on the metal dealers and coin dealers.

The vast majority of coins and similar items purchased by dealers in the normal course of their business are not specifically identifiable, and therefore, submission of reports to law enforcement authorities as required by this chapter would be of little help.

Your Committee finds that the business is relatively volatile. Mandating that a coin or precious metal dealer hold a bullion or bullion type coin for ten days as required by this chapter may impose a definite hardship to the dealer.

After receiving testimony in support of this bill from A-1 Foreign Exchange, the Coin Dealers' Association of Hawaii, and the Hawaii Pawnbrokers and Second Hand Dealers Association, your Committee feels that this amendment is necessary to correct what is mainly an undesirable requirement.

Your Committee finds that the coin dealers are honest and they often self-police their own profession. If coins of substantial value are stolen, the coin dealers are the first to warn each other of the stolen items and will refuse to purchase or trade stolen items.

Your Committee has corrected a typographical error in this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1922, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 438 Health on S.B. No. 1404

The purpose of this bill is to authorize laboratories certified by the National Institute for Drug Abuse (NIDA) to perform substance abuse testing on Hawaii samples.

Current law allows out-of-state testing and analysis of Hawaii samples only by laboratories that are specifically licensed by the state in which they operate. Few states license laboratories for substance abuse testing; hence, a Hawaii employer who would prefer sending an employee's sample out-of-state has few choices.

NIDA, on the other hand, certifies ninety-two laboratories throughout the country. This bill will enable employers to utilize any of these facilities as long as they are approved by the Director of Health.

Your Committee finds that this bill provides an appropriate substance abuse testing option.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1404, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 439 Health on S.B. No. 1405

The purpose of this bill is to authorize premarital rubella testing by clinical laboratories meeting federal standards established under the Clinical Laboratory Improvement Amendments of 1988.

Current law requires that these tests be carried out in Department of Health laboratories or laboratories approved by the Department.

Your Committee finds that the Federal Act provides essentially the same standards as are required of department-approved laboratories.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1405 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 440 Health on S.B. No. 1407

The purpose of this bill is to allow extended residency at Waimano Training School and Hospital for respite care.

Current law, scheduled for repeal on June 30, 1995, allows developmentally disabled individuals to reside at Waimano for up to thirty days per year for respite care. This bill would allow the Director of Health to waive the thirty day limit for clients whose care providers need extended relief but cannot find suitable care for their charges elsewhere in the community.

Your Committee finds that some dedicated caregivers may benefit from the increased flexibility allowed by this measure.

To ensure that respite care residence will meet the requirements of law, and to forestall any ambiguity as to whether a long respite stay constitutes a client's admission to Waimano, your Committee has amended this bill to require the Director to notify the State Protection and Advocacy System of every referral to Waimano for respite, and again if a respite client is to be allowed to stay more than thirty days per year.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1407, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1407, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 441 Health on S.B. No. 1408

The purpose of this bill is to repeal Chapter 331, Hawaii Revised Statutes, relating to radium for medical and surgical purposes.

Medical and surgical use of radium has been discontinued for many years in favor of advances in use of radioactive materials in the healing arts. At present, control of ionizing radiation sources is covered under Section 321-11, Hawaii Revised Statutes, and Chapter 40, Hawaii Administrative Rules, except byproduct radioactive materials which are regulated by the Nuclear Regulatory Commission.

Repeal of Chapter 331 will remove any legal basis for inappropriate use of radium in medical practice.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1408 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 442 Health on S.B. No. 1412

The purpose of this bill is to clarify the kinds of establishments that comprise "restaurants" as that term is currently employed in Chapter 328K, Hawaii Revised Statutes.

Chapter 328K, relating to smoking, defines "restaurant" as any retail eating establishment authorized by the Department of Health to operate as a restaurant. Actually, the Department authorizes "food service establishments" under Chapter 1-A of the Sanitation Code, and this bill incorporates the Sanitation Code terminology into the Smoking chapter.

This is a housekeeping measure. Technically, restaurants are a subcategory of the larger class of food service establishments.

Your Committee has amended this bill by making two technical changes that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1412, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 443 Health on S.B. No. 1413

The purpose of this bill is to specifically include the Office of Youth Services in the Interdepartmental Cluster for Services to Children in the Department of Health.

The Cluster was intended to include all major child-serving agencies. The Office of Children and Youth falls into this category, and has been participating in the Cluster since July 15, 1991, but is not specifically mentioned in the statute.

This bill provides for appropriate statutory inclusion.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1413 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 444 Health on S.B. No. 1746

The purpose of this bill is to extend and expand Act 223, Session Laws of Hawaii 1990.

Act 223 is a pilot autonomy project for Hilo, Maui Memorial, and Kona Hospitals that grants flexibility in the areas of purchasing and personnel management. Act 223 is scheduled for repeal on June 30, 1993.

This bill extends the substantive provisions of Act 223 until June 30, 1996 and includes Kauai Veterans Memorial, Leahi, Maluhia, Kula, and Samuel Mahelona Memorial Hospitals. The bill also calls for a final report prior to the 1997 legislative session.

This is an administration bill strongly supported by the Department of Health. The only unfavorable testimony received by your Committee was submitted by the Hawaii Federation of Physicians and Dentists.

Your Committee finds that Act 223 has helped the original three targeted hospitals increase efficiency. Extending the flexibility provisions and including the other hospitals will enable further advancements and improvements throughout the State.

Your Committee has made several 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. 1746, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1746, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 445 Judiciary on S.B. No. 16

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.

Article XIV of the Hawaii Constitution mandates the adoption of a code of ethics for all appointed and elected government officials and employees, and requires that all appointed and elected officials and employees make public financial disclosure statements.

The Circuit Court of the First Circuit has held that Section 84-31.5, Hawaii Revised Statutes, places a restriction on access to public financial disclosure statements not rationally related to the purpose of Article XIV. The Court also held that freedom of speech guaranteed by the U. S. Constitution includes the fundamental right to receive information and that Section 84-31.4, HRS, unduly infringes on the right to receive information.

The bill will bring Chapter 84, the State Ethics Code, in compliance with Article XIV of the Hawaii Constitution and the First Amendment of the U. S. Constitution.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 16 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 446 Judiciary on S.B. No. 19

The purpose of the bill is to establish additional criminal sanctions for unlawful entry of a facility utilized as a sex abuse, child abuse or spouse abuse shelter.

Your Committee received testimony in support of the bill from the Commission on the Status of Women, the Committee on Family Violence and a private citizen.

Your Committee finds need to deter unlawful entry of a shelter for abused persons.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 19 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 447 Judiciary on S.B. No. 26

The purpose of the bill is to require personal representatives to mail written notice to creditors of an estate, notifying them to present their claims either within 60 days of the mailing or within 4 months of the publication of notice. The bill also provides that a personal representative is not liable for failure to give notice and that the current limitation on presentation of claims does not apply to compensation and reimbursement of the personal representative, or the representative's attorney or accountant.

The bill brings Hawaii's probate law in compliance with Constitutional requirements. The United States Supreme Court in Tulsa Professional Collection Services v. Pope, 108 S. Ct. 1340, 99 L.Ed.2d 565 (1988) held that published notice alone to creditors of a probate estate who are known or reasonably ascertainable violates the Due Process Clause of the Fourteenth Amendment, and that notice by mail, or some other means certain to ensure actual notice, must be used.

Your Committee has amended the bill to further the intent of the bill and to conform to constitutional requirements.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 26, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 26, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 448 Judiciary on S.B. No. 35

The purpose of the bill is to repeal Part II, Chapter 85, Hawaii Revised Statutes requiring loyalty oaths.

Your Committee received testimony in support of the bill from an interested citizen.

Your Committee finds loyalty oath requirements inhibit the exercise of free speech and association.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 35 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 449 Judiciary on S.B. No. 118

The purpose of the bill is to allow government agencies to appeal adverse decisions under the Administrative Procedure Act to the circuit court.

Your Committee received testimony in support of the bill from the Corporation Counsel, Police Department and Department of Land Utilization of Honolulu and the County Attorney of Kauai.

Your Committee finds a need to give government agencies equal access to judicial review of administrative decisions as is afforded to others.

Your Committee has amended the bill to clarify that all persons and agencies are included among those having the right to seek review.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 118, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 450 Judiciary on S.B. No. 149

The purpose of the bill is to provide that bail jumping is a felony without classification as A, B, or C.

Your Committee heard testimony in support of the bill from the Honolulu Prosecuting Attorney.

Your Committee finds that the deletion of the classes of felonies for bail jumping better reflects the existence of upgraded felonies outside the penal code.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 149 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 Matsunaga.

SCRep. 451 Judiciary on S.B. No. 206

The purpose of this bill is to raise the jurisdictional dollar limits of the District Court from \$10,000 to \$20,000.

Your Committee received testimony in support of the bill from the Judiciary, the Hawaii State Bar Association and the Hawaii Association of Realtors.

Your Committee finds that an increase in the jurisdictional limits of the District Court is in keeping with inflation and the attendant devaluation of the dollar. The higher jurisdictional amount will also increase judicial efficiency by decreasing the civil case load of the Circuit Courts.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 206 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 452 Judiciary on S.B. No. 278

The purpose of this bill is to educate students in public schools relative to the electoral process and the requirements of voter registration.

Your Committee received testimony concerning the bill from the Department of Education and the League of Women Voters.

Your Committee finds a need to encourage registration and participation by the State's youth in government affairs, especially in choosing public officials at the polls.

Your Committee has amended the bill by deleting the requirement that the Superintendent of Education furnish a list of student names to the Chief Elections Officer and the requirement that private schools submit student names to the Superintendent of Education.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 278, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 453 Judiciary on S.B. No. 280

The purpose of the bill is to allow preregistration of a person who has reached seventeen years of age and automatic registration of that person at the age of eighteen years.

Your Committee received testimony in support of the bill from the Lieutenant Governor and a private citizen.

Your Committee finds a need to encourage voter registration at or before the time a person comes of age.

Your Committee has amended the bill to allow for preregistration at any age, and by making nonsubstantive changes for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 280, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 454 Judiciary on S.B. No. 281

The purpose of the bill is to permit children to accompany a parent or adult into the voting booth.

Your Committee received testimony in support of the bill from the Lieutenant Governor.

Your Committee finds a need to promote good citizenship and facilitate positive role models by encouraging children to participate in the electoral process.

Your Committee has amended the bill by inserting its substance in existing sections of the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 281, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 455 (Majority) Judiciary on S.B. No. 283

The purpose of the bill is to prohibit the use of voter registration lists to compile a master list for jurors.

Your Committee received testimony in opposition to the bill from the Judiciary but somewhat supportive from the Lieutenant Governor.

Your Committee finds that the use of voter lists to obtain names for jury duty is a deterrent to voter registration.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 283 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senators Ikeda and Iwase did not concur.

SCRep. 456 Judiciary on S.B. No. 383

The purpose of the bill is to eliminate the minimum age requirement of 16 years of age which bars the family court from waiving its jurisdiction over minors who have committed felonies.

Your Committee received testimony in support of the bill from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Testimonies opposing the measure were submitted by the Judiciary, the Office of the Public Defender and the Office of Youth Services. They expressed concern that the measure would subject young minors to the jurisdiction of courts of general criminal jurisdiction where the focus is not on rehabilitation, education, and counseling of youths.

Your Committee finds that crimes committed by youths below and near 16 years of age may be extremely violent and malicious. In such instances, your Committee finds that the overriding concern for public safety necessitates adjudication by courts of general criminal jurisdiction. Balancing that, your Committee realizes that youths are malleable and may be receptive to rehabilitative efforts. For that reason, and to assure consistency throughout the system, your Committee has amended the bill to provide that when the youth being adjudicated is below 16 years of age, the decision to waive the jurisdiction of the family court shall be done by the senior judge of the family court of the respective circuit.

Your Committee has also made technical amendments which have no substantive effects.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 383, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 457 Judiciary on S.B. No. 413

The purpose of the bill is to propose a constitutional amendment requiring the consent of the Senate in the appointment of district court judges.

Your Committee received testimony relative to the bill from the Judiciary.

Your Committee finds a need for legislative oversight in the selection of judges sitting at the district court level. This would provide the best mechanism to allow public input on a nominee, through the public hearing process prior to confirmation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 413 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 458 Judiciary on S.B. No. 527

The purpose of the bill is to establish concurrent jurisdiction between the family court and the district and circuit courts for certain offenses against a spouse.

Your Committee received testimony relative to the bill from the Honolulu Prosecuting Attorney, the Public Defender and the Committee on Family Violence.

Your Committee finds a need for concurrent jurisdiction between the family court and the district and circuit courts in various cases in order to streamline a cumbersome and costly process by eliminating unnecessary paperwork and court appearances.

Your Committee has amended the bill to narrow its scope and clarify that the sphere of operation is misdemeanor offenses.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 527, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 459 Judiciary on S.B. No. 666

The purpose of the bill is to include any butterfly knife in the definition of a switchblade knife.

Your Committee received testimony in support of the bill from the Police Department and Prosecuting Attorney of Honolulu and the Vice-Principal of AIEA Intermediate.

Your Committee finds that the Hawaii State Supreme Court has excluded butterfly knives from the statutory definition of a prohibited switchblade knife even though such knives are extremely dangerous weapons.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 666 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 460 Judiciary on S.B. No. 689

The purpose of the bill is to provide that a paternity judgment and documents filed after entry of judgment will not be confidential and may be accessed by anyone for use in support or medical enforcement purposes.

Your Committee received testimony in support of the bill from the Attorney General, the Family Court and the Corporation Counsel of Honolulu and Hawaii Counties.

Your Committee finds a need to remove the confidentiality requirement to allow full benefit from available support enforcement remedies and to insure that compliance with federal law is maintained.

Your Committee has amended the bill by retaining confidentiality for a non-adjudicated alleged or presumed father and to clarify the permissible nature and use of court records.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 689 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 689 S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 461 Judiciary on S.B. No. 690

The purpose of the bill is to clarify the language designating the parties and to simplify paternity cases where unmarried minors have become parents.

Your Committee received testimony in support of the bill from the Attorney General and the Corporation Counsel of Honolulu and Hawaii Counties.

Your Committee finds a need to expedite paternity proceedings where the parties are minors to comply with mandates of the Federal Government.

Your Committee has amended the bill to clarify that notice of the proceedings shall be given to the legal parent or guardian who has physical custody of the unwed minor parent.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 690 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 690 S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 462 Judiciary on S.B. No. 691

The purpose of the bill is to provide that grandparents of a child may be held responsible to pay support when the parent is an unemployed minor.

Your Committee heard testimony in support of the bill from the Attorney General and the Corporation Counsel of Honolulu and Hawaii Counties.

Your Committee finds a need to extend the responsibility of the parents of the minor parent to include repayment of moneys and benefits spent for the minor child from the date of birth.

Your Committee has amended the bill to replace the word "reimburse" with "compensate" to describe the obligation and to include the change of wording in subsection (c) for conformity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 691 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 691 S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 463 Judiciary on S.B. No. 746

The purpose of the bill is to extend the statute of limitations within which the State Ethics Commission must bring an action for violations of the State Ethics Code from three years to six years.

Your Committee received testimony supporting the measure from the State Ethics Commission.

Your Committee finds that some serious violations of the State Ethics Code do not come to light for several years. In those instances, the State Ethics Commission may be forced to hurriedly file charges to prevent being barred by the statute of limitations. The extension of the statute of limitations will allow the Commission to conduct thorough investigations.

It is the intent of your Committee that allegations of violations be substantiated and reliable before action is initiated.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 746 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 464 Judiciary on S.B. No. 812

The purpose of the bill is to allow victims the opportunity to be heard in cases where the defendant requests to be heard at sentencing.

Your Committee received testimony relative to the bill from the Honolulu Prosecuting Attorney, the Public Defender, the Commission on the Status of Women and interested citizens.

Your Committee finds a need to inform the sentencing judge of the impact which an offense has had on the victim as a representative of the entire community.

Your Committee has amended the bill to allow the victim to be heard in all cases and not limited to those where the defendant has asked to be heard.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 812, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 465 Judiciary on S.B. No. 1180

The purpose of the bill is to allow grandparents of a child to petition the family court for reasonable visitation rights.

Your Committee received testimony in favor of the bill from the American Association of Retired Persons and two interested citizens.

Your Committee finds that grandparents play a significant role in the lives of minor children and should be allowed reasonable visitation rights so long as it is in the best interests of the child.

Your Committee has amended the bill to provide notice to persons having custody or an interest in the child.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1180, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 466 Judiciary on S.B. No. 1181

The purpose of the bill is to require state agencies to make voter registration forms available to persons over eighteen years of age.

Your Committee received testimony in support of the bill from the Lieutenant Governor and the League of Women Voters.

Your Committee finds a need to encourage more persons to vote.

Your Committee has amended the bill to clarify the description of registration forms to be made available and to make technical changes that have no substantial effect.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1181, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 467 Judiciary on S.B. No. 1584

The purpose of the bill is to define vexatious litigants and to require plaintiffs falling within the definition to post security in cases where the court determines that the plaintiff is a vexatious litigant and there is no reasonable probability that the plaintiff will prevail.

Your Committee received testimony generally supportive of the intent and purpose of the bill from State Senator Mary-Jane McMurdo, the Hawaii State Bar Association, the Native Hawaiian Legal Corporation, the Hawaii Academy of Plaintiff's Attorneys and four director's of the Marco Polo Association.

Your Committee finds a need to reduce the number of frivolous cases being filed in the court system but is mindful of the importance of preserving access to justice by legitimate litigants and the equal protection of all who seek their day in court.

Your Committee has amended the bill to clarify that the definition of vexatious litigant is limited to the plaintiff. Your Committee also notes that the bill is derived from a California statute which contains the latin phrase "in propria persona" rather than "on the person's own behalf". This change of wording is not intended to modify the meaning of the statute.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1584, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 468 Judiciary on S.B. No. 1815

The purpose of the bill is to increase juror pay from \$30 per day to \$50 per day.

Your Committee received testimony concerning the bill from the Judiciary.

Your Committee has amended the bill relative to its effective date.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1815, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1815, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 469 Judiciary on S.B. No. 723

The purpose of the bill is to raise the dollar amount ranges when amounts are required to be reported on disclosure of financial interest statements.

Your Committee received testimony in support of the bill from the State Ethics Commission.

Your Committee finds that due to inflation and increase in salaries in recent years, the current ceiling of \$150,000 does not serve the purpose of the law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 723 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 470 Judiciary on S.B. No. 739

The purpose of the bill is to eliminate provisions of law requiring the State Ethics Commission to give persons who have filed financial statements an opportunity to request their return.

Your Committee received testimony in support of the bill from the State Ethics Commission.

Your Committee finds that contacting each person who has filed a financial statement after 3 years is an extremely time consuming and expensive task.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 739 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 471 Agriculture on S.R. No. 33

The purpose of this Resolution is to urge Hawaii's congressional delegation to oppose the ratification of the North American Free Trade Agreement (NAFTA), as it is currently written, to protect the State's sugar industry.

Testimony in support of the measure was received from the Department of Agriculture and the Hawaiian Sugar Planters' Association.

Your Committee finds that NAFTA, as currently written, could have a potentially devastating effect on the State's sugar industry. Although your Committee does not oppose the concept of NAFTA, the agreement, among other things, currently contains no safeguards against the dumping in the domestic marketplace of surplus sugar from Mexican producers. If implemented without safeguards against this possibility, the State's sugar industry, as well as its economy, would plunge into a deeper economic recession.

Your Committee has amended the measure by:

- (1) Changing its title to reflect that the NAFTA would affect other State agricultural industries besides the sugar industry;
- (2) Adding a "WHEREAS" clause that points out specific economic and environmental disadvantages arising from the opening up of the U.S. agricultural market to Mexico;
- (3) Adding the U.S. Secretary of Agriculture, the U.S. Trade Representative, the Chairperson of the U.S. Senate's Finance Committee, and the Chairperson of the U.S. House of Representatives' Ways and Means Committee to the transmittal clause; and
- (4) Making several nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 33, S.D. 1.

Signed by all members of the Committee.

SCRep. 472 Agriculture on S.C.R. No. 41

The purpose of this Concurrent Resolution is to urge Hawaii's congressional delegation to oppose the ratification of the North American Free Trade Agreement (NAFTA), as it is currently written, to protect the State's sugar industry.

Testimony in support of the measure was received from the Department of Agriculture and the Hawaiian Sugar Planters' Association.

Your Committee finds that NAFTA, as currently written, could have a potentially devastating effect on the State's sugar industry. Although your Committee does not oppose the concept of NAFTA, the agreement, among other things, currently contains no safeguards against the dumping in the domestic marketplace of surplus sugar from Mexican producers. If implemented without safeguards against this possibility, the State's sugar industry, as well as its economy, would plunge into a deeper economic recession.

Your Committee has amended the measure by:

- (1) Changing its title to reflect that the NAFTA would affect other State agricultural industries besides the sugar industry;
- (2) Adding a "WHEREAS" clause that points out specific economic and environmental disadvantages arising from the opening up of the U.S. agricultural market to Mexico;
- (3) Adding the U.S. Secretary of Agriculture, the U.S. Trade Representative, the Chairperson of the U.S. Senate's Finance Committee, and the Chairperson of the U.S. House of Representatives' Ways and Means Committee to the transmittal clause; and
- (4) Making several nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 41, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 41, S.D. 1.

Signed by all members of the Committee.

SCRep. 473 Housing on S.B. No. 274

The purpose of this bill is to delete the provision in section 201E-212, Hawaii Revised Statutes, which requires that (1) not less than 60% of the units in market/affordable housing projects be sold in affordable price ranges established by the

Hawaii Finance and Development Corporation (HFDC), and (2) the units shall not be segregated but randomly dispersed throughout the project.

Supportive testimony was heard from both the HFDC and the Department of Housing and Community Development of the City and County of Honolulu (DHCD). Both HFDC and DHCD felt that the deletion of this requirement would facilitate affordable housing and provide greater flexibility to developers.

Your Committee believes that in the current market environment, enactment of this measure will have the desirable effect of stimulating construction and increasing our housing inventory.

Your Committee on Housing is in accord with the intent and purpose of S.B. 274 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 474 Housing on S.B. No. 1770

The purpose of this bill is to establish that the buyback lien of the Housing Finance and Development Corporation (HFDC) shall be superior to any other mortgage or lien, except any first mortgage created for the purpose of enabling the purchaser to obtain funds for the purchase of the unit and any other mortgages made with the approval and consent of HFDC.

Both the HFDC and the Department of Housing and Community Development of the City and County of Honolulu (DHCD) testified in favor of this measure with the DHCD citing several abuses that have occurred in the past as a result of the current requirement to satisfy all mortgages and liens.

Your Committee believes that the current requirement could unfairly increase the price of affordable housing to low income households and should be changed. Further, this change will retain the unit's affordability to a subsequent owner.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 1770 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 475 Consumer Protection on S.B. No. 25

The purpose of this bill is to provide for the expungement of all records of a medical claim conciliation panel proceeding, upon the application of the physician, if the panel finds in favor of the physician and finds that the claim was fraudulent or frivolous.

The bill also provides that medical malpractice insurance rates for the subject physician shall not be increased for any dismissed claim that is found by the panel to be fraudulent or frivolous.

Your Committee finds that physicians should not have an outstanding record against them of dismissed claims if the claims were fraudulent or frivolous. Likewise, your Committee finds that medical malpractice insurance rates for those physicians should not thereby be increased.

Supporting testimony was received from the Department of Commerce and Consumer Affairs and from the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee has redrafted the bill for clarity and correct statutory drafting purposes without affecting the substance of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 25, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 25, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 476 Consumer Protection on S.B. No. 638

The purpose of this bill is to facilitate merger or consolidation of agricultural cooperatives or associations.

This bill facilitates the merger or consolidation of agricultural cooperatives or associations with each other or with associations incorporated in another state by providing a uniform and simple procedure to accomplish this. This bill allows a systematic and organized way in which cooperatives can look at merging or consolidating. The wording of this bill is from Minnesota.

Your Committee finds that farmers in Hawaii need to structure their cooperatives to meet their changing needs and to remain viable organizations. Merger or consolidation is an important management tool to accomplish this.

Since this bill would apply only to agricultural cooperatives and associations, your Committee has amended this bill to clarify this.

Your Committee received testimony in support of this bill from Timothy O'Connell of the Hilo office of the United States Department of Agriculture and the Hawaii Farm Bureau.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 638, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 638, S.D. 2.

Signed by all members of the Committee.

SCRep. 477 Consumer Protection on S.B. No. 802

The purpose of this bill is to increase from four to five the number of active certified public accountants on the State Board of Public Accountancy.

Your Committee feels that a board consisting of five active members may be better able to contribute to the profession because they should be more aware of the current trends and changes to accountancy than four active members.

Your Committee has amended this bill to clarify language that only the active practicing members shall also have a current permit to practice. Your Committee has also amended this bill by deleting the revision note.

Your Committee received testimony in support of this bill from the Hawaii Society of Certified Public Accountants.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 802, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 802, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 478 Consumer Protection on S.B. No. 822

The purpose of this bill is to remove the responsibility for uncollected, unearned premium from an insurance agent or broker, when the insurer is in insolvency proceedings.

Your Committee finds that this bill would relieve insurance agents or brokers from a potential financial burden because under the current provisions, they may be forced to make payment from their own personal resources to the liquidator.

Your Committee has amended this bill to retain the liquidator's right to recover any part of an unearned premium that represents commission.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs and the Hawaii Independent Insurance Agents Association.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 822, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 822, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 479 Consumer Protection on S.B. No. 1128

The purpose of this bill is to amend the out-of-state drug prescription law by requiring that the Drug Enforcement Administration number of the out-of-state practitioner be required by the pharmacist only for the original fill of the prescription.

Your Committee finds that the DEA number is unnecessary on every refill as only once is necessary on the original filling to validate the prescription.

Your Committee received supporting testimony from the Department of Health and the Hawaii Pharmaceutical Association.

Your Committee has amended this bill by changing the word "registration" to "prescription" at page 3 in accordance with the recommendation of the Department of Health for the purpose of clarity.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1128, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 480 Consumer Protection on S.B. No. 1352

The purpose of this bill is to repeal the subrogation reimbursement provisions of the no-fault law, and add new language which would require that a claimant in a tort action provide the claimant's insurer with notice for purposes of protecting the insurer's subrogation rights.

The present statute provides that if a claimant receives duplicate no-fault benefits, the claimant must reimburse fifty percent of the benefits to the claimant's insurer. Most claimants avoid making this reimbursement by claiming the settlement amounts as general damages instead of special damages. This bill attempts to close this loophole by requiring

that the insurer receives notice from the plaintiff of the tort action. This bill also requires that the insurer has a first lien on the settlement amount for the same fifty percent.

Your Committee feels that the insurance companies were not really utilizing section 431:10C-307, Hawaii Revised Statutes, to collect duplicate no-fault benefits and has amended this bill to simply repeal this section.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1352, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 481 Consumer Protection on S.B. No. 1489

The purpose of this bill is to delete the requirement for a contractor to be legally obligated to construct buildings on the subdivided lands within two years of acquiring interest in the subdivided lands.

Currently, in order for a contractor to seek an exemption under Chapter 484, Hawaii Revised Statutes, the contractor is required to construct buildings within two years.

Your Committee feels that this bill would not compromise the protection of the consumer because at the time the subdivided land is sold to the ultimate consumer, the subdivider at that time would then be required to comply with registration requirements or to demonstrate that the latter shall fall under one of the exemptions under Section 484-3, Hawaii Revised Statutes.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1489 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 482 Consumer Protection on S.B. No. 1701

The purpose of this bill is to set the legal rate of interest on State obligation to adequately reflect the cost of money.

Section 478-2, Hawaii Revised Statutes, sets the legal interest rate at ten percent. This rate was established in 1982, when the prime rate was sixteen and one-half percent. Today the prime rate is about six percent, but the legal interest rate remains at ten percent.

Your Committee feels that the interest rate for the State's obligations should reflect the current conditions of the market, and your Committee feels this bill would allow the interest rate to be adjusted.

Your Committee has amended this bill to clarify that the change in interest rate is only for the State's obligations.

Your Committee has also amended this bill by incorporating the definition of "prime rate" within Section 478-2.

Your Committee received testimony in support of this bill from the Department of Budget and Finance.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1701, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 483 Consumer Protection on S.B. No. 1705

The purposes of this bill are to: amend provisions of existing law relating to barbering to clarify procedures and practices for application and maintenance of a barber's license; repeal or amend duplicating sections of chapter 436B, Hawaii Revised Statutes; and delete provisions relating to barbering which are inconsistent with chapter 92F, Hawaii Revised Statutes.

This bill would:

1. Establish new qualification standards for barbers, apprentice barbers, and barber shops;
2. Establish new temporary permit provisions to replace existing standards, which have been difficult to administer; and
3. Require additional clock hours for licensure.

In addition to making technical changes that have no substantive effect, your Committee has amended this bill by clarifying that the fifteen hundred clock hour qualification requirement may be met as an apprentice holding an apprentice permit or as a student in a school which has a barbering curriculum, or any combination thereof. It is your Committee's intent that only classes related to barbering would be applied towards accumulation of clock hours. Your Committee also

amended this bill by deleting a proviso for licensure of an apprentice prior to January 1, 1994 in section 487-7, Hawaii Revised Statutes, and inserting that proviso into the effective date section.

It is your Committee's intent that the fifteen hundred clock hour requirement will not be applied until the Board of Barbers has adopted its rules in regard to that requirement. Your Committee feels that the Board of Barbers should make every effort to adopt rules for the fifteen hundred clock hour by January 1, 1994 or as soon as possible.

Your Committee received testimony in support of this bill from the Board of Barbers and the Hawaii Institute of Hair Design.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1705, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 484 Judiciary on S.B. No. 205

The purpose of this bill is to exempt jurors from parking violations while they are on jury duty in District Court DUI cases.

Your Committee received testimony in support of the bill from the Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that the backlog of criminal cases in Circuit Court has been increasing at an alarming rate. Act 253, which allowed District Courts to hear trials by jury for DUI cases, is one step toward alleviating that backlog. Your Committee finds that to allow the District Court to impanel a jury is a necessity if it is to hear trial by jury cases, and to exempt District Court jurors from parking tickets would serve the uniform application of the law considering Circuit Court jurors are currently exempt.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 205 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 485 Judiciary on S.B. No. 395

The purpose of the bill is to exempt a person from jury duty if that person lives more than 50 miles from the court.

Your Committee received testimonies opposing the bill from the Judiciary, the Office of the Public Defender, and the Hawaii Bar Association. They expressed the concern that a blanket exemption for persons living in rural areas would deny attorneys a diverse cross section of the community from which to select jurors. They also stated that the current system to exempt jurors if the court finds undue hardship is adequate and should not be changed.

Your Committee finds that a person's responsibility to fulfill one's civic duty by being a member of a jury is an important part of being a part of society. Your Committee finds that most people, including rural residents, are willing to fulfill that duty, except when hardship is caused by certain circumstances. These may include the great distances they need to travel.

It is the intent of your Committee that travel distance to court should not be the sole reason for exempting a person because of undue hardship, but when the person has attested that circumstances coupled with the great distance cause undue hardship, the court should give the distance the person needs to travel appropriate weight in making its determination whether there is undue hardship. Furthermore, the determination should be made in a way that does not subject the individual to the very travel that is part of the hardship.

Your Committee has amended the bill by deleting the ability to make an exemption request by telephone. If the request for exemption is made by mail then the person is required to submit something in writing, explaining the circumstances under which traveling more than fifty miles would be an undue hardship.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 395, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 486 Judiciary on S.B. No. 833

The purpose of the bill is to provide that a prisoner be paroled in the county of original commitment unless a permanent residence or employment is shown to have been established elsewhere prior to commitment.

Your Committee received testimony relative to the bill from the Department of Public Safety and the Public Defender.

Your Committee finds a need to prevent the mass release of parolees in the county where confinement institutions are located. Otherwise, the location of new prisons on the neighbor islands will be difficult or impossible.

Your Committee has amended the bill to provide for the release in a county with a population greater than 500,000.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 833, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 487 Judiciary on S.B. No. 1054

The purpose of the bill is to effectuate the title relating to the constitution.

The measure is in response to a resolution adopted at the 1992 State Democratic Convention.

Your Committee finds that the issue of whether to hold a constitutional convention should be submitted to the voters. Therefore, your Committee has amended this short form bill to provide that the question be presented to the electorate at the 1994 general election.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1054, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1054, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 488 Judiciary on S.B. No. 1214

The purpose of the bill is to promote uniform legislation by the adoption of the Uniform Simultaneous Death Act.

Your Committee received testimony in support of the bill from the Commission to Promote Uniform Legislation.

Your Committee finds the need to establish a means to determine the distribution of property in probate proceedings in cases where heirs of each other succumb simultaneously.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1214 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 489 Health on S.B. No. 116

The purpose of this bill is to authorize HIV testing without informed consent when an emergency medical service provider has been exposed to a patient's blood or bodily fluids.

Emergency medical service providers include emergency medical technicians, police officers, firefighters, paramedics, lifeguards, and other persons who provide lifesaving, emergency, medical, or transportation assistance to the patient prior to hospital admission.

Current law provides for testing without informed consent prior to treatment if the safety of a health care worker may be affected. This bill allows emergency medicine physicians in an emergency room to order the test when non-medical professionals involved with the emergency care of the patient are potentially exposed.

Your Committee finds that the proliferation of HIV infection puts all persons who come into contact with an injured person's blood or bodily fluids at risk. Most persons can avoid such contact; however, emergency medical service providers are obligated to perform tasks that could expose them to HIV infection. Therefore, it is appropriate to authorize pre-treatment testing in cases of occupational exposure.

Your Committee has amended this bill to authorize testing only when there is documentation of exposure to blood or bodily fluids capable of transmitting HIV infection and there is reason to believe that the patient will be incapable of giving informed consent within twenty-four hours. Your Committee absolutely requires informed consent in all cases where it can be obtained within a reasonable period of time. Your Committee has also made provision for informing a tested patient's surrogate medical decision-maker, and required the cost of the test to be borne by the employer of the health care worker or emergency medical service provider, rather than the person who was exposed.

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

Your Committee on Health is in accord with the intent and purpose of S.B. No. 116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 116, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 490 Health on S.B. No. 1546

The purpose of this bill is to require the Children's Mental Health Services Division of the Department of Health to report on services provided pursuant to the Memorandum of Agreement with the Department of Education.

The Department is also required to adopt rules for the Division by August 30, 1993.

The Memorandum of Agreement calls for shared responsibility for mental health services provided in the public schools. There is no provision in the law for reporting on these services. This bill requires the Division to include information relating to the quantity and effectiveness of the services in its regular planning/reporting cycle (once every four years).

Your Committee finds that the Memorandum of Agreement is a crucial element in the State's mental health delivery system. Resulting services should be subject to scrutiny. Your Committee notes that the Division's planning/reporting cycle is augmented by annual updates required for federal Block Grants and biennial reviews pursuant to Section 321-176, Hawaii Revised Statutes. Thus, evaluative and quantitative information relating to public school mental health services will be regularly furnished, allowing for timely decision-making.

Your Committee has amended this bill by giving the Department an additional four months to adopt rules for the Division and by making a technical change that has no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1546, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 491 Health on S.B. No. 1692

The purpose of this bill is to strengthen Hawaii's mental health and substance abuse system and bring Hawaii law into conformity with provisions of the federal Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) Reorganization Act.

The federal Act separates mental health and substance abuse funding into two separate block grants. This bill deletes overlapping functions of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances (HACDACS) and the State Council on Mental Health and Substance Abuse (renamed State Council on Mental Health) and provides for joint membership of one member.

This bill also strengthens membership criteria for the State Council to provide adequate representation from the private sector and families of mental health service recipients, and requires membership on the Service Area Boards to be primarily private citizens not involved in mental health service provision.

Your Committee finds that this bill will reduce confusion and duplication of functions and responsibilities between the Council and Commission and ensure appropriate representation of the general public and consumers, especially adults with serious mental illness and children with serious emotional disturbances. Your Committee also finds that this bill will bring Hawaii's laws into conformity with federal block grant requirements.

Your Committee has amended this bill by providing for Department of Health representation at HACDACS and State Council meetings and requiring Service Area Boards to advise HACDACS and the State Council. Your Committee has also provided for adequate representation of persons with combined mental illness substance abuse disorder, and made several nonsubstantive changes for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1692, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 492 Health on S.B. No. 1716

The purpose of this bill is to enable the Department of Health to provide vaccines for administration to the general public by public and private health care providers.

The bill also authorizes responsible adults to give consent for immunization of a minor or incompetent person if consent of the parent or guardian is unobtainable, and adds hepatitis B, rubella, and haemophilus influenzae type b to the list of communicable diseases against which the Department may provide for immunization.

Currently, the Department's ability to distribute immunizing agents is restricted by financial eligibility requirements, and there is no provision for obtaining consent to immunize a minor in the absence of a parent or guardian. Consequently, an alarming percentage of the population who should be getting vaccinated are not. This bill will enable the Department to purchase vaccines either independently or in conjunction with private entities for all the public resulting in lower vaccination costs and increased immunization rates.

Your Committee finds that minors and incompetent persons should have every opportunity to receive the immunizations available to every other citizen. To ensure this right, your Committee has amended this bill to provide one more link in the chain of consent for those persons who are not legally entitled to make these kinds of decisions for themselves.

As amended, if reasonable efforts to obtain consent of the minor's or incompetent person's parent or guardian are fruitless, consent will next be sought from a caregiver with whom the person lives, or a non-custodial parent. If neither are available, then consent can be given by a responsible adult knowledgeable regarding the person's health status.

Your Committee has also amended this bill by making some nonsubstantive changes for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1716, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 493 Tourism, Recreation and Transportation on S.B. No. 1433

The purpose of this bill is to clarify the permit process for the taking of aquarium fish.

This bill also allows the Department of Land and Natural Resources to establish permit terms, conditions, and fees through administrative rules; clarifies the need for an aquarium fish permit when taking aquarium fish; and makes it unlawful to damage, break, injure, or kill any rock, coral, or aquatic life while fishing for aquarium fish.

The ocean environment is a delicate environment which, once destroyed, may never return to its original state. Your Committee finds that this bill will provide protection for and ensure the preservation of Hawaii's precious and unique aquatic resources.

Your Committee has amended this bill by making technical changes for purposes of style and clarity that have no substantive effect.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of S.B. No. 1433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1433, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 494 (Joint) Planning, Land and Water Use Management, and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2

The purpose of this bill is to allow the City and County of Honolulu to make an application to the Department of Business, Economic Development, and Tourism for designation of the secondary urban center of Kapolei in Ewa, Oahu as a state enterprise zone.

The State Enterprise Zone program was established in 1986 to stimulate private sector business and create jobs in areas where unemployment is 1.5 times the state average or twenty-five percent or more of the population's income is below eighty percent of the median family income of the county. Under the program, the Governor is authorized to approve up to six areas in each county as enterprise zones for a period of twenty years. Once designated, qualified businesses within the enterprise zone would be exempt from the general excise tax and eligible to claim an income tax credit for up to seven years.

According to testimony presented by the Department of Business, Economic Development, and Tourism, authorization for the City and County of Honolulu to apply for the designation of Kapolei as a state enterprise zone is not necessary because the City and County is already authorized to do so. Based on 1990 census data, most of the Ewa plains area suitable for business development already qualifies for designation and further, no zones in the City and County of Honolulu have yet been designated by the Governor.

Therefore, your Committees have amended this bill by replacing references to the City and County of Honolulu with language authorizing the County of Kauai to apply for the designation of areas damaged by Hurricane Iniki as enterprise zones.

According to Department of Business, Economic Development, and Tourism testimony, all census tracts of Kauai, except Lihue, would qualify for the state enterprise zone program.

Your Committees find that the damage inflicted by Hurricane Iniki cut across the entire island of Kauai and affected all sectors of the island's economy. Your Committees believe that assistance must be provided to the County of Kauai to help the island recover from the hurricane's devastation. The designation of Kauai as an enterprise zone will help attract private sector investment and promote economic development on the island, resulting in community revitalization, growth, and expansion. Your Committees further find that allowing inclusion of all areas of Kauai damaged by Hurricane Iniki, including Lihue, would give the county flexibility to structure a comprehensive economic recovery effort that would meet the needs of all communities affected by this disaster.

Your Committees on Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 495 Planning, Land and Water Use Management on S.B. No. 471

The purpose of this bill is to increase the maximum daily fine for violating the laws governing conservation districts from \$500 to \$2,000 for each separate offense.

In addition, this bill repeals the provision allowing the Department of Land and Natural Resources to issue an additional fine of \$500 per day for each day a violation persists after a violator is given written notification of the offense by the Department.

Your Committee finds that Hawaii's unique physical environment is highly vulnerable to deterioration and loss due to increased population, development, and the use of technology, and it is imperative that steps be taken to preserve these precious natural resources. It is hoped that the increased fine provided in this bill will serve as a serious deterrent to potential violators of the conservation district law and will enable the Department of Land and Natural Resources to perform its duties more effectively.

Your Committee believes that the current provision allowing the imposition of an additional \$500 fine for continued willful violation after written notification by the Department is a necessary component of the law, and has therefore amended the bill to retain this provision in Subsection 183-41(e), Hawaii Revised Statutes.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 471, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 496 Planning, Land and Water Use Management on S.B. No. 1798

The purpose of this bill is to amend Section 92-21, Hawaii Revised Statutes, relating to the reproduction of government records.

Specifically, this bill requires State and county agencies to reproduce appropriate geographic information system (GIS) digital data files for members of the public, and allows the agency in charge or control of GIS data to adopt rules governing digital data reproduction.

Current law provides for the payment of costs associated with the reproduction of government records in the form of paper documents, but is silent on the matter of reproducing electronic or digital data for public distribution. Your Committee finds that GIS data is proving to be an extremely valuable analytic and planning tool for both government and the private sector. As technology advances and more information is stored in electronic and digital files, your Committee anticipates that there will be an increase in requests for copies of such information.

However, the public release of GIS data raises a number of complex issues related to data accuracy, liability for data that may not be verifiable, and misapplication or inappropriate use of digital data. In addition, the cost and time needed to develop and maintain a GIS is considerable. Your Committee believes that authorizing government agencies to establish guidelines and policies regarding the reproduction of GIS data files will ensure appropriate use of digital information and allow agencies to recover some of the costs associated with the implementation, development, expansion, and maintenance of a GIS.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purposes of clarity, style, and conformance with recommended drafting techniques.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1798, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 497 Judiciary on S.B. No. 523

The purpose of the bill is to have the court issue an order to defendants who have been convicted of a felony to dispose of their firearms and ammunition, and to inform the defendant of sections 134-7(b) and 134-12.5, Hawaii Revised Statutes (HRS), pertaining to the ownership, possession, and forfeiture of firearms and weapons.

Your Committee finds that many defendants, who have been convicted of a crime, are unaware of the laws that prohibit them from owning or possessing firearms. Section 134-7(b), HRS, prohibits anyone who has been convicted of having committed a felony, a crime of violence, or an illegal sale of any drug, from owning or possessing firearms or weapons. Your Committee finds that a simple statement by the court could have a tremendous affect on influencing a defendant.

To correspond to existing law, your Committee has added an amendment to expand the coverage of the bill to include persons convicted of crimes of violence and illegal sales of drugs. Notification to county chiefs of police is also included to help effectuate section 134-7(b).

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 523, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 498 Judiciary on S.B. No. 525

The purpose of the bill is to preclude persons who have been restrained by court order from contacting, threatening, or physically abusing a person, from owning, possessing, or controlling a firearm or ammunition so long as the protective order is in effect. The bill additionally provides a mechanism for notification of the protective order to the chief of police of each county.

Your Committee received testimonies in support of the bill from the Department of the Prosecuting Attorney of the City and County of Honolulu, the Police Department of the City and County of Honolulu, the Hawaii Firearms Control Coalition, the Hawaii State Commission on the Status of Women, and the League of Women Voters of Hawaii.

Your Committee finds that prohibiting a person under a restraining order from possessing or controlling a firearm merely furthers the intent of the restraining order by protecting the individual protected by the order from being injured from afar. However, your Committee is concerned that the ownership of firearms may not necessarily mean the person has control or possession of the firearm or be involved in the use of the firearm. Therefor, your Committee has removed the word "own" from the bill to allow persons to own firearms although subject to a restraining order.

Your Committee has also substituted for the words "have been cured of" as used in the current statute with the words "no longer adversely affect by" in recognition that it may be medically and scientifically unreasonable to document a "cure" of an addiction even though it has been controlled and no longer presents an unreasonable danger to the individual or society.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 525, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 499 Judiciary on S.B. No. 674

The purpose of the bill is to include in the offense of second degree murder, the causing of death of another while engaged in the commission of the following felonies: criminal property damage in the first degree; sexual assault in the first, second, or third degree; robbery in the first or second degree; burglary in the first or second degree; or kidnapping.

The Department the Prosecuting Attorney of the City and County of Honolulu testified in support of the bill. The Department stated that broadening the scope of criminal activities that would be subject to a second degree murder conviction will serve as a stronger deterrent against those who would commit crimes which are inherently dangerous and pose a significant threat to human life.

The Office of the Public Defender opposed the bill because it did not require the requisite state of mind that would normally be required to support a murder conviction.

Currently, section 707-701.5, Hawaii Revised Statutes, states that a person must intentionally or knowingly cause the death of another in order to be convicted of second degree murder. This bill will extend the scope of culpability by allowing for conviction of a person who causes the death of another, even though the defendant did not intentionally or knowingly cause the death.

In light of the testimony received, your Committee amended the bill to narrow the application of the felony murder rule by deleting from the listed felonies, criminal property damage in the first degree, sexual assault in the second or third degree, robbery in the second degree, burglary in the second degree, and kidnapping.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 674, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 500 Judiciary on S.B. No. 1217

The purpose of the bill is to amend the Hawaii Revised Statutes to include the uniform interstate family support act.

Your Committee received testimony in support of the bill from the Commission to Promote Uniform Legislation.

Your Committee finds the need to establish a means for more effective enforcement of support orders issued by the courts.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1217 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 501 Judiciary on S.B. No. 1624

The purpose of the bill is to amend the evidentiary rule pertaining to the victim-counselor privilege. Specifically, the reference to "registered social worker" is deleted and a new definition for "social worker" is added.

Testimonies in support of the bill were submitted by the Judiciary, the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Sexual Assault, the Hawaii Academy of Plaintiffs Attorneys, and the Sex Abuse Treatment Center.

Your Committee finds that preserving the confidentiality of communications between a victim and a counselor is a vital factor in helping an individual recover from the trauma of being the victim of sexual assault, domestic violence, or child abuse.

Your Committee feels that the rule pertaining to victim-counselor privilege needs further amendments to conform to other privilege rules in the Hawaii Rules of Evidence, HRE, and to fulfill the intent behind the privilege rule. The bill has been amended by:

- 1) Consolidating the definitions of "Domestic violence victims' program" and "Sexual assault crisis center" into the "Victim counselor program" definition. Your Committee believes that the proposed unitary definition covers all contemplated activities and functions and thus achieves the same result in a less convoluted manner;
- 2) Eliminating the definition of "social worker" in the bill and simplifying the definition of "victim counselor" to conform to other HRE privileges for attorney-client and physician-patient. Your Committee finds that a communication spoken confidentially from the victim to a person reasonably believed to be an authorized counselor is sufficient to invoke the privilege. The privilege rules are intended to benefit privilege holders, e.g., clients, patients, victims. A description of a person's credentials for a qualified counselor would limit the scope of the rule and negate the privilege if a victim received counseling from an unqualified counselor; and
- 3) Making technical changes that have no substantive effects.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1624, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

LCRep. 502 Executive Appointments on Gov. Msg. No. 161

Recommending that the Senate consent to the nomination of RIKI MAY AMANO for Judge of the Circuit Court of the Third Circuit, for a term of ten years in accordance with the provisions of Article VI, Section 3, of the Constitution of the State of Hawaii.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 503 Ways and Means on S.B. No. 964

The purpose of this bill is to authorize the issuance of general obligation bonds and make an appropriation for the establishment of the Matsunaga International Peace Academy.

Your Committee has amended this bill by changing the dollar amounts to blank amounts to promote continuing discussion on this issue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 964, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 964, S.D. 2.

Signed by all members of the Committee.

SCRep. 504 Ways and Means on S.B. No. 1344

The purpose of this bill is to provide an income tax credit to a taxpayer who purchases a qualified electric vehicle or converts a vehicle to a qualified electric vehicle and places that vehicle in service during the taxable year.

The bill defines a qualified electric vehicle as any motor vehicle that is primarily powered by an electric motor that draws current from rechargeable batteries, fuel cells, or other portable sources of electrical current.

Your Committee finds that the manufacture of electric vehicles and the conversion of conventional internal combustion engines helps to reduce the State's dependence on imported oil and provides emission-free modes of transportation, thereby assisting energy and environmental conservation.

Your Committee believes that the tax credit should be in effect for qualified electric vehicles for a limited period of time, and has therefore amended the bill by:

- (1) Providing for the repeal of the credit after five years; and
- (2) Deleting those provisions of the bill that provide for a decreasing tax credit after December 31, 2001.

Your Committee has also made technical, nonsubstantive amendments to the bill 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. 1344, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1344, S.D. 2.

Signed by all members of the Committee.

SCRep. 505 Ways and Means on S.B. No. 1475

The purpose of this bill is to require the review and written opinion by a registered, professional engineer of the design of solar energy and heat pump systems for installation on new and existing multi-unit buildings in order to qualify for an income tax credit.

Your Committee finds that existing statutory language is an impediment to claiming an income tax credit for installation of these systems in a multi-unit residential complex. Your Committee finds that the bill, which conforms the existing approval and certification process to recognized engineering practice, furthers the intent of the legislation to assure that these energy conservation systems are well-designed and of adequate size to justify the tax credit rather than penalize designers for non-performance due to circumstances beyond their control.

Your Committee has amended the bill by deleting the reference to "registered" engineers and inserting the word "licensed" in its place, since the registration of engineers was replaced by licensing under Act 210, Session Laws of Hawaii 1989.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1475, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1475, S.D. 1.

Signed by all members of the Committee.

SCRep. 506 Ways and Means on S.B. No. 1594

The purpose of this bill is to make an appropriation in an undetermined amount to acquire the Naval Ocean Systems Center.

The Naval Ocean Systems Center is a facility at the Kaneohe Marine Corps Air Station on Mokapu Peninsula that has laboratories, shops, ponds, docks, and other facilities that are used by the school of ocean and earth science and technology at the University of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1594 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 507 Ways and Means on S.B. No. 10

The purpose of this bill is to appropriate funds for the planning and design of a vehicular tunnel under Pearl Harbor and a supporting roadway network for motorists traveling between the Ewa and downtown Honolulu areas of Oahu.

Your Committee finds that development of the alternative transportation route proposed in this bill is necessary to alleviate increasing traffic congestion on the State's roads and highways.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 10, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 508 Ways and Means on S.B. No. 178

The purpose of this bill is to appropriate \$195,000 in fiscal year 1993-1994 and \$255,000 in fiscal year 1994-1995, to assist Destination Hilo in its efforts to stimulate tourism activity in East Hawaii.

Your Committee finds that the continued support of efforts to revitalize Hilo is necessary in view of the economic downturn in that area due to the loss of the sugar industry.

Your Committee has amended this bill by changing the appropriations to blank amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 178, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 178, S.D. 1.

Signed by all members of the Committee.

SCRep. 509 Ways and Means on S.B. No. 530

The purpose of this bill is to make certain changes to the law regarding junked cars.

Specifically, this bill:

- (1) Eliminates the notary requirement to obtain motor vehicle tax refunds;
- (2) Requires the certificates of title and registration of a previously junked vehicle to indicate that the vehicle had been previously junked (title branding); and

- (3) Requires a physical inspection of the vehicle identification number be performed as a condition precedent to registration on previously junked vehicles.

These amendments are intended to conform present state law on junked cars to the Federal Anti-Car Theft Act of 1992. Additionally, the requirement that the motor vehicle tax refund applications be notarized is an unnecessary public inconvenience which should be eliminated.

Your Committee has made 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. 530, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 530, S.D. 2.

Signed by all members of the Committee.

SCRep. 510 Ways and Means on S.B. No. 619

The purpose of this bill is to authorize the waiver of landing and dockage fees for aircraft and watercraft engaged in providing humanitarian relief to disaster-stricken areas of the State during an emergency.

Your Committee is in agreement with this bill as amended by the Committee on Tourism, Recreation, and Transportation, which would allow the department of transportation to waive these fees at airports and docking facilities under state ownership or control when the governor declares a state of emergency and the department determines that the waiver is consistent with disaster relief activities.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 619, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 511 Ways and Means on S.B. No. 871

The purpose of this bill is to establish a convention center district for the development of a two hundred thousand square foot convention center facility on lands which comprise the Ewa end of the Ala Wai Golf Course. This bill also extends the expiration date of Act 159, Session Laws of Hawaii 1992, from June 30, 1994, to June 30, 1998.

Your Committee finds that Hawaii's status as one of the most desirable areas in the world to visit and conduct business is almost entirely dependent upon the construction of a world-class convention center facility designed to meet the functional requirements of modern large-scale conventions. The development of such a facility would not only ensure the long-term stability of tourism as an economic base in the State, but it would also induce the revitalization of neighborhoods, communities, and businesses in the areas surrounding the proposed facility. Your Committee concurs with the intent of this bill to designate the Ewa portion of the Ala Wai Golf Course as the convention center facility site.

Your Committee has amended the bill by changing the tax map key citation made in reference to proposed convention center facility site. The tax map key number has been changed from "2-6-36" to "2-7-36".

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 871, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 871, S.D. 1.

Signed by all members of the Committee.

SCRep. 512 Ways and Means on S.B. No. 967

The purpose of this bill is to appropriate \$20,000 for a grant-in-aid to the World Cup Youth Soccer Association for start-up promotional expenses for the World Cup Youth Soccer Tournament to be held in Hawaii from July 30 to August 6, 1994.

The World Cup Youth Soccer Tournament will be the largest youth sporting event ever held and will include the largest assemblage of international teams ever gathered, bringing much prestige to our island State. To date, commitments have been received from Austria, Australia, Guam, Italy, Korea, Okinawa, Marshall Islands, Western and American Samoa, Trinidad and Tobago, as well as ten teams from the mainland United States. An anticipated 150 teams are expected to participate, including at least thirty-six teams from Hawaii.

The World Cup Youth Soccer Tournament will be held at a time when soccer interest in the United States will be at its peak, two days after the conclusion of the World Cup finals in Los Angeles. Your Committee finds that the World Cup Youth Soccer Tournament will benefit an estimated 20,000 local boys and girls as well as the State as a whole. Participants, their families and friends, and soccer fans from around the world will stimulate and contribute to the local economy during the ten-day event, and the tournament itself will bring welcome international exposure to our "Aloha State".

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount. Your Committee has also made a technical, nonsubstantive amendment to the bill 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. 967, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 967, S.D. 1.

Signed by all members of the Committee.

SCRep. 513 Ways and Means on S.B. No. 968

The purpose of this bill is to make a \$90,000 appropriation for Hawaii's Plantation Village in Waipahu.

Your Committee finds that the plantation village reconstruction serves a valuable historic purpose and is visited by thousands of people each month who come away with a clearer view of Hawaii's roots and a better appreciation of its multi-ethnic society.

Your Committee has amended this bill by leaving the amount of the appropriation blank.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 968, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 968, S.D. 1.

Signed by all members of the Committee.

SCRep. 514 Ways and Means on S.B. No. 1730

The purpose of this bill is to raise the authorized total principal amount of special facility revenue bonds issued by the Department of Transportation pursuant to section 266-52(2), Hawaii Revised Statutes, from \$50,000,000 to \$100,000,000.

This bill also makes housekeeping amendments to sections 266-53 and 266-55, Hawaii Revised Statutes, and deletes the sunset provision in section 266-56, Hawaii Revised Statutes, to allow the department of transportation to continue to issue special facility revenue bonds.

Your Committee finds that the increased authorized principal amount will provide an option for private maritime companies to finance development of waterfront facilities.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1730, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1730, S.D. 2.

Signed by all members of the Committee.

SCRep. 515 Ways and Means on S.B. No. 603

The purpose of this bill is to require the governor, before the regular session of 1994, to prepare an organizational and functional plan for a department of environmental protection, and a plan for the orderly transition of the functions transferred by this bill.

Specifically, this bill:

- (1) Requires the governor to be assisted by a task force consisting of representatives from the departments of health, agriculture, and land and natural resources; the office of environmental quality control; the office of state planning; the environmental center of the University of Hawaii; and organizations representing environmental groups, business interests, and the visitor industry;
- (2) Specifies the possible duties and authority of the department of environmental protection that the task force is required to consider and evaluate;
- (3) Requires the task force to study alternative funding mechanisms to fund the department of environmental protection; and
- (4) Requires the organizational and functional plan to be submitted to the legislature before the regular session of 1994.

Although the creation of a department of environmental protection is necessary to ensure the protection of the State's fragile environment, your Committee is also aware of the State's current financial situation--which has been characterized as being in a state of recession. In view of current recessionary conditions in the State, your Committee believes that a task force should be created to specify the possible duties and authority of the department of environmental protection, and study the alternative funding mechanisms to fund the operations of the new department.

Your Committee has amended this bill to clarify that the governor is required to prepare a plan for the orderly transition of the functions that the governor proposes to transfer to the department of environmental protection since this bill itself does not actually transfer any functions to the department of environmental protection. 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. 603, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 603, S.D. 2.

Signed by all members of the Committee.

SCRep. 516 Ways and Means on S.B. No. 1027

The purposes of this bill are to provide a full time salary to Office of Hawaiian Affairs trustees; require a salary commission appointed by the governor to study and make salary recommendations for Office of Hawaiian Affairs trustees to the legislature; and require the auditor to conduct an annual review of the performance of Office of Hawaiian Affairs trustees.

Your Committee finds that the provisions to pay a salary to the trustees instead of compensating them on a "per meeting" basis would be in keeping with recommendations of the advisory commission which examined this issue in 1992 and determined that the increased duties and responsibilities of the trustees of the Office of Hawaiian Affairs justify an annual salary and other benefits allowed other state employees except for retirement benefits.

Your Committee has amended this bill by making technical nonsubstantive corrections.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1027, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1027, S.D.2.

Signed by all members of the Committee.

SCRep. 517 Ways and Means on S.B. No. 1143

The purpose of this bill is to raise the dollar thresholds for sealed bid contracts from \$8,000 to \$15,000, the informal bid dollar threshold range for goods and services from \$4,000-\$8,000 to \$10,000-\$15,000 and the informal bid dollar threshold range for public roadwork and the repair and maintenance of buildings from \$4,000-\$15,000 to \$10,000-\$25,000.

Your Committee recognizes that the State's procurement laws are in need of revision and the existing bid thresholds and ranges are set at levels based on historical information and do not reflect current purchasing patterns. The existing ranges have led to unacceptable delays that must be avoided during the interim between the approval of this bill and the effective date of revisionary procurement legislation.

Your Committee has amended this bill by changing the specific dollar amounts to blanks to allow further discussion on this issue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1143, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1143, S.D. 2.

Signed by all members of the Committee.

SCRep. 518 Ways and Means on S.B. No. 1202

The purposes of this bill are to:

- (1) Establish a nonpoint source pollution (NPSP) management and control program within the department of health; and
- (2) Appropriate funds for the implementation of this program, including the hiring of necessary staff.

Specifically, this bill requires the director of health to:

- (1) Reduce, control, and mitigate NPSP in the State;
- (2) Adopt rules to carry out the purposes of the NPSP management and control program, including water quality standards for specific areas and types of NPSP discharges in the control of water pollution, allowing for varying local conditions;
- (3) Develop plans, recommendations, and policies, and provide other support to further the State's capacity to carry out the requirements of any federal law, rule, or regulation pertinent to the management or mitigation of NPSP;
- (4) Monitor and update the list of waters in the State that cannot reasonably be expected to attain or maintain the water quality standards and goals established under the federal Water Quality Act of 1987 (P.L. 100-4) without additional action to control NPSP;
- (5) Identify those categories of nonpoint sources that add significant pollution to the state waters identified under paragraph (4);
- (6) Facilitate implementation of best management practices, programs, and measures to control each category of NPSP identified under paragraph (5), and encourage NPSP mitigation practices including, but not limited to, the use of nonhazardous substances in the household and agroforestry management;
- (7) Identify public and private sources of expertise, technical assistance, financial assistance, educational assistance, training, and technology transfer;
- (8) Convene statewide and regional conferences involving the general public, the regulatory community, and businesses and industries identified as categories of NPSP to establish plans, management strategies, and other mitigation measures to control NPSP;

- (9) Provide funding for projects to demonstrate the best available technology and best management practices for preventing and mitigating NPSP;
- (10) Provide funding for public initiative projects to encourage education and prevention measures relating to NPSP;
- (11) Propose rules, legislation, alternate funding mechanisms, and new programs to improve the State's capacity to mitigate NPSP; and
- (12) Review environmental assessments and environmental impact statements for the purposes of commenting on the effects that a proposed action would have on the level of NPSP generated in an area.

Your Committee finds that the federal moneys that previously funded the State's existing NPSP program have run out, and that the only federal funds available to continue the State's existing NPSP program require the State to provide matching funds. Your Committee believes that the NPSP program is necessary to ensure the continued monitoring of NPSP in the State. Without this monitoring, serious and irreparable harm could befall the State's fragile marine environment.

Your Committee has amended this bill by making technical nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1202, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1202, S.D. 2.

Signed by all members of the Committee.

SCRep. 519 (Majority) Ways and Means on S.B. No. 1531

The purpose of this bill is to require state and county agencies to give preference in awarding public works contracts to contractors who have filed and paid state taxes for two years if the contract is worth less than \$5,000,000, and four years, if the contract is worth \$5,000,000 or more, as long as the bids are no more than five per cent higher than other contractors.

Your Committee agrees with the Committee on Government Operations, Environmental Protection and Hawaiian Programs that contractors who have contributed to the State's economy and paid state taxes on a continuing basis should be accorded the preference proposed by this bill. Such preference will help to ensure that contracts are awarded to contractors with a proven record of stability, responsibility, and competence for work performed in Hawaii and who hire workers from the State's labor pool.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1531, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.
Senators Blair and George did not concur.

SCRep. 520 Ways and Means on S.B. No. 275

The purpose of this bill is to authorize the housing finance and development corporation to issue bonds to purchase low-income housing projects financed by the United States Department of Housing and Urban Development to preserve and maintain the affordable status of these projects. This bill also requires the corporation to transfer the title to these projects to the Hawaii housing authority following the payment of all interest and principal stemming from the issuance of the bonds.

Your Committee finds that it is imperative that the State's current supply of affordable housing be maintained. This bill proposes a cost-effective method of retaining the affordable status of low-cost housing as federal subsidies expire.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 275 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 521 Ways and Means on S.B. No. 400

The purpose of this bill is to authorize a rental housing tax credit to any person who builds affordable rental housing for rental to the general public.

To ensure that the rental rates of these units are maintained at affordable levels upon their sale, this bill requires all owners claiming tax credits under the program to provide the housing finance and development corporation with the first right to purchase the unit. This bill also appropriates an unspecified sum to the housing finance and development corporation and the Hawaii housing authority to carry out their rental housing programs.

Your Committee finds that private sector involvement in the development of affordable rental housing should be encouraged to the fullest extent possible. This bill provides taxpayers with an incentive to develop housing units for rental to the public at affordable rates.

To promote further discussion, your Committee has deleted sections 3 and 4, which appropriate unspecified sums to the housing finance and development corporation and the Hawaii housing authority to carry out the programs established in the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 400, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 400, S.D. 2.

Signed by all members of the Committee.

SCRep. 522 Ways and Means on S.B. No. 1680

The purpose of this bill is to identify the housing projects that may be constructed, renovated, and completed by the housing finance and development corporation under Act 15, Session Laws of Hawaii 1988, despite its scheduled repeal.

Your Committee finds that despite the upcoming repeal of Act 15, Session Laws of Hawaii 1988, certain affordable housing projects should be carried on to completion under the special provisions of the Act. This bill identifies the projects that may be completed by the housing finance and development corporation under Act 15.

Your Committee has amended this bill by making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1680, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1680, S.D. 2.

Signed by all members of the Committee.

SCRep. 523 Ways and Means on S.B. No. 1683

The purpose of this bill is to correct several incorrect citations in chapter 201E, Hawaii Revised Statutes.

Your Committee finds that Act 28, Session Laws of Hawaii 1988, made major changes to the State's law relating to the issuance of general obligation and revenue bonds, including changes to the section numbers of various sections. Accordingly, references to those sections in other chapters of the law should be updated to reflect the correct section numbers. This bill carries out the necessary amendments to update chapter 201E.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1683 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 524 Ways and Means on S.B. No. 1737

The purpose of this bill is to identify the sections of the federal Internal Revenue Code that corporations and associations must meet in order to qualify as nonprofit corporations under the rental housing trust fund law.

This bill also provides the rental housing trust fund commission with the power to exercise discretion in utilizing amounts from the fund to meet administrative expenses. This bill also makes housekeeping amendments relating to the powers, the terms, and the membership of the commission.

To facilitate further discussion on this bill, your Committee has deleted the appropriation proposed for the rental housing trust fund.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1737, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1737, S.D. 2.

Signed by all members of the Committee.

SCRep. 525 Ways and Means on S.B. No. 217

The purpose of this bill is to exempt the judiciary's gender and other fairness coordinator from the state civil service law.

Your Committee finds that this position, which promotes the judiciary's commitment to equal justice for all people, is currently subject to the civil service hiring laws and procedures. Your Committee finds that the coordinator assumes considerable responsibility in representing the judiciary, and that the judiciary should be the appointing authority in order to have maximum discretion in choosing its representative.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 217 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 526 Ways and Means on S.B. No. 299

The purpose of this bill is to exclude services performed by direct sellers from coverage under the unemployment compensation law. Your Committee finds that the exclusion established by this bill exempts direct sellers from paying unemployment compensation taxes on their earnings, and if their employees would become unemployed, those employees

would be ineligible to receive unemployment compensation benefits. Direct sellers are as defined in Section 3508 of the Federal Internal Revenue Code of 1986. In defining direct sellers in this manner, this bill conforms Hawaii's law to the federal law that declared direct sellers to be statutory non-employees.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 299, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 527 Ways and Means on S.B. No. 324

The purpose of this bill is to authorize the governor and mayors to establish a leave sharing program in their respective jurisdictions whereby employees may donate accumulated vacation leave credits to another employee in the same jurisdiction who has a catastrophic personal illness or injury and who has exhausted his or her accumulated leave credits.

The bill provides guidelines for the establishment of leave sharing programs. Specifically, the bill requires the adoption of rules to govern the donors, recipients, and a leave sharing approval process that ensures employees fair treatment and freedom from coercion and protects the employer's operations from undue hardship. The bill requires eligible recipients to have at least five years of service in the respective jurisdiction; have exhausted all leave and compensatory time credits; have a catastrophic illness or injury certified by a physician; and be free of disciplinary record of sick leave abuse for a two-year period.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 324, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 528 Ways and Means on S.B. No. 336

The purpose of this bill is to appropriate \$900,000, for fiscal year 1993-1994, and the same sum for fiscal year 1994-1995, to the department of health, for one full-time athletic trainer position for each public high school in the State.

Your Committee finds that Hawaii's high schools have not kept pace with the health and safety requirements of modern athletic programs. The lack of adequately trained personnel not only hampers the advancement of our high school athletes, but also poses a risk to their health and safety.

Your Committee has amended this bill by changing the sums appropriated for fiscal year 1993-1994 and fiscal year 1994-1995 from \$900,000 and \$900,000, respectively, to unspecified amounts.

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

Signed by all members of the Committee.

SCRep. 529 Ways and Means on S.B. No. 355

The purpose of this bill is to provide refunds to noncontributory members of the employees' retirement system who purchased service after June 30, 1984.

Act 141, Session Laws of Hawaii 1990, provided for refunds to noncontributory members who purchased service after June 30, 1989. However, noncontributory members who purchased service after June 30, 1984, and prior to June 30, 1989, were not eligible for refunds. This bill provides for refunds for those noncontributory members by December 1993.

Your Committee agrees with the Committee on Labor, Education and Employment that this bill appropriately corrects an inadvertent inequity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 355 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 530 Ways and Means on S.B. No. 408

The purpose of this bill is to change the calculation of a legislator's retirement allowance by separating the average final compensation and years of service for legislative service from that of any other subsequent nonlegislative service.

Currently, a legislator's retirement allowance is based on three and one-half per cent for each year of service multiplied by the legislator's average final compensation (AFC), plus an annuity on contributions made to the system. In contrast, the retirement allowance for employees in high-risk occupations is based on two and one-half per cent; for general employees in the contributory plan, two per cent; and for general employees in the noncontributory plan, one and one-fourth per cent.

If, after leaving the legislature, a legislator obtains other creditable service in a nonlegislative position that pays a higher salary, the legislator's final retirement allowance will increase as the AFC increases. This bill will restrict the application of the three and one-half per cent base only to the creditable service and AFC received for service as a

legislator and require that any other service subsequently obtained by a legislator be calculated as provided for other general employees.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 408, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 531 Ways and Means on S.B. No. 467

The purposes of this bill are to:

- (1) Exempt the department of education from the provisions of the budget law relating to the quarterly allotment system, subject to certain conditions; and
- (2) Allow the department of education to retain not more than ten per cent of any appropriation remaining unexpended or unencumbered at the close of the fiscal year for use in the next fiscal year, and prevent that portion of the appropriation from lapsing until June 30 of the first fiscal year of the next biennium.

Your Committee finds that this bill supports the concept of fiscal autonomy for the department of education and the spirit of school/community-based management.

Your Committee has amended this bill by:

- (1) Clarifying that the department of education may retain not more than ten per cent of any appropriation remaining unexpended or unencumbered at the close of the first fiscal year of a biennium for use in the second fiscal year of the biennium, and that the portion of the appropriation retained for use in the second fiscal year of the biennium shall not lapse until June 30 of the first fiscal year of the next biennium; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 467, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 467, S.D. 2.

Signed by all members of the Committee.

SCRep. 532 Ways and Means on S.B. No. 475

The purpose of this bill is to require the board of trustees of the employees' retirement system to establish a communications branch under the direction of the administrator to provide retirement information and counseling for members and to publish a quarterly newsletter.

Your Committee concurs with the findings of the Committee on Education, Labor and Employment and believes that the establishment of a communications branch will improve services to members and retirees of the system.

Your Committee has amended this bill as follows:

- (1) The membership and asset data in the purpose section were updated to reflect the figures as of June 30, 1991;
- (2) The appropriation amount was changed from \$50,000 to an unspecified amount; and
- (3) Technical, nonsubstantive changes 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. 475, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 475, S.D. 2.

Signed by all members of the Committee.

SCRep. 533 Ways and Means on S.B. No. 452

The purpose of this bill is to exclude from collective bargaining employees of the department of education who are in bargaining unit (5) if they are public school coaches, but only in their capacity as a coach.

Your Committee has amended this bill to correct what appears to be a drafting error. Since the intent of the bill is to remove the salaries of coaches from collective bargaining, your Committee believes it is more appropriate to amend section 89-9(d), Hawaii Revised Statutes, rather than section 89-6(c), Hawaii Revised Statutes. Section 89-9(d) deals with subjects excluded from negotiations while section 89-6(c) deals with persons excluded from collective bargaining.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 452, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 452, S.D. 2.

Signed by all members of the Committee.

SCRep. 534 Ways and Means on S.B. No. 501

The purpose of this bill is to expand the scope and provide for the continued operation of the school-level minor repair and maintenance program.

Specifically, this bill:

- (1) Allows school-level minor repair and maintenance accounts to be used for minor improvement projects, and changes the name of these accounts to "school-level minor repair, maintenance, and improvement accounts" to reflect this additional use; and
- (2) Appropriates an unspecified sum to the department of education to continue funding of the school-level minor repair, maintenance, and improvement accounts, of which \$8,000 shall be distributed to each of the public schools for minor repairs, maintenance, and improvements.

Your Committee finds that the school-level minor repair and maintenance accounts established by Act 296, Session Laws of Hawaii 1992, have allowed each the schools to address minor repair and maintenance projects in a more efficient and effective manner.

Your Committee has amended this bill by:

- (1) Deleting all provisions allowing school-level minor repair and maintenance accounts to be used for minor improvement projects; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 501, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 501, S.D. 2.

Signed by all members of the Committee.

SCRep. 535 Ways and Means on S.B. No. 747

The purpose of this bill is to exempt from the general excise tax amounts received by a labor organization from the lease of its property to a labor organization or a trust fund of a labor organization.

Under current law, union dues are exempt from the general excise tax. While some labor organizations realize all their income from dues, others with property supplement dues with lease rents, applying the proceeds to programs for their members.

In *Communications Workers v. Beck*, 487 U.S. 735 (1988), the United States Supreme Court ruled that it is an unfair labor practice to require employees, over their objections, to pay union dues for anything but collective bargaining activities. Hence buildings and programs for retirees (who are no longer members of the bargaining unit under the current contract) cannot be financed out of dues if there is an objection.

Your Committee finds that although there is a technical distinction between dues and lease rents, it is clearly the intent of the law to maximize a union's income for the benefit of its members and their families.

This bill places the dues a labor organization receives from its members on an equal basis with lease rent derived from a labor organization or a labor organization trust fund. The narrow excise tax exemption will allow labor organizations more flexibility in activities and programs they implement for the benefit of their members and their members' dependents.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 747, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 536 Ways and Means on S.B. No. 1136

The purpose of this bill is to require the auditor to conduct biennial performance audits of the employees' retirement system beginning with the fiscal year ending June 30, 1993.

Your Committee agrees with the findings of the Committee on Education, Labor and Employment that investments of the multi-billion dollar employees' retirement system should be more closely monitored and that biennial audits would facilitate prompt and responsible legislative attention to the business of the retirement system.

Your Committee has amended the bill to make 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. 1136, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1136, S.D. 2.

Signed by all members of the Committee.

SCRep. 537 Ways and Means on S.B. No. 1735

The purposes of this bill are to: (1) require the board of education, through the state librarian, to establish and administer a fee for enhanced services program; and (2) establish a revolving fund into which is to be deposited all fees collected for enhanced services.

Specifically, this bill:

- (1) Requires the state librarian, with the approval of the board of education, to determine the types of enhanced services to be included under the program;
 - (2) Requires the schedule of fees for the enhanced services program to be established by rules, which are required to provide for the waiver of fees when the person requesting enhanced services is not able to pay for these services;
 - (3) Requires the revolving fund to be administered by the state librarian who, after consultation with the library advisory committee, is required to determine the annual amount that each public library is to receive;
 - (4) Requires the state librarian to prepare an annual report of all revenues collected and expenditures made from the revolving fund, including a list of:
 - (A) All fees collected from each service category;
 - (B) Allocations made to each library;
 - (C) Descriptions and dollar amounts of expenditures; and
 - (D) The balance remaining in the fund on June 30 of each year;
- and
- (5) Will be repealed on June 30, 1996.

Your Committee finds that one of the most important aspects of an education program is a good library system. Your Committee further finds that due to the State's uncertain financial condition, the time may be right to establish a fee for enhanced library services program.

Your Committee has amended this bill by making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1735, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1735, S.D. 2.

Signed by all members of the Committee.

SCRep. 538 Ways and Means on S.B. No. 1741

The purpose of this bill is to require the department of education to set the price for school lunch at one-third of the cost of the lunch, rounded up to the nearest five cents.

Specifically, this bill:

- (1) Allows the department of education to adjust the price for school lunch during the first year of each fiscal biennium to maintain the abovementioned proportion; and
- (2) Requires the cost of the lunch to be based on the average cost of preparation over the three years preceding the second year of the fiscal biennium.

Your Committee finds that the school lunch program has operated for many years without an increase in the price charged to students and faculty who purchase school lunch. Your Committee further finds that the proposal to allow the department of education to set meal prices in proportion to actual costs will provide additional support for the program from those students and faculty who choose to purchase school lunch.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1741, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1741, S.D. 2.

Signed by all members of the Committee.

SCRep. 539 Ways and Means on S.B. No. 1754

The purpose of this bill is to designate directors, deputy directors, managing directors, deputy managing directors, and other agency or department heads appointed by the mayors of the counties as contributory class A members of the employees' retirement system.

Your Committee finds that these positions are currently assigned to the noncontributory class C of the retirement system. This means that they need ten years of service to qualify for a retirement benefit. Act 149, Session Laws of

Hawaii 1987, allowed state directors and deputy directors to become class A contributory members to enable them to qualify for a vested retirement benefit after five years. This bill would extend the same coverage to county administrators appointed by the mayor.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1754, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 540 Ways and Means on S.B. No. 1906

The purpose of this bill is to authorize the executive director of the office of youth services to appoint necessary civil service exempt staff for the administration of a program under the federal Juvenile Justice Delinquency Prevention Act.

Your Committee finds that when the powers and duties of the juvenile justice interagency board were transferred to the office of youth services pursuant to Act 258, Session Laws of Hawaii 1991, two civil service exempt positions that administer a federal program under the federal Juvenile Delinquency Prevention Act were also transferred. However, under current law, the executive director of the office of youth services does not have authority to appoint exempt employees. This bill provides that authority.

Your Committee has amended this bill to delete, from the new subsection (b), the phrase "and as the executive director finds necessary" after the term "pleasure" since the phrase is unnecessary and confusing.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1906, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1906, S.D. 1.

Signed by all members of the Committee.

SCRep. 541 Ways and Means on S.B. No. 655

The purpose of this bill is to establish and fund a permanent research associate IV position at the Beaumont Agricultural Research Center, Hilo, Hawaii, an affiliate of the University of Hawaii college of tropical agriculture and human resources.

Your Committee has amended this bill by changing the appropriated amounts to blank amounts to facilitate continuing discussions.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 655, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 655, S.D. 2.

Signed by all members of the Committee.

SCRep. 542 Ways and Means on S.B. No. 648

The purpose of this bill is to appropriate \$5,000,000 to the agricultural loan revolving fund.

Your Committee finds that the agricultural loan revolving fund is a source of capital for farmers who may be in financial difficulty due to problems caused by poor weather conditions or natural disasters such as Hurricane Iniki. Because of the high demand for loans, the balance of the fund has dropped to its lowest level in many years. This bill proposes to appropriate the funds necessary to replenish the agricultural loan revolving fund.

To facilitate further discussion on this measure, your Committee has deleted the appropriation proposed for the agricultural loan revolving fund and has replaced the sum with a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 648, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 648, S.D. 2.

Signed by all members of the Committee.

SCRep. 543 Ways and Means on S.B. No. 534

The purpose of this bill is to create a procedure for notification to the counties when a motor vehicle owner cancels the owner's insurance policy.

This bill would require insurance companies to notify the counties of all cancellations and nonrenewals of no-fault insurance policies. A county would then notify the owner to surrender the owner's motor vehicle license plates. If the owner fails to respond, the county police department would then tow and store the vehicle at the owner's expense.

Your Committee agrees with the Committee on Consumer Protection that this bill would help curb uninsured motorists and perhaps help lower insurance costs.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 534, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 544 Ways and Means on S.B. No. 939

The purpose of this bill is to assist the elderly to continue living in their homes by establishing a mechanism for the housing finance and development corporation to purchase the leased fee interest in their condominium units and charging an affordable lease rent.

Residential lease rents in the State are increasing at a rate inconceivable to the elderly who purchased leasehold condominiums ten or twenty or more years ago. These people are often on small fixed incomes and are unable to afford a massive increase in lease rent or to purchase their leased fee interest even if it were available. These elderly are in increasing peril of losing their homes at a time when they will not be able to afford another. The financing mechanism contemplated in this bill places financial and other requirements on applicants for the program to thwart abuse.

Your Committee has amended this bill by making a technical nonsubstantive change to the references to reflect the fact that the new sections constitute a subpart rather than a part.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 939, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 939, S.D. 2.

Signed by all members of the Committee.

SCRep. 545 Ways and Means on S.B. No. 1550

The purpose of this bill is to appropriate funds to the department of business, economic development, and tourism in an amount reflective of transient accommodations tax revenues lost by the county of Kauai due to Hurricane Iniki.

The funds appropriated would be used to contract with the Hawaii Visitors Bureau to implement a special marketing plan to promote tourism on Kauai.

Your Committee is committed to assisting the Kauai county visitor industry by providing appropriate resources to stimulate the economy and provide jobs that will help foster individual and community recovery from the devastation of Hurricane Iniki.

Your Committee has made technical, nonsubstantive amendments to the bill 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. 1550, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1550, S.D. 1.

Signed by all members of the Committee.

SCRep. 546 Ways and Means on S.B. No. 363

The purpose of this bill is to provide for an appropriation to support school and community projects for the No Hope in Dope program, to provide a van, and to cover travel expenses for the program.

Your Committee finds that the "No Hope in Dope" program is an effective one that can successfully educate children in Hawaii about keiki safety, including exposure to illegal drugs and alcohol. Your Committee has amended the bill by leaving the amount of the appropriation blank.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 363, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 363, S.D. 1.

Signed by all members of the Committee.

SCRep. 547 Ways and Means on S.B. No. 132

The purpose of this bill is to appropriate \$200,000 for a soil stabilization and flood control feasibility study for Wailupe Stream, Oahu.

The flooding and erosion problems arising from Wailupe Stream have created hazardous conditions for nearby residents who have been working with city, state, and federal officials to establish a federal flood control project. Such a project requires the completion of a feasibility study and subsequent authorization from the United States Congress. In order to initiate a feasibility study, the State must enter into a cost-sharing agreement with the federal government. This bill provides the State's share to defray the cost of the feasibility study.

Your Committee has amended this bill by changing the appropriation amount to an unspecified sum.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 132, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 132, S.D. 2.

Signed by all members of the Committee.

SCRep. 548 Ways and Means on S.B. No. 180

The purpose of this bill is to appropriate funds to complete the route survey, soil investigation, and preliminary engineering design to develop a transmission line to divert twenty million gallons of water daily to Waimea and Pohakuloa.

Your Committee has amended this bill by changing the appropriation to a blank amount for purposes of continuing discussions.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 180, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 180, S.D. 2.

Signed by all members of the Committee.

SCRep. 549 Ways and Means on S.B. No. 641

The purpose of this bill is to make an appropriation for the construction of a civic center in Kapolei.

Your Committee finds that Kapolei, in Leeward Oahu, is intended to be the new "second city" on Oahu. Kapolei has been designed to shift population growth away from the crowded urban Honolulu area. The Estate of James Campbell Estate has made a commitment to dedicate acreage to the State and the city and county to accommodate governmental functions, and the estate has also invested heavily in the infrastructure to support a significant level of population and services.

Your Committee finds that the establishment of a civic center in Kapolei will stimulate interest and development in the area and provide employment and recreational opportunities to residents.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 641 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 550 Ways and Means on S.B. No. 943

The purposes of this bill are to:

- (1) Establish a Kauai-Hurricane Iniki special fund to make grants to the county of Kauai and private, nonprofit agencies on the island of Kauai for disaster relief and rehabilitation programs on the island of Kauai; and
- (2) Appropriate \$5,400,000, out of insurance settlements deposited in the state risk management revolving fund, for the department of accounting and general services to rebuild state buildings and facilities completely destroyed by Hurricane Iniki.

Specifically, this bill:

- (1) Appropriates an unspecified sum, for fiscal year 1993-1994, to be deposited to the credit of the Kauai-Hurricane Iniki special fund; establishes priorities for disaster relief and rehabilitation programs funded by the special fund; and requires moneys in the special fund to be expended by the office of the governor;
- (2) Requires the special fund to be administered by a board of directors, which is attached to the office of the governor for administrative purposes; specifies the appointment and qualifications of board members; and requires the governor to provide administrative and technical support for the board or make provisions for the same through other state agencies;
- (3) States that the appropriation made to the department of accounting and general services shall not lapse at the end of the fiscal biennium for which the appropriation is made, subject to the condition that all appropriations which are unencumbered as of June 30, 1996, shall lapse as of that date; and
- (4) Allows the department of accounting and general services to delegate the rebuilding of state buildings and facilities to other state agencies when the department determines that it is advantageous to do so.

Your Committee has amended this bill by:

- (1) Changing the sum to be appropriated out of insurance settlements deposited in the state risk management revolving fund from \$5,400,000, to an unspecified amount; and appropriating this unspecified sum through an appropriation for fiscal year 1993-1994, and an appropriation for fiscal year 1994-1995, rather than an appropriation for fiscal biennium 1993-1995;
- (2) Specifying that the comptroller, rather than the department of accounting and general services, is to determine when delegating the rebuilding of state buildings and facilities to other state agencies is advantageous; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 943, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 943, S.D. 2.

Signed by all members of the Committee.

SCRep. 551 (Majority) Ways and Means on S.B. No. 1063

The purpose of this bill is to designate all the lands within the North Hilo and Hamakua judicial districts from Kaiaakea in the south to Waipio Valley in the north as the Hamakua community development district.

Your Committee finds that the closure of operations by Hamakua Sugar Company on the island of Hawaii necessitates immediate action on behalf of the State to ensure the long-term economic stability of the entire Hamakua region. This bill designates the Hamakua region as a community development district under chapter 206E, Hawaii Revised Statutes, thereby authorizing the replanning, renewal, and redevelopment of the area by the Hawaii community development authority.

Your Committee has amended this bill by making minor 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. 1063, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1063, S.D. 2.

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

SCRep. 552 Ways and Means on S.B. No. 1195

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for the Kauai Electric Division of Citizens Utilities Company to cover capital reconstruction costs.

Hurricane Iniki caused extensive damage to Kauai Electric's existing distribution and transmission system, and generating facilities. Your Committee believes that this bill will assist Kauai Electric in obtaining low cost financing for the restoration of its facilities, and in turn, may result in significant savings to ratepayers on Kauai.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1195, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 553 Ways and Means on S.B. No. 499

The purpose of this bill is to propose an amendment to Article VII, section 8, of the Constitution of the State of Hawaii, to require the chief justice to submit to the governor a complete plan of proposed expenditures for the judicial branch for the ensuing fiscal biennium in the form provided by law, and such other information as the governor may require.

Your Committee finds that this bill could contribute to ongoing legislative efforts to efficiently and effectively determine an overall fiscal plan for the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 499 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 554 Ways and Means on S.B. No. 788

The purpose of this bill is to require the lieutenant governor to: (1) solicit proposals for the preparation of a pamphlet which will educate voters about candidates for state office; and (2) report findings and recommendations to the legislature before the 1994 regular session.

Your Committee finds that with the support of public service and civic organizations this type of information would be valuable to all voters.

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. 788, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 788, S.D. 2.

Signed by all members of the Committee.

SCRep. 555 Ways and Means on S.B. No. 1652

The purpose of this bill is to implement measures to improve voter registration.

Specifically, this bill would:

- (1) Require state tax return forms to include a voter registration affidavit to allow a qualified resident to register to vote; and
- (2) Allow a voter to have that person's name be placed on the voter register up to and including the day of the next election day except for mailed affidavits which must be received by the clerk no later than 4:30 p.m. one day prior to the appropriate election date.

Your Committee has made several technical, nonsubstantive amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1652, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1652, S.D. 2.

Signed by all members of the Committee.

SCRep. 556 Ways and Means on S.B. No. 1917

The purpose of this bill is to establish the Hawaii education and research consortium in the University of Hawaii and the Hawaii research and education network.

Your Committee believes that this bill would put Hawaii in line with the emerging national programs and initiatives of the new federal administration as to information technology and networking.

Your Committee has amended the bill by providing that the Hawaii education and research consortium shall be composed of the University of Hawaii and the department of education, and that the East-West center shall be invited to join the consortium, rather than requiring the center's membership. The reason for this amendment is that the State cannot compel a federal agency, such as the East-West center, to engage in any activity that it does not wish to perform. However, should the center agree to join the consortium, the bill as amended provides that the center shall be a full member along with the university and education department.

Your Committee has also made technical, nonsubstantive amendments to the bill 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. 1917, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1917, S.D. 1.

Signed by all members of the Committee.

SCRep. 557 Ways and Means on S.B. No. 696

The purpose of this bill is to provide an income tax credit to gasoline dealers who install equipment to dispense alternative fuel, including methanol and other alcohols, natural gas, liquified petroleum gas, and electricity.

Your Committee finds that the installation of equipment to dispense alternate fuel will reduce the State's dependence on traditional sources of energy and is environmentally desirable.

Your Committee has amended this bill by:

- (1) Changing the tax credit from fifty to twenty-five per cent of the actual cost to the gasoline dealer to convert the equipment in the taxable year for which the credit is claimed; and
- (2) Making a few technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 696, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 696, S.D. 2.

Signed by all members of the Committee.

SCRep. 558 Ways and Means on S.B. No. 697

The purpose of this bill is to provide an income tax credit to taxpayers who operate a vehicle converted to operate on alternative fuel, including methanol and other alcohols, natural gas, liquified petroleum gas, and electricity.

Your Committee finds that the conversion of motor vehicles which operate on alternative fuel will reduce the State's dependence on traditional sources of energy and is environmentally desirable.

Your Committee has amended this bill by:

- (1) Changing the tax credit from fifty to twenty-five per cent of the actual cost to the taxpayer to convert the vehicle in the taxable year for which the credit is claimed; and
- (2) Making a few technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 697, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 697, S.D. 2.

Signed by all members of the Committee.

SCRep. 559 Ways and Means on S.B. No. 240

The purpose of this bill is to remove the authority of the Comptroller to establish special funds for revenues designated for the University of Hawaii.

Your Committee finds that rather than establish such funds administratively, the University already follows the practice of seeking to establish special funds through enabling legislation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 240 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 560 Ways and Means on S.B. No. 1150

The purpose of this bill is to authorize an additional amount of indirect overhead funds generated by the University of Hawaii for research and training purposes to be deposited into the research and training revolving fund in order to reimburse the Research Corporation of the University of Hawaii for management fees.

The Board of Regents of the University of Hawaii is authorized to expend those funds to make the reimbursements. Your Committee finds that these amendments will preserve the University's role as the steward for state funds that are paid to the Research Corporation for services rendered to the University.

Your Committee has amended this bill by making 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. 1150, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1150, S.D. 2.

Signed by all members of the Committee.

SCRep. 561 Ways and Means on S.B. No. 1564

The purpose of this bill is to authorize the University of Hawaii to draw cash advances from the state treasury to meet operational needs.

The working capital which would be made available under this bill will be used primarily to provide advanced funding for federally supported research and training contracts. This bill will alleviate the problem of negative cash balances because of untimely transfers and cost reimbursements from federal sponsoring agencies.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1564 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 562 Ways and Means on S.B. No. 1612

The purpose of this bill is to provide the University of Hawaii with greater flexibility in the use of moneys held on account with the University of Hawaii alumni revolving fund.

Your Committee finds that the language of the current law restricts the university's ability to carry out the purposes of the alumni revolving fund. This bill provides the university with the necessary flexibility to expend these funds in the manner originally intended.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1612, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 563 Ways and Means on S.B. No. 673

The purpose of this bill is to appropriate \$1,000,000 to the legislative reference bureau for publication of replacement volumes of the Hawaii Revised Statutes.

The replacement volumes will contain all laws in the 1985 replacement volumes as amended and supplemented by the legislature from 1986 through 1993, and a replacement index in an edition year to be designated by the revisor of statutes.

The bureau may hire temporary technical and clerical assistants, and money already appropriated for the 1993 supplements will be reappropriated for the replacement volumes. Funding will lapse on June 30, 1996.

Less than one hundred fifty sets of the 1985 version remain; therefore, it is essential to produce replacement volumes to ensure public accessibility to the Hawaii Revised Statutes.

In view of the fact that there are so few sets of the 1985 replacement volumes remaining, it will be very difficult for government agencies to obtain needed copies of state statutes, forcing them to either do without them or to purchase them from a commercial publisher at a substantially higher price. Replacement volumes of the Hawaii Revised Statutes, which the legislative reference bureau is required to publish pursuant to section 23G-12(3), Hawaii Revised Statutes, are sold to the general public at a rate that substantially covers the total cost of publication, enabling government agencies to obtain them free of charge. If the Hawaii Revised Statutes were to be published by a commercial enterprise, the cost to state agencies would increase substantially, there would be no control over the pricing of the statutes, and moneys that could have been used for other state programs would be required for the purchase of the statutes from a commercial enterprise.

Your Committee finds that there is a critical need to appropriate funds for the publication of the Hawaii Revised Statutes replacement volumes to ensure continued accessibility to the statutes of Hawaii by government agencies and the general public at an affordable price.

Your Committee notes that this bill is identical to essential parts of the Act that authorized the 1985 Replacement Volumes.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 673, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 673, S.D. 1.

Signed by all members of the Committee.

SCRep. 564 Ways and Means on S.B. No. 1149

The purpose of this bill is to extend from June 30, 1993, to June 30, 1996, the operation of the community-based teenage health clinic demonstration project established pursuant to Act 162, Session Laws of Hawaii 1990.

Your Committee finds that the community-based teenage health clinic demonstration project, known as "YO," is operating as an outreach function of the Waikiki health center and Hale Kipa. The objective of the demonstration project is to improve the health care of street youths in Waikiki, and since its inception the demonstration project has assisted approximately 500 individuals for a total of 6,500 encounters.

Your Committee finds that many runaway and disoriented adolescents find Waikiki to be an amenable place to congregate since the area's dense population provides camouflage from authorities. The demonstration project has ability to reach these young people and provide basic primary and preventive health care and treatment, and ancillary social services.

Your Committee has amended this bill by making a technical nonsubstantive amendment for purposes of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1149, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1149, S.D. 2.

Signed by all members of the Committee.

SCRep. 565 Ways and Means on S.B. No. 1718

The purpose of this bill is to authorize the director of health to declare an account to be uncollectible without review of the attorney general provided the outstanding amount is less than \$500. This bill also provides for the deletion of these accounts from the accounts receivable records of the department of health and relieves the department from further accountability for their collection.

Your Committee finds that this bill will allow the community hospitals to dispose of a significant number of small accounts that are clearly uncollectible which, if not declared as such and deleted, incorrectly give the appearance of poor collection efforts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1718, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

LCRep. 566 Legislative Management on S.R. No. 35

The purpose of this Resolution is to establish the Special Committee on Government Procurement as a formal investigating committee.

As such, the Committee will have power to compel attendance of witnesses by subpoena and require furnishing of books, documents, and other evidence relating to its investigations.

The Resolution also broadens the Special Committee's mission to ensure that public money is appropriately and legally expended and determine in what regard procurement laws should be amended. The Committee will be dissolved on March 1, 1994 unless formally extended.

The Special Committee was established by the Senate President on December 17, 1992 to review possible violations of state laws relating to procurement, including the awarding of a sole source contract for telephone service. In conducting its review, the Committee experienced difficulty obtaining important information that an investigating committee would have had the power to demand.

Your Committee finds that this Resolution will enable the Special Committee to appropriately and effectively carry out its mission.

Upon further consideration, your Committee has amended this Resolution on the finding that the Special Committee is an appropriate vehicle to delve into matters of compelling public interest that have surfaced in recent months. In particular, your Committee is concerned about apparent irregularities in investment policies and procedures and contracting practices relating to the multibillion dollar Employees' Retirement System. Issues involving the ERS potentially affect a broad cross-section of our society, and your Committee finds that there is sufficient evidence of

improprieties to warrant a legislative investigation. This Resolution has been appropriately amended to enable this examination.

Your Committee has also provided flexibility to expand the Committee's inventory of investigation candidates should the need arise.

Additionally, in order to ensure the Committee's ability to fully and expeditiously discharge its responsibilities, your Committee has amended this Resolution to authorize the Committee to expend up to \$200,000 of the Senate's current appropriation for 1993 to carry out its purposes, including employment of professional and technical staff as it deems necessary.

Your Committee has also amended this Resolution by amending its title to reflect the Special Committee's added scope, and by making several nonsubstantive changes for the purposes of style and clarification.

Your Committee on Legislative Management concurs with the intent and purpose of S.R. No. 35, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 35, S.D. 1.

Signed by all members of the Committee.

LCRep. 567 Legislative Management on S.B. No. 745

The purpose of this bill is to require lobbyists and their principals to file additional expenditure statements with the State Ethics Commission.

Under current law, lobbyists, persons who utilize lobbyists, and others who spend money to influence public decision-making must file expenditure reports with the State Ethics Commission every January 31, for the period running from March 1 to December 31 of the previous year, and on March 31, for the period running from January 1 through February 28. This bill requires another report each July 31 covering the period March 1 through June 30.

Your Committee finds that two reports are insufficient to account for the activities of lobbyists and their associates in a timely manner. While the March 31 report provides timely information for the first part of a legislative session, information on expenditures during the last two months of session is not available until the beginning of the next year. This bill closes that reporting gap.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 745 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

LCRep. 568 Legislative Management on S.B. No. 820

The purpose of this bill is to specify legislative authority relating to investigating committees and investigations.

Specifically, the bill allows investigating committees to grant their witnesses confidentiality and transactional immunity and to request special prosecutors. Confidentiality could be provided by deleting a witness's name from public documents (as long as the deletion is evident) or closing a hearing, and a special prosecutor, whether the House or Senate Majority Attorney or an attorney on contract, would have full power to act for the investigating committee.

Your Committee finds that this bill will enable legislative investigating bodies to accomplish their tasks more efficiently and effectively.

Your Committee has amended this bill by giving investigating committees the power to grant use immunity and prohibit release of committee documents, or the information contained therein, under any circumstance, including to litigants pursuant to subpoena.

Your Committee has also made several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 820, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 569 (Joint) Legislative Management and Ways and Means on S.B. No. 1641

The purpose of this bill is to amend laws relating to the State Capitol.

Your Committees have amended this short form bill by deleting its contents and inserting substantive provisions setting aside the basement through fourth floors of the State Capitol Building for the exclusive use of the Legislature. The Department of Budget and Finance will be allowed to use part of the fourth floor if the space is not required for legislative purposes, and the Governor and Lieutenant Governor will have exclusive use of the fifth floor.

The entire building will be operated and maintained by the Department of Accounting and General Services.

Specific use of the State Capitol Building is not currently provided by law. Since the building is vacant due to asbestos mitigation, apportionment of its limited space will forestall confusion or misunderstandings upon subsequent reoccupation. This bill substantially reflects the building's occupancy, operation, and maintenance prior to temporary evacuation.

Your Committees on Legislative Management and Ways and Means are in accord with the intent and purpose of S.B. No. 1641, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1641, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator McCartney.

SCRep. 570 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1160

The purpose of this bill is to encourage the use of Polynesian-introduced plants in public landscaping projects.

Testimony in support of the bill was received from the University of Hawaii's Environmental Center and a private architectural firm.

Your Committee finds that including Polynesian-introduced plants into the existing law which promotes the use of indigenous plants in public landscaping would foster increased awareness of cultural heritage and significance.

Your Committee has amended the bill by replacing the term "Polynesian-introduced species" with a more specific reference to the plants introduced by the Polynesians prior to European contact, and by making technical, nonsubstantive amendments.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1160, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 571 Science, Technology and Economic Development on S.B. No. 687

The purpose of this bill, as received, is to reinstate contested case hearing procedures for the permitting of proposed geothermal development.

Your Committee finds that Act 378, Session Laws of Hawaii 1987, replaced contested case hearing procedures regarding the designation of geothermal subzones with a mediation process. Your Committee further finds that the legislature recognized that contested case hearings presented an unwieldy and costly court process and that mediation provided a streamlined process which retained public input.

Your Committee, however, is also aware that problems persist in adequately addressing the impact on the public of geothermal development. Various testimony submitted by individuals residing in close proximity to geothermal developments recounted the difficulties they have encountered in resolving their concerns regarding the impact of geothermal activity on their health and safety and that of their families and community.

Your Committee has carefully considered whether contested case procedures will ensure that the public's health and safety concerns are adequately addressed in a timely manner and has determined that reinstating contested case hearings will not serve this purpose and that mediation, with certain added authority, will better serve the public interest. Thus, your Committee has amended this bill by deleting all references to contested case hearings and inserted new provisions which:

- (1) Extend the mediation period from 30 to 60 days;
- (2) Allow the mediator to subpoena witnesses, as directed by the appropriate state or county authority, and enforce such subpoena through contempt proceedings;
- (3) Allow the mediator to administer oaths to compel witness testimony, and enforce such oath under punishment for perjury; and
- (4) Require, upon request of any party, that records be kept of any mediation proceeding.

Your Committee on Science, Technology, and Economic Development is in accord with the intent and purpose of S.B. No. 687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 687, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 572 Science, Technology and Economic Development on S.B. No. 704

The purpose of this bill is to authorize the Public Utilities Commission to suspend or modify any contract or agreement of a regulated telecommunications provider in a state of emergency or for humanitarian relief in the event of a disaster.

Your Committee finds that the recent devastation brought by Hurricane Iniki illustrates the need for government intervention in emergency situations to establish communication links for the purposes of humanitarian relief. Your Committee further finds that the Public Utilities Commission is the appropriate authority to work with the Governor and the Department of Defense in the event such an intervention is necessary.

Your Committee has amended this bill by making technical changes to conform with proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 704, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 573 Science, Technology and Economic Development on S.B. No. 923

The purpose of this bill is to allow the capital costs and associated operating expenses of a statewide expanded 911 (E-911) system to be recovered initially through a telephone line surcharge and thereafter through rate making.

Your Committee finds that the E-911 service allows for identification of the telephone number and address of a caller through a computer-display to the operator, which is critical to providing emergency assistance in the event that the caller cannot identify their location. Your Committee further finds that E-911 service is presently available only on Oahu and the County of Hawaii, which means that emergency response services are not available on an equal basis for Kauai and Maui, which has only the basic 911 system.

Testimony regarding this measure was presented by the Public Utilities Commission, the Consumer Advocate, GTE Hawaiian Tel, the Hawaii Association of Counties, the Kauai County Council and the Maui County Chief of Police. The testimony supported implementing E-911 on a statewide basis, but proposed various methods for recovering costs.

Your Committee considered the various issues related to paying for the statewide implementation of E-911 and has amended this bill by:

- (1) Providing that capital costs and associated operating expenses for the first three years may be recovered through a telephone line surcharge, or the next rate case, whichever occurs first;
- (2) Requiring that any public utility imposing a surcharge reflect such as a separate line item on all customer billing statements; and
- (3) Making technical non-substantive amendments for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 923 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 923, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 574 (Majority) Science, Technology and Economic Development on S.B. No. 1192

The purpose of this bill is to provide authority to the Department of Transportation, with the assistance of the Department of Business, Economic Development, and Tourism and the Department of Land and Natural Resources, to designate energy transmission corridors.

Your Committee finds that support for the development of new energy generation projects is critical to ensuring that our residents have sufficient supplies of electricity. The designation of energy corridors to connect the energy sources to the electricity suppliers must be addressed concurrently with such development projects as geothermal exploration and testing. Your Committee further finds that while the Department of Transportation presently has authority to establish, maintain, and operate energy corridors, "energy corridors" must be defined to include geothermal energy which is not referenced elsewhere in the chapter.

Testimony regarding this measure was submitted by the Department of Business, Economic Development, and Tourism, Hawaii Island Chamber of Commerce, Hawaii Island Economic Development Board, and geothermal energy companies. After consideration of the testimony, your Committee has amended this bill by:

- (1) Deleting the words "adopted" and "establishment" from the definition of "energy corridor" to more accurately reflect the activity being defined;
- (2) Requiring the Department of Transportation to consult with any affected public utility company prior to the designation of proposed energy corridors; and
- (3) Making technical changes for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1192, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Senators Iwase, Kanno and Levin did not concur.

SCRep. 575 Science, Technology and Economic Development on S.B. No. 1285

The purpose of this bill is to extend to 1994 the authority for a public utility to exceed rates approved by the public utilities commission in order to use non-fossil fuels when supplies of heavy fuel oil are not available.

Your Committee finds that Act 130, Session Laws of Hawaii 1992, provided a temporary rate mechanism for public utilities which were forced to find alternative energy sources due to the unavailability of heavy fuel oil. Your Committee further finds that this one-year extension of the temporary mechanism is being provided with the understanding that a permanent solution to the problem will be found.

Testimony regarding this measure was submitted by the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, Hawaiian Electric Company, and C. Brewer and Company.

Your Committee has amended this bill by retaining the language in SECTION 5 regarding the time periods in which applications seeking relief can be approved.

Your Committee on Science, Technology, and Economic Development is in accord with the intent and purpose of S.B. No. 1285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1285, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 576 Science, Technology and Economic Development on S.B. No. 1474

The purpose of this bill is to allow the set-aside of up to ten percent of aviation gasoline to alleviate hardship in the event of a declared shortage of petroleum products.

Your Committee finds that the present law governing the emergency fuel set-aside program specifically excludes aviation fuels, and therefore State declarations cannot assure the provision of vital emergency and essential intrastate air transport services. Your Committee further finds that because of our State's unique geographic composition, lack of emergency and essential intrastate air transport could adversely affect efforts to provide humanitarian assistance in the event of a natural disaster or other state of emergency.

Your Committee has amended this bill by making editorial changes for the purposes of clarity and proper drafting style.

Your Committee on Science, Technology, and Economic Development is in accord with the intent and purpose of S.B. No. 1474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1474, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 577 Science, Technology and Economic Development on S.B. No. 1524

The purpose of this bill is to repeal Chapter 208, Hawaii Revised Statutes, which establishes economic redevelopment programs for depressed areas.

Your Committee finds that Chapter 208 was adopted in 1961 in response to a federal relief program to assist "depressed areas" designated by the State. Your Committee further finds that the federal program has been discontinued and other existing state programs are available to meet the needs of economically distressed areas.

Your Committee on Science, Technology, and Economic Development is in accord with the intent and purpose of S.B. No. 1524 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 578 Science, Technology and Economic Development on S.B. No. 1580

The purpose of this bill in its original form was to modify the current geothermal resource subzone designation process to require that such designations shall be void if the Board of Land and Natural Resources failed to revise within five years its assessment of geothermal resource subzones.

Your Committee finds that the designation and development of geothermal resource subzones has undergone considerable discussion through public hearings and examination by the Legislature. Your Committee further finds that current law provides a mechanism to modify or withdraw existing subzones upon a finding by the Board of Land and Natural Resources that such area is no longer suited for designation.

Testimony on this measure was submitted by both proponents and opponents of geothermal development. After consideration of the concerns expressed and in the spirit of compromise, your Committee has amended the original form of this bill by:

(1) Deleting the provision which would automatically void geothermal resource subzone designations if the Board does not revise its assessment; and

(2) Inserting a provision allowing any property owner or person with an interest in real property within any geothermal resource subzone to bring an action in the circuit court to compel the Board to complete a revision of its assessment, and permitting the court to award reasonable attorney's fees and costs to the plaintiff.

Your Committee on Science, Technology, and Economic Development is in accord with the intent and purpose of S.B. No. 1580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1580, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 579 Science, Technology and Economic Development on S.B. No. 1619

The purpose of this bill is to compel the Public Utilities Commission to open a docket to review telecommunications infrastructure and tariffs.

Your Committee finds that the continuation by the Public Utilities Commission of more traditional regulatory reviews may be inhibiting the expansion of the industry and development of a competitive business environment. Your Committee further finds that the telecommunications industry is a dynamic technology-driven industry, and that reviews of infrastructure and tariffs need to be undertaken expeditiously to keep pace with consumer demand for services and developments within the industry.

Testimony in support of this measure was submitted by the Consumer Advocate and a telecommunications program manager.

Your Committee has amended this bill by:

- (1) Clarifying that the docket should review telecommunications infrastructure and tariffs;
- (2) Adding education needs and economic development activities to be included in the review; and
- (3) Adding integrated services digital network (ISDN) and 64 kbps services to the list of dockets to be acted upon by the public utilities commission.

Your Committee on Science, Technology, and Economic Development is in accord with the intent and purpose of S.B. No. 1619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1619, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 580 Science, Technology and Economic Development on S.B. No. 1659

The purpose of this bill is to add a definition of "townhouse" to Chapter 169 so that townhouse owners would not be prevented from installing or using residential solar energy devices.

Your Committee finds that any rule prohibiting the installation of residential solar energy devices is at odds with State policy which encourages the development and installation of energy conservation devices. Your Committee further finds that other residential dwellings are accorded exclusion from such prohibitions and townhouse owners should also be encouraged to install and use solar energy devices.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1659 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 581 Judiciary on S.B. No. 1316

The purpose of the bill is to classify theft of agricultural items from fenced or enclosed premises as theft in the second degree.

Your Committee received testimony relative to the bill from the Honolulu Police Department, the Public Defender, the United Cane Planter Cooperative and the Hawaii Macadamia Nut Association.

Your Committee finds a need to better deter theft of agricultural products. Many agricultural enterprises are isolated and vulnerable to theft.

Your Committee has amended the bill by limiting the application of the increased penalty provisions to agriculture products, and has declined to make the penalty provisions mandatory.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1316 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1316 S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 582 Judiciary on S.B. No. 1442

The purpose of the bill is to include the drug "Carisoprodol" in the definition of "depressants" as a controlled substance.

Your Committee received testimony in support of the bill from the Hawaii Pharmaceutical Association.

Your Committee finds that tighter controls on dispensing and record keeping relative to carisoprodol is needed because of its effect on the central nervous system and potential abuse.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1442 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 583 Judiciary on S.B. No. 1443

The purpose of the bill is to include "Aminorex" and "Methcathinone" in the definition of "stimulants" as controlled substances.

Your Committee finds a need to classify Aminorex and Methcathinone as stimulants because of their effect on the central nervous system.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1443 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 584 Judiciary on S.B. No. 1533

The purpose of the bill is to allow the court to excuse a party from mediation in a divorce proceeding.

Your Committee received testimony from the Judiciary, the Commission on the Status of Women, and the Department of Health.

Your Committee finds that the element of good faith necessary for the mediation program may not exist in cases involving spouse abuse.

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 S.B. No. 1533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1533, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 585 Judiciary on S.B. No. 1625

The purpose of the bill is to permit evidence of prior similar acts committed by the same person against the same victim to assist the trier of fact to determine whether a defendant acted in character when committing an alleged offense or by showing the alleged victim was the first aggressor and the defendant acted in self defense.

Your Committee heard testimony relative to the bill from the Attorney General, the Public Defender, the Prosecuting Attorneys of Honolulu and Hawaii Counties, the University of Hawaii, State Commission on the Status of Women, State Commission on Family Violence, Sex Abuse Treatment Center, Child and Family Service and the Hawaii Academy of Plaintiffs Attorneys.

Your Committee finds that an exception to the rule against the admission of evidence of specific acts is justified when such evidence is offered for the purpose of proving propensity to commit the alleged crime for which the defendant is being tried.

Your Committee has amended the bill to remove uncertainty in reference to the identity of "actor", "victim" and "alleged victim" and to clarify whose prior acts were being proved. The amendments separate subparts of subsection (c) into new subsections (c) and (d) to eliminate uncertainty.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1625 S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 586 Agriculture on S.B. No. 226

The purpose of this bill is to make illegal the selling of the endemic fresh water mollusk, hihiwai.

Testimony in support of the bill was presented by the Department of Land and Natural Resources and a number of concerned citizens.

Your Committee finds that the growing consumption and unrestricted harvesting of hihiwai has diminished the population and availability of this endemic fresh water mollusk to the point at which it can only be found in remote and isolated streams of the State.

Your Committee has amended the bill by adding to the prohibition, the sale of the snail, hapawai, and the shrimp, opae kalaole.

Your Committee believes that the provisions of the bill will ensure the availability of these resources for future generations through appropriate conservation practices.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 226, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 587 Agriculture on S.B. No. 993

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

Your Committee held a public hearing on a proposed draft of the bill that would clarify that fish and seafood products can be sold by private auction and not subject to the auction prohibitions of Chapter 445, Hawaii Revised Statutes.

Your Committee received testimony in support of the bill from the Department of Land and Natural Resources.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 993, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 588 Agriculture on S.B. No. 1467

The purpose of this bill is to delete the requirement for a certificate of sanitation for animal food manufacturers.

Testimony in support of the bill was received from the Department of Agriculture.

Your Committee finds that:

- (1) Currently, no animals are being slaughtered for the manufacturing of animal food;
- (2) The Federal Meat Inspection Act does not provide for the inspection of animal food manufacture; and
- (3) If necessary, the Department of Health will provide inspection under Chapter 328, HRS.

Your Committee believes that deleting the inspection and certification requirement for animal food manufacturers would remove unnecessary provisions from the Hawaii Revised Statutes.

Your Committee has amended the bill by correcting a spelling error and making technical, nonsubstantive amendments for the purpose of clarity.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1467, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 589 Agriculture on S.B. No. 1469

The purpose of this bill is to abolish the Advisory Committee on Flowers and Foliage.

Testimony in support of the bill was received from the Department of Agriculture.

Your Committee finds that the provisions and requirements of Chapter 91, Hawaii Revised Statutes, provides adequate opportunity for the public to voice its opinions regarding the exportation of flowers and foliage, hence rendering the existence of the advisory committee unnecessary.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1469 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 590 (Majority) Agriculture on S.B. No. 1471

The purpose of this bill is to repeal the law requiring the Department of Agriculture (DOA) to label commodities produced in foreign countries that do not meet United States' standards for pesticide residue levels.

Testimony in support of the bill was received from the DOA.

Your Committee finds that the State law requiring the DOA to label commodities produced in foreign countries with lower standards of pesticide residue level regulation than the United States is unenforceable. The DOA has never had the capability to ascertain the pesticide residue standards of foreign countries nor does the existing law provide the DOA with the authority to adopt rules or impose penalties to enforce this law.

Your Committee also finds that repealing the law would not place the consumer in jeopardy due to the protection already provided by the United States Environmental Protection Agency's standards for allowable pesticide residue levels contained in imported commodities.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1471 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 591 Agriculture on S.B. No. 1472

The purpose of this bill is to require the Department of Agriculture (DOA) to use certified rather than registered mail when notifying a person of the DOA's intent to enter the person's property for the purposes of pest control or eradication.

Testimony in support of the bill was received from the DOA.

Your Committee finds that postal authorities have recommended that certified mail be utilized instead of registered mail due not only to the cost savings of approximately \$3.40 per notice mailed, but because registered mail is usually utilized for mailing items which have an obvious cash value.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1472 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 592 Agriculture on S.B. No. 1473

The purpose of this bill is to clarify the authority of the Department of Agriculture (DOA) to plan, develop, and manage agricultural lands on additional classes of lands other than public lands set aside by the Governor for use as agricultural parks.

Currently, the DOA is technically limited to developing agricultural parks on public lands that have been set aside by the Governor for that specific use. This bill expands the authority of the DOA to also develop agricultural parks on other lands in partnership with a federal agency, a county, or a private party. This bill clarifies this authority in section 166-3, governing the authority of the DOA, to make it consistent with other provisions in the chapter which do grant such authority. The DOA is also given authority to do this on lands acquired by way of foreclosure or voluntary surrender.

This bill also grants the authority to the DOA to dispose of any lands under its jurisdiction other than agricultural park lands, without going through chapter 171.

Testimony in support of the bill was received from the DOA.

Your Committee has amended the bill by adding language to page 5, line 16, to further clarify the DOA's authority to issue easements, permits, and rights of entry on these lands and by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1473, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 593 (Joint) Agriculture and Science, Technology and Economic Development on S.B. No. 1158

The purpose of this bill is to clearly emphasize and strengthen the State's commitment to agriculture.

Testimony in support of the bill was received from the Department of Agriculture, the County Council of Hawaii, the University of Hawaii's College of Tropical Agriculture and Human Resources, and the Hawaii Farm Bureau.

Your Committees find that the rapidly changing international agriculture market, particularly the decline of the sugar industry, requires the State to focus its attention on making Hawaii's agricultural producers as competitive as possible.

Your Committees have amended the bill by correcting a drafting error and making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Agriculture and Science, Technology and Economic Development are in accord with the intent and purpose of S.B. No. 1158, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1158, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 594 Health on S.B. No. 1250

The purpose of this bill is to make several amendments to Chapter 323D, Hawaii revised Statutes, relating to health planning and resources development and health care cost control.

Specifically, the bill:

- (1) Adds a definition of "consumer," exempts private practitioners' offices from the definition of "organized ambulatory health care facility," and clarifies the definition of "state health services and facilities plan;"
- (2) Clarifies the responsibility of the State Agency in preparing and revising the Plan;
- (3) Places responsibility for adopting the Plan with the Statewide Health Coordinating Council;
- (4) Clarifies provisions relating to conditional Certificates of Need (CON);
- (5) Clarifies that individual decision-makers are prohibited from being party to ex parte contracts;
- (6) Provides and clarifies procedures relating to the CON reconsideration process;
- (7) Exempts private practitioners from the CON requirement except for purchases that exceed the expenditure threshold; and
- (8) Allows health care providers to chair the Statewide Council, Subarea Councils, and Review Panels.

Your Committee finds that considerable revision is needed if Chapter 323D is to be an effective means of controlling health care costs in Hawaii. This bill is a continuation of your Committee's efforts in that regard.

Your Committee has amended this bill as follows:

- (1) Removed the blanket exemption of private offices from the definition of "organized ambulatory health care facility" in favor of deleting specific kinds of facilities;
- (2) Provided that acquisition by a health care facility or service of additional units or systems of equipment costing more than \$250,000 constitutes substantial modification;
- (3) Clarified the obligation of health care facilities and services and health insurance providers to furnish reports and information as requested by the State Agency;
- (4) Further clarified functions relating to the CON process;
- (5) Provided that only consumers may be chairpersons of the Statewide Council, Subarea Councils, and Review Panels; and
- (6) Made several nonsubstantive technical changes for the purposes of style and further clarification.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1250, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 595 Health on S.B. No. 1538

The purpose of this bill is to establish a procedure for awarding ambulance service contracts to private companies.

Under current law, the Department of Health establishes standards for ambulance service in each county and contracts with the county itself or a private company to provide the services in the county. The Department may also operate the emergency medical services component of a county but does not currently do so.

This bill provides a method of determining the successful bidder among companies seeking an ambulance contract with a county. The Department, with help from the State Emergency Medical Services Advisory Committee, will determine qualifications of a prospective contractor on the basis of personnel employed by the company and the company's track record in providing quality emergency medical ambulance services, as reported to the Department in the company's response to a Department Request for Proposals. The Department will then select the lowest responsible bid submitted by a qualifier and award a contract.

The Department, however, must negotiate an extension of a current contract if it finds that the company is doing an acceptable job.

These provisions would be exceptions to conventional bidding and contracting requirements.

Your Committee has amended this bill on the finding that the Department needs flexibility to ensure continued emergency medical services for Kauai and Maui Counties, both of which rely on private companies. However, mindful of

impending changes in the State's procurement and contracting laws, your Committee has provided for the substantive provisions to be repealed on June 30, 1994.

The Department of Health testified that a comprehensive Procurement Code, if enacted, would probably require adoption of rules which could include provisions addressing emergency medical services. Your Committee finds that an interim process, as set out in this bill, is necessary because the last regular ambulance contract for Kauai and Maui Counties expired on June 30, 1991, and the present workforce has been living from extension to extension for almost two years.

Your Committee has also deleted the requirement to renegotiate with existing companies and instead given the Department flexibility to negotiate if only one company meets the contracting requirements.

Your Committee has also made several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1538, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 596 (Joint/Majority) Health and Ways and Means on S.B. No. 1697

The purpose of this bill is to reconstitute the State Health Planning and Development Agency (SHPDA) as the Hawaii Health Commission to monitor health care access, quality, and costs and report ongoing findings to the public and private sectors.

The Commission would gather and disseminate information useful to purchasers of health care, analyze and promote a standard benefits package through a single ongoing review process, develop and implement a standardized claim form, and focus attention to cost control efforts.

The Commission is premised on the finding of the Governor's Blue Ribbon Panel that a joint public/private effort is necessary to confront and resolve issues surrounding increases in health care costs. The Certificate of Need Process would be retained and vested with the Commission.

Your Committees find a compelling need to control health care costs and believe that a Hawaii Health Commission will help achieve this objective. However, your Committees also find that SHPDA serves important regulatory functions that contribute to the purpose of this bill, and should be retained. Therefore, your Committees have amended this bill by deleting its contents and inserting substantive provisions establishing the Hawaii Health Commission as a separate body attached to the Department of Health.

As amended, the Hawaii Health Commission will be represented by organized labor, large and small business, medical practitioners, health insurance, and the general public as well as the Director of Health and the SHPDA Administrator. It will have appropriate funding in fiscal year 1993-1994 to employ an exempt executive director and other staff and establish a work plan for the aggregation and dissemination of data and information to purchasers of health care on access, cost, and quality. The plan will include an outline on how to achieve implementation of a computerized data collection system for health care information, a schedule for reporting to the general public, safeguards for patient confidentiality, and a schedule and format for reports to the Legislature.

In addition, the amended bill authorizes the Commission to establish a health care benefits review process, develop a process to educate and assist consumers and purchasers, support development of a Hawaii Uniform Claims and Billing Form, and utilize private funds.

The Commission will submit a report and work plan to the 1994 Regular Session.

Your Committees on Health and Ways and Means are in accord with the intent and purpose of S.B. No. 1697, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1697, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.
Senator George did not concur.

SCRep. 597 Ways and Means on S.B. No. 233

The purpose of this bill is to establish a statewide resources team with a permanent full-time director within the department of health, and to authorize the director to develop a comprehensive mental health system of care and treatment for persons who are deaf, hard-of-hearing, and deaf-blind.

Your Committee finds that there is a need to establish a comprehensive statewide mental health program for deaf and hard-of-hearing persons. A 1990 report submitted to the department of health by the Hawaii state coordinating council on deafness cites a severe lack of appropriate services for this population such as a lack of staff in private and public agencies servicing substance abusers with knowledge of sign language, and recommends the establishment of a statewide mental health program for the hearing impaired.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 233, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 598 Ways and Means on S.B. No. 503

The purpose of this bill is to appropriate an unspecified sum for the continued development and implementation of a community-based mental health system in Hawaii.

Your Committee finds that recent legislation enacted by the United States Congress requires all states to plan and develop a community-based mental health care system that utilizes case management strategies and reduces reliance on in-patient services. In response to that mandate, Hawaii became one of the first states to formulate a mental health community-based system and to receive federal block grant funds for the development of community-based mental health centers. Despite this progress, there is still much to be done to develop Hawaii's community-based system. This bill will ensure the continued development toward that end.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 503 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 599 Ways and Means on S.B. No. 1693

The purpose of this bill is to authorize the department of health to:

- (1) Establish one or more public health facilities as a system of public health facilities for the purpose of issuing revenue bonds; and
- (2) Issue revenue bonds.

Specifically, this bill:

- (1) Provides that the rates, rents, fees, and charges imposed at public health facilities that are part of a system of public health facilities for which revenue bonds have been issued are not to be less than the rates, rents, fees, and charges required to enable the department of health to comply with section 39-61, Hawaii Revised Statutes (rates, rental, fees, and charges; undertakings and loan programs to be self-sustaining), and any resolution or certificate authorizing and securing the revenue bonds; and
- (2) Requires a separate special fund to be established for each system of public health facilities that is a component of a system of public health facilities for which revenue bonds have been issued. All income, revenues, and receipts derived from the ownership or operation of the particular system are to be deposited in the special fund and applied as required by section 39-62, Hawaii Revised Statutes (use of revenue and user taxes of undertaking or loan program), and the resolution or certificate authorizing and securing the revenue bonds. For the purposes of determining the amount to be assessed against a special fund, the director may separately allocate a portion of the special fund to each separate public health facility that constitutes a component of the system, or assess the amount from the special fund as a whole.

Your Committee finds that this bill could provide the State's public health facilities with an effective and efficient means of obtaining needed funding without having to place additional demands on the state treasury.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1693, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1693, S.D. 2.

Signed by all members of the Committee.

SCRep. 600 Ways and Means on S.B. No. 1695

The purpose of this bill is to provide statutory authority and exemptions need to facilitate autonomy of Hawaii's public health facilities.

The bill allows the transfer of special funds between hospitals to accommodate circumstances such as the increased clientele experienced by Samuel Mahelona Memorial Hospital on Kauai following Hurricane Iniki. Transfers that would create or expand programs would first require legislative approval.

The bill also allows community hospitals to form or join purchasing cooperatives with private hospitals to take advantage of special state price lists, and provides for streamlined refunding of patient credit balances. In addition, the bill allows Maui Memorial, Hilo, and Kona hospitals to retain their own counsel, and authorizes the director of health to purchase up to \$50,000 worth of computers and telecommunications equipment for them without prior approval. Finally, the bill also authorizes, for two years, the director to establish and set compensation for up to fifty civil service positions for Maui Memorial, Hilo, and Kona hospitals in up to twelve classes representing specialties for which there is no current provision.

Your Committee finds that this bill will facilitate each hospital's autonomy by improving administrative efficiency, reducing unnecessary red tape, and reducing hospital costs.

Your Committee has amended this bill by deleting the authority to hire counsel. Your Committee has also 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 S.B. No. 1695, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1695, S.D. 2.

Signed by all members of the Committee.

SCRep. 601 Ways and Means on S.B. No. 1905

The purpose of this bill is to require the department of health to immunize and vaccinate uninsured and underinsured children and expand the scope of its immunization and vaccination program. The bill specifically adds vaccinations for measles, mumps, rubella, haemophilus influenza (systemic), and pneumococcal disease. Unspecified amounts are appropriated for fiscal years 1993-1994 and 1994-1995.

Your Committee finds that childhood vaccinations are very effective in saving lives and preventing debilitating diseases and are a sound investment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1905, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 602 Ways and Means on S.B. No. 1679

The purpose of this bill is to allow an appointee of the director of finance, rather than the comptroller, to countersign state treasury checks along with the director of finance.

Your Committee finds that this bill will expedite the issuance of checks by the department of budget and finance.

While it concurs with the intent of this bill to expedite the check signing process, your Committee feels that the process, as proposed, currently lacks the necessary safeguards to guarantee the safety of treasury funds. Accordingly, your Committee has amended this bill by requiring that the appointee of the director be an individual of the department who is bonded in accordance with the provisions established in the new subsection.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1679, 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. 1679, S.D. 1.

Signed by all members of the Committee.

SCRep. 603 Ways and Means on S.B. No. 305

The purpose of this bill is to establish a sustainable agriculture program within the department of agriculture for a minimum of five years to be administered by a sustainable agriculture program committee.

Your Committee finds that production agriculture in Hawaii faces rapidly growing competition from international markets whose basis of competition is their low cost of production. In order to compete, agricultural producers in the State must be the most effective they can be in adapting to productivity enhancing, cost-cutting, and quality-improving technologies. Your Committee finds that the sustainable agriculture program will spearhead the State's sustainable agriculture effort.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 305 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 604 Ways and Means on S.B. No. 643

The purpose of this bill is to appropriate \$400,160 to the governor's agriculture coordinating committee to conduct research on fruit fly control and eradication.

Your Committee finds that fruit fly eradication research is crucial to the continued success of Hawaii's agricultural industry and should be carried out on a continuous basis.

To facilitate further discussion on this measure, your Committee has replaced the proposed appropriation with an unspecified amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 643, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 643, S.D. 1.

Signed by all members of the Committee.

SCRep. 605 Ways and Means on S.B. No. 644

The purpose of this bill is to appropriate \$90,000 to the governor's agriculture coordinating committee to support the state farm fair and pesticide program of the Hawaii Farm Bureau Federation.

Your Committee finds that the programs funded in this bill provide vital benefits to Hawaii's agricultural industry.

To facilitate further discussion on this measure, your Committee has replaced the proposed appropriation with an unspecified sum. Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 644, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 644, S.D. 1.

Signed by all members of the Committee.

SCRep. 606 Ways and Means on S.B. No. 647

The purpose of this bill is to appropriate \$300,000 in a continuing effort to promote pineapple in the United States and Canada, provided such appropriations are matched by private contributions.

Your Committee finds that the pineapple industry still requires assistance in overcoming its persistent difficulties.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to promote further discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 647, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 647, S.D. 1.

Signed by all members of the Committee.

SCRep. 607 Ways and Means on S.B. No. 266

The purpose of this bill is to make an appropriation for the establishment of a center for disability studies at the University of Hawaii.

The establishment of this center would formalize the existing university affiliated programs (UAP) for the developmentally disabled within the university's present academic structure. The UAP is a collaborative effort which involves the University of Hawaii-Manoa, many community colleges, public and private agencies, as well as consumers and their families.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to facilitate future discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 266, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 266, S.D. 1.

Signed by all members of the Committee.

SCRep. 608 Ways and Means on S.B. No. 1626

The purpose of this Act is to establish a Hawaii artifacts registry at the University of Hawaii at Hilo, to collect and record information on artifacts of traditional, historical, or social significance to the people and cultures of Hawaii.

Your Committee finds that this type of registry would be a boon to scholars and historians. The assistance of the office of Hawaiian affairs, the department of land and natural resources, and the Bishop Museum will help assure that scholarly standards are met.

Your Committee has amended the bill by making a technical and nonsubstantive change, by making the appropriation apply to the 1993-1994 fiscal year, and by making the appropriation section effective on July 1, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1626, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1626, S.D. 2.

Signed by all members of the Committee.

SCRep. 609 Ways and Means on S.B. No. 1712

The purpose of this bill is to transfer the responsibility of administering the homeless families assistance law from the department of human services to the Hawaii housing authority.

Your Committee finds that the homeless families assistance program has already been administratively transferred from the department of human services to the Hawaii housing authority. This bill amends the law to reflect the transfer.

Your Committee has amended this bill to correct an error in drafting. The reference to "chapter 42" in section 346-53.5(f), Hawaii Revised Statutes, which appears in section 2 of this bill has been changed to "chapter 42D" to reflect the correct statutory language of the section. Your Committee also made other technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1712, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1712, S.D. 1.

Signed by all members of the Committee.

SCRep. 610 Ways and Means on S.B. No. 1421

The purpose of this bill is to authorize the department of human services to pay for emergency and extraordinary work-related expenses of the job opportunities and basic skills (JOBS) program with an imprest fund. This bill replaces the temporary authority granted to the department by Act 296, Session Laws of Hawaii 1991.

Your Committee finds that the use of the imprest fund to pay for work-related expenses will give the JOBS program flexibility to meet the needs of program participants and their families.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1421 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 611 Ways and Means on S.B. No. 1751

The purpose of this bill is to ensure that funds deducted from inmate wages in venture agreements are returned to the correctional industries revolving fund to reimburse unfunded costs and to increase programs available.

Your Committee finds that supplying meaningful employment and skills to inmates is one of the best means of preparing them to re-enter the community as wage-earning, productive citizens.

Your Committee has amended this bill to correct a number of drafting errors by:

- (1) Changing "inmate" at line 15, page 1, to "inmates" and "pyments" to "payments" at line 13, page 2 and underscoring all of paragraph (5) on page 3 to reflect the correct, existing statutory language;
- (2) Adding standard appropriation language in section 3 concerning the fiscal year in which sums are to be appropriated;
- (3) Adding language to section 5 indicating that section 3 of the bill takes effect July 1, 1993; and
- (4) Making a few technical, nonsubstantive changes for purposes of style and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1751, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1751, S.D. 2.

Signed by all members of the Committee.

SCRep. 612 Ways and Means on S.B. No. 219

The purpose of this bill is to exempt five additional law clerk positions from the civil service law to enable the judiciary to establish such positions.

According to the judiciary, over the last three years, the workloads of the civil and criminal administrative and motion courts have increased substantially. The additional law clerks authorized by this bill will ensure maximum efficiency in performance of fundamental judicial and operational duties by these courts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 219, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 613 Ways and Means on S.B. No. 111

The purpose of this bill is to appropriate \$250,000 for the planning and construction of lights for a playing field at the Kailua Recreation Center.

Your Committee has amended this bill by changing the appropriation to an unspecified amount and by adding the term "Oahu" after "Kailua Recreation Center".

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 111, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 111, S.D. 2.

Signed by all members of the Committee.

SCRep. 614 Ways and Means on S.B. No. 866

The purpose of this bill is to establish a bicycle transportation program and coordinator, an advisory committee, and a bicycle promotion program, placed within the department of transportation.

Your Committee finds that this bill meets federal requirements for states using moneys available under the federal Intermodal Surface Transportation Efficiency Act and sends out a clear message that the State considers bicycles an important mode of transportation that merits specific attention, promotion, and support.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to promote further discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 866, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 866, S.D. 2.

Signed by all members of the Committee.

SCRep. 615 Ways and Means on S.B. No. 1226

The purpose of this bill is to appropriate an unspecified sum to the department of transportation for the installation of traffic lights at the intersection of Maipaloo street and Farrington highway.

To ensure the safety of pedestrian and vehicular traffic at the intersection of Maipaloo street and Farrington highway, your Committee finds that the necessary traffic lights should be installed.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1226 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 616 Ways and Means on S.B. No. 1229

The purpose of this bill is to appropriate funds to install traffic lights at the intersection of Puhano Street and Farrington Highway.

Your Committee agrees with the finding of the Committee on Tourism, Recreation and Transportation that the installation of traffic lights at the Puhano Street and Farrington Highway intersection is necessary to protect the safety and welfare of the residents in the surrounding community.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1229 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 617 Ways and Means on S.B. No. 353

The purpose of this bill is to protect the benefits accrued by any retirant or pensioner prior to July 1, 1995, under Act 339, Session Laws of Hawaii 1990, when that Act is repealed on June 30, 1995.

As it is the intent of the Committee on Education, Labor and Employment to develop a new mechanism to merge the post retirement plan with the pensioners bonus effective July 1, 1995, your Committee agrees that this bill should facilitate such efforts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 353, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 618 Ways and Means on S.B. No. 949

The purpose of this bill is to establish a telecommunications and information technology coordination and policy council within the office of the governor.

The council, as proposed by this bill, would consist of the executive director of HAWAII INC and the chief administrators responsible for telecommunications and information technology of the judiciary, the executive branch, the University of Hawaii, the department of education, the department of commerce and consumer affairs, the Hawaii public broadcasting authority, the high technology development corporation, and the legislature. The council would be responsible for formulating and guiding the implementation of the State's telecommunications and information technology policy. The bill appropriates an unspecified amount for fiscal year 1993-1994 to provide start-up funding for the operation of the council.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 949 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 619 Ways and Means on S.B. No. 1479

The purpose of this bill is to specify the powers of the natural energy laboratory of Hawaii authority (NELHA) to include research, development, and the commercialization of natural energy resources in Hawaii.

The bill further specifies the authority's duties to include the operation and maintenance of physical facilities, provision of support services, and promotion and marketing of the facilities and its resources.

Your Committee finds that the recent merger of the natural energy laboratory of Hawaii and the Hawaii ocean science and technology park requires that the NELHA be given specific authority for the administration of these facilities located at Keahole Point. Your Committee further finds that these proposed changes are necessary to more accurately define the permitted activities of the NELHA.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1479, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 620 Ways and Means on S.B. No. 1570

The purpose of this bill is to expand the exemption from the general excise tax for computer software to other information products developed in the State for export.

Your Committee finds that the tax exemption provided for the production of computer software sold outside the State was an initial step to encourage the development of an information technology industry in Hawaii. Your Committee further finds that expanding the exemption to include other information products would make Hawaii more attractive to multinational companies that wish to develop their information technology business components.

Your Committee has made technical, nonsubstantive amendments to the bill 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. 1570, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1570, S.D. 2.

Signed by all members of the Committee.

SCRep. 621 (Majority) Ways and Means on S.B. No. 1574

The purpose of this bill is to consolidate state telecommunication and information technology programs into a division within the department of accounting and general services (DAGS).

Specifically, this bill transfers to DAGS the information and communications services division of the department of budget and finance, Hawaii INC, and the Hawaii interactive television system.

Your Committee finds that the State's telecommunications programs are fragmented and that this bill is a good first step in consolidating the programs.

Your Committee has amended the bill to clarify that Hawaii INC is transferred to DAGS for administrative purposes only. Your Committee has also made technical, nonsubstantive amendments to the bill 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. 1574, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1574, S.D. 1.

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

SCRep. 622 Ways and Means on S.B. No. 1586

The purpose of this bill is to authorize the issuance of \$50,000,000, in special purpose revenue bonds for the purpose of assisting Wiliki Hawaii Partners Elua, or a partnership in which Wiliki Hawaii Partners Elua is a general partner, for the establishment of a cogeneration facility (for electric energy and thermal fluids) and related water production facilities.

Your Committee finds that Wiliki Hawaii Partners Elua seeks to design, construct, and operate an electric cogeneration facility as part of a forty-acre industrial park situated adjacent to Kawaihae Harbor on the island of Hawaii. Your Committee further finds that this facility will benefit Big Island residents by mitigating the electric energy shortage and supporting native Hawaiian-owned enterprises.

Your Committee has amended this bill by:

- (1) Changing the name of the industrial enterprise being assisted by this bill from "Wiliki Hawaii Partners Elua" to "Hui Enekinia Hawaii"; and
- (2) Making 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. 1586, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1586, S.D. 2.

Signed by all members of the Committee.

SCRep. 623 Ways and Means on S.B. No. 1851

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist C. Brewer and Company, Limited, in the construction of a medium density fiberboard manufacturing plant in the county of Hawaii.

Your Committee finds that the construction of a manufacturing plant to develop medium density fiberboard in the county of Hawaii will not only provide additional jobs for the residents of the county, but it would also establish an industrial enterprise with the potential to benefit the State's economy as a whole.

To facilitate further discussion on the sums necessary to carry out the purposes of this bill, your Committee has deleted the amount of special purpose revenue bond funds authorized for the construction of the fiberboard plant.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1851, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1851, S.D. 1.

Signed by all members of the Committee.

SCRep. 624 Ways and Means on S.B. No. 1623

The purpose of this bill is to impose additional fines in criminal cases and to create a special fund for domestic violence treatment, education, and prevention services.

Your Committee agrees with the finding of the Committee on Judiciary that there is a need to combat domestic violence by all means available as the problem has reached crisis proportions.

Your Committee has amended the bill to delete the designation of a special fund for deposit of the fines and instead requires the fines to be deposited in the general fund and the legislature to appropriate sums from the general fund to supplement funds regularly appropriated for domestic violence treatment, education, and prevention services.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1623, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1623, S.D. 2.

Signed by all members of the Committee.

SCRep. 625 Ways and Means on S.B. No. 1653

The purpose of this bill is to address issues regarding recruitment and placement of precinct officials.

Specifically, the bill helps to achieve this goal by:

- (1) Repealing the requirement that replacement precinct positions be filled by members of the same party;
- (2) Allowing waiver of other requirements when necessary to provide minority language assistance; and
- (3) Providing the pay schedule for election officials by rule rather than statute.

Your Committee finds that the recruitment of election officials has become increasingly difficult and that political parties are not currently providing adequate assistance and personnel.

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. 1653, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1653, S.D. 2.

Signed by all members of the Committee.

SCRep. 626 Ways and Means on S.B. No. 1810

The purpose of this bill is to provide for a monetary assessment as a condition for alternative disposition of drug related offenses for use in drug rehabilitation and prevention programs.

Although your Committee acknowledges that adequate funding for drug rehabilitation and prevention programs is a concern shared by all those involved in the war against drugs, your Committee is reluctant to create a special fund when compliance with section 23-11 of the Hawaii Revised Statutes is questionable.

Accordingly, your Committee has amended the bill to delete the special fund and instead require that assessments be deposited into the general fund. Your Committee has made the following further amendments:

- (1) Added the new section created by the bill to chapter 706 of the Hawaii Revised Statutes instead of chapter 712 as it is a sentencing provision and not an offense;
- (2) Clarified that the assessment authorized under the new section applies to persons either convicted of a drug offense or charged with a drug offense for which the person has been granted a deferred acceptance of guilt (DAG) or deferred acceptance of no contest (DANC) plea and not to persons who have been granted a DAG or DANC plea for any offense; and
- (3) Combined section 4 of the new section with language at line 17 of page 1 to avoid repetition and redundancy.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1810, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1810, S.D. 2.

Signed by all members of the Committee.

SCRep. 627 Ways and Means on S.B. No. 250

The purpose of this bill is to appropriate funds to establish the Pacific mapping center in the college of engineering at the University of Hawaii.

In 1983, President Ronald Reagan proclaimed the establishment of the Exclusive Economic Zone (EEZ) of the United States, extending the nation's sovereign rights over the natural resources of our coastal seas up to 200 nautical miles from shore. Hawaii's EEZ is approximately 697,000 square miles, and less than three per cent of this area has been bathymetrically mapped.

Your Committee finds that mapping of the ocean floor provides useful information and serves the community in many ways. Ocean floor maps are used in marine mining, fisheries research, tsunami research, identification of sites for ocean thermal energy plants, and the laying of undersea cables.

The Pacific mapping program was established as a pilot program in 1990 by the U.S. Geological Survey and the National Oceanic and Atmospheric Administration to collect, analyze, process, and provide ocean mapping data to the public. Within the University of Hawaii, the Pacific mapping program is the result of a collaborative effort between the college of engineering, the school of ocean and earth sciences and technology, the department of geography, and the sea grant college. Your Committee finds that through continued cooperation between the university and the federal government, a significant contribution will be made toward understanding our ocean resources and a valuable service provided to the community.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 250 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 628 Ways and Means on S.B. No. 1218

The purpose of this bill is to authorize the governor to establish additional claims commissions to administer the tax relief for the disaster losses law, chapter 234, Hawaii Revised Statutes, upon a declaration by the governor of a major natural disaster for the State or a portion of the State.

Specifically, this bill:

- (1) Allows the governor to appoint any person to an additional claims commission although the person has an interest in a claim, or is related to any claimant by affinity or consanguinity within the third degree, or is employed by, is an agent of, or is connected in business with any one or more of the claimants, where the governor determines that there is an insufficient number of persons who are willing or able to serve as members of an additional commission with respect to a major natural disaster; and
- (2) Defines the term "major natural disaster" as any natural disaster in which the governor determines that the scope of the natural disaster is such that more than five hundred claims will likely be filed.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1218, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1218, S.D. 2.

Signed by all members of the Committee.

SCRep. 629 Ways and Means on S.B. No. 1440

The purpose of this bill is to give the bureau of conveyances the ability to establish fees for some of its services, the fees for which are currently established by statute.

Your Committee finds that the bureau, which records hundreds of thousands of documents annually, is in the best position to determine what the fees for its services shall be. Your Committee notes that the bill also clarifies that no fees shall be charged for recordation of documents when a governmental entity is the grantee.

Your Committee emphasizes that the bill on which it is passing is S.B. No. 1440, as originally introduced, and not the purported Senate Draft 1. Your Committee finds that Senate Standing Committee Report No. 336 stated that that Committee "is in accord with the intent and purpose of S.B. No. 1440, and recommends that it pass Second Reading" without reference to passing out a S.D. 1. Accordingly, it is your Committee's understanding that S.B. No. 1440 was never actually amended. Your Committee decided not to incorporate the amendment referred to in Senate Standing Committee Report No. 336 because the only change renumbered the new subsection (b) of section 502-25, Hawaii Revised Statutes, as subsection (c). However, this change was in error, as the amendment to section 502-25 removed all of the old subsection (b), so that the new subsection that follows the deletion would indeed be named subsection (b).

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1440 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 630 Ways and Means on S.B. No. 1728

The purpose of this bill is to appropriate \$1,600,000, for fiscal year 1993-1994, for the department of taxation to administer the tax relief provisions of the natural disaster losses law, chapter 234, Hawaii Revised Statutes.

Your Committee finds that Hurricane Iniki has clearly devastated the State. This devastation is most notable on the island of Kauai, where property losses are estimated in the hundreds of millions of dollars. Preliminary figures indicate that about 14,700 homes on the island of Kauai and 500 homes on the island of Oahu were damaged or destroyed, and about 2,500 businesses were damaged statewide. Your Committee also finds that this appropriation will help the department of taxation handle the more than 15,000 claims for tax relief expected to be submitted before March 10, 1993.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1728, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1728, S.D. 1.

Signed by all members of the Committee.

SCRep. 631 Ways and Means on S.B. No. 1347

The purpose of this bill is to establish a family practice residency program in the University of Hawaii school of medicine and establish a two-year demonstration rural health care training project at the "old" Hilo Hospital site.

Your Committee finds that the lack of sufficient medical care providers in the rural areas of the neighbor islands along with the overuse of the emergency department by non-emergency cases necessitates the establishment of creative ways to bring medical care to places like Hilo.

Your Committee has amended this bill by changing the appropriation to a blank amount, and by making technical, nonsubstantive corrections.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1347, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1347, S.D. 2.

Signed by all members of the Committee.

SCRep. 632 Ways and Means on S.B. No. 1672

The purpose of this bill is to align the University of Hawaii's student loan assistance program with the federal Perkins Loan Program, upon which the state program is based. Your Committee finds that making identical the eligibility criteria, lending limits, and repayment provisions of the state program with those of the federal Perkins program is fiscally sound and prudent, and will make borrowing simpler and less confusing for students.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1672 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 633 Ways and Means on S.B. No. 709

The purpose of this bill is to exempt the sale of clean fuels used as fuel for motorized vehicles from the general excise tax.

Your Committee finds that the development and use of alternative fuels can reduce our dependence on traditional sources of energy. Your Committee further finds that the encouragement of widespread use of clean alternative fuels is an environmentally responsible policy.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 709, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 634 Ways and Means on S.B. No. 1568

The purpose of this bill is to appropriate \$4,500,000 for the Sand Island marine education and training center.

The Sand Island marine education and training center which is part of the Honolulu waterfront master plan will provide facilities for marine maintenance technologies. The center will be operated by the Honolulu community college as a training center for the repair and maintenance of marine vessels.

Your Committee has amended this bill by changing the appropriation amount to an unspecified sum.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1568, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1568, S.D. 1.

Signed by all members of the Committee.

SCRep. 635 Ways and Means on S.B. No. 1852

The purpose of this bill is to appropriate the sum of \$200,000, for fiscal year 1993-1994, and the same sum for fiscal year 1994-1995, to the department of land and natural resources, in addition to the department of land and natural resources' budget request of \$300,000, for the implementation of the Main Street program in the county of Kauai, county of Maui, county of Hawaii, and city and county of Honolulu.

Your Committee finds that the Main Street program has proven to be an invaluable tool for preserving Hawaii's historic small towns while simultaneously promoting economic development activities. Your Committee also finds that Main Street programs augment their government funding with private funds and in-kind donations.

Your Committee has amended this bill by:

- (1) Changing the sums appropriated for fiscal years 1993-1994 and 1994-1995 from \$200,000, and \$200,000, respectively, to unspecified amounts; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1852, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1852, S.D. 2.

Signed by all members of the Committee.

SCRep. 636 Ways and Means on S.B. No. 448

The purpose of this bill is to appropriate \$195,000 to the department of public safety for the "No Hope in Dope" program.

Your Committee finds that this program is valuable in helping to educate our youth about the dangers of drug and other abuse, and is a crime prevention program of real value. Your Committee has amended this bill by leaving the amount of the appropriation blank, and by making technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 448, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 448, S.D. 1.

Signed by all members of the Committee.

SCRep. 637 Higher Education, Culture, Arts and Historic Preservation on S.B. No. 1839

The purpose of this bill is to establish September 2 as "Queen Lili'uokalani Day".

Your Committee notes that this bill does not create a new state holiday and, therefore, will not place any economic burden on the State.

This bill establishes a holiday to commemorate the birth of Queen Lili'uokalani on September 2, 1838. Your Committee believes that a day to honor and celebrate Queen Lili'uokalani is a fitting and rightful tribute to Hawaii's last monarch and only reigning queen.

Ka Lahui Hawai'i supported the bill.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1839 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 638 (Joint) Public Safety and Corrections and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 300

The purpose of this bill is to allow special license plates to be issued to residents of the island who are Pearl Harbor survivors.

Your Committees heard moving testimony in support of this bill. Pearl Harbor survivors, veterans' groups, State department of defense, and private citizens all urged the passage of this bill relating to motor vehicles.

At present, 44 states recognize Pearl Harbor survivors with special plates. As the state where the invasion occurred, we especially owe these survivors our respect and gratitude. Today the average Pearl Harbor Survivor is in his or her 70's. Therefore, your Committees would urge no further delay in the passage of this bill.

Your Committees have amended the bill to clarify that upon transfer of the vehicle, the survivor of the qualified veteran may keep the front plate as a memorial. Additionally, the appropriation has been deleted.

Your Committees on Public Safety and Corrections and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 300, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 300, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 639 (Joint) Public Safety and Corrections and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 438

The purpose of this bill is to allow special license plates to be issued to residents of the island who are former prisoners-of-war.

Your Committees heard moving testimony in support of this bill. Former prisoners-of-war, veterans' groups, State department of defense, and concerned private citizens gave strong testimony in support of this measure.

Your Committees believe Hawaii must join the 49 other states who honor their prisoners-of-war with a special license plate.

Your Committees have amended this bill to provide that the survivor of a qualifying person may keep the front plate as a memorial. Your Committees have further amended this bill to delete the appropriation.

Your Committees on Public Safety and Corrections and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 438, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 438, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 640 Public Safety and Corrections on S.B. No. 1445

The purpose of this bill is to give the director of the department of public safety specific statutory authority to appoint civil deputy process servers.

The director of the department of public safety gave testimony in favor of this bill, stating it will codify present practice established with the transfer of sheriff's personnel to the department of public safety.

Your Committee has amended the bill to clarify that civil deputy process servers are not considered employees of the State and are appointed for the sole purpose of serving process.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1445, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 641 Public Safety and Corrections on S.B. No. 1451

The purpose of this bill is to waive the 30-day notification requirement to prosecutors and police of placement of a parole violator directly into a work furlough program upon revoking parole.

Your Committee heard testimony in support of this bill from the office of the public defender, the department of the prosecuting attorney, the director of the department of public safety and the Hawaii paroling authority.

Your Committee has amended the bill to provide that for parole violators who are recommitted to prison for less than 30 days or who are placed on a work furlough, conditional release, or similar program, notification shall be transmitted in writing on the next working day after recommitment or placement in a program.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of S.B. No. 1451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1451, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 642 (Joint) Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3

The purpose of this bill is to require the Office of State Planning to develop a strategic plan to diversify industrial development and population growth in the State.

Your Committees believe it is the responsibility of the State to provide direction for the prudent use of Hawaii's limited land base and to guide development priorities that will best serve the present and future needs of Hawaii's people. Careful land use planning that includes the diversification of industrial development and balanced population growth throughout the State will help promote quality growth, ensure the protection of the physical environment, increase business development and employment opportunities in nonurban areas, and mitigate traffic congestion.

Technical, nonsubstantive amendments were made for purposes of style and clarity and to correct drafting errors.

Your Committees on Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 643 (Joint) Planning, Land and Water Use Management and Tourism, Recreation and Transportation on S.B. No. 5

The purpose of this bill is to amend the Hawaii State Planning Act in connection with the coordination of land use and development activities with transportation system development.

Specifically, this bill:

- (1) Requires that planning efforts for a statewide transportation system be directed toward the development of a system that will accommodate, in addition to just being consistent with, planned growth objectives throughout the State; and
- (2) Includes as an additional policy of the State the coordination of land use and development activities with existing and potential transportation systems so that traffic impacts from these activities will be fully and adequately mitigated.

Your Committees find that traffic congestion on all islands has increased significantly over the past several years due to expanded development and a growing population base. Your Committees believe this bill will provide for improved coordination between the various levels of government involved in land use decisions, development activities, and transportation planning to the betterment of the physical, economic, social, and environmental well being of the State and the quality of life of its people.

Your Committees have amended this bill by removing a pair of misplaced quotation marks at page 1, line 12.

Your Committees on Planning, Land and Water Use Management and Tourism, Recreation and Transportation are in accord with the intent and purpose of S.B. No. 5, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 5, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 644 Planning, Land and Water Use Management on S.B. No. 301

The purpose of this bill is to transfer ownership of ten parcels of land in Waiahole-Waikane Valley from the Department of Land and Natural Resources to the Housing Finance and Development Corporation (HFDC).

If transferred, the parcels would become part of the adjacent 600 acre Waiahole Valley Agricultural Park and Residential Lots Subdivision being developed by the HFDC.

Your Committee finds that consolidation of the ten lots and the agricultural park and residential subdivision under one State agency will ensure effective master planning of the area, preserve the rural lifestyle of the community, and maintain the unity of the families in the Valley.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 301, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 645 Planning, Land and Water Use Management on S.B. No. 405

The purpose of this bill is to allow for the implementation of a gray water recycling program within each county.

Under this bill, the gray water recycling program is limited to using gray water from residential units for the purpose of irrigating lawns and gardens.

Your Committee finds that this bill is consistent with the State's environmental policy, which calls for the conservation of natural resources and the recycling of waste water. County water supplies are decreasing, and the burden on waste water treatment and disposal systems is increasing significantly. Gray water recycling will help alleviate this situation.

Your Committee further finds that oversight of private wastewater systems falls within the purview of the Department of Health. Therefore, the bill has been amended to give the Department of Health jurisdiction over the gray water recycling program. In addition, your Committee amended the bill to clarify that a county, rather than the county council, may seek authorization to implement a recycling program, and moved the proposed statutory language from Chapter 174C, Hawaii Revised Statutes (HRS), the state water code, to Chapter 342D, HRS, relating to water pollution.

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

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 405, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 405, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 646 (Joint) Planning, Land and Water Use Management and Public Safety and Corrections on S.B. No. 1799

The purpose of this bill is to amend Act 151, Session Laws of Hawaii (SLH) 1991, by extending the effective period from July 1, 1994 to July 1, 1995.

Act 151, SLH 1991, exempts the Department of Public Safety (DPS) and the Office of Youth Services (OYS) from state and county requirements relating to the planning, land use, construction, renovation, or expansion of correctional facilities on their property in Kailua, Oahu. This Act enabled the DPS to expedite the rebuilding of the Women's Community Correctional Center (WCCC), which is in noncompliance with a consent decree entered into by the State and the American Civil Liberties Union (ACLU) in 1985 because of WCCC's inadequate and deteriorated physical plant. While funds for the construction of a new women's facility were authorized by the Legislature in 1989, the State's efforts have been stalled due to opposition to the construction of a facility on Mount Olomana by the public.

In order to avoid further delay and possible litigation by the ACLU and to deal with concerns for the protection of the physical environment, the State devised an alternate plan to relocate the existing women's facility to HYCF and construct a new youth facility on the grounds of the WCCC. This plan requires the renovation of existing structures and the construction of new structures at both the present HYCF and WCCC facilities.

Since the enactment of Act 151, DPS has begun the renovation of the existing HYCF buildings, however, OYS' construction schedule has fallen behind, and the new youth facility is now projected to be completed sometime after October 1, 1994. Because HYCF residents currently occupy one of the cottages that will become part of the new WCCC, DPS will not be able to begin final renovation work until after HYCF residents move to their new facility, estimated to be sometime after January 1, 1995. Such a delay will mean that the effective period of Act 151, SLH 1991, will have lapsed before renovation is complete, and DPS will have to go through the time-consuming process of applying and obtaining permits and conducting environmental impact studies. Obviously, this will make compliance with the consent decree more difficult.

Your Committees find that this bill will allow DPS to expedite the final stage of renovations of the WCCC to bring the State into compliance with the consent decree.

Your Committees on Planning, Land and Water Use Management and Public Safety and Corrections are in accord with the intent and purpose of S.B. No. 1799 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 647 Planning, Land and Water Use Management on S.B. No. 1864

The purpose of this bill is to authorize the withdrawal of a portion of land from Executive Order 3061 located at Kapalama, Oahu, upon which the Maluhia Hospital is situated.

The land to be withdrawn is to be used for the development and construction of a forty unit apartment building for the frail elderly. This housing project is to be developed and owned by the Pacific Housing Assistance Corporation, a private non-profit housing corporation, and is to be operated with the assistance of the Department of Health's Program for All-Inclusive Care for the Elderly operating at the Maluhia Hospital. The project will be funded by a "capital grant", awarded in 1992 by the U.S. Department of Housing and Urban Development (HUD), under federal provisions relating to housing programs for the elderly. Under requirements imposed by HUD, construction of the project must commence prior to September 1993.

In 1990, the Board of Land and Natural Resources voted to recommend to the Governor the withdrawal from Executive Order 3061, of approximately one acre of land to be used for the elderly housing project subject to: (1) subdivision approval for the project from the City and County of Honolulu, and (2) possible disapproval by the Legislature during the legislative session following the subdivision approval and withdrawal of land.

The Pacific Housing Assistance Corporation is currently working to obtain zoning and land use ordinance exemptions from the Honolulu City Council necessary for the Department of Land Utilization to process Pacific Housing's subdivision application. However, it appears that county approval to subdivide the land will not occur in time for the 1993 Legislature to take action on the matter as prescribed in Section 171-11, Hawaii Revised Statutes, before the end of the Regular Session of 1993. Consequently, Pacific Housing will not be able to meet the September 1993 deadline imposed by HUD.

In light of this situation, your Committee has decided to use this bill as a vehicle to bring the issue to the Legislature for action this session.

Your Committee has amended this bill by inserting an accurate survey description of the 36,307 square feet of land to be withdrawn. The survey description also describes a 14,444 square foot roadway and utility easement. While not expressly included in the withdrawal from Executive Order 3061, the description of the easement is necessary to ensure recognition of ingress and egress to the land to be withdrawn.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1864, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1864, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 648 Science, Technology and Economic Development on S.B. No. 1572

The purpose of this bill is to exempt digital telecommunications services offered by shared tenant service providers from Public Utilities Commission regulations.

Your Committee finds that shared tenant services allows subscribers located within a building, or group of buildings that are under common control or ownership, to share various information technology. Your Committee further finds that shared tenant service providers can offer a wider range of services than local exchange carriers. Your Committee is also aware that although the 1990 Legislature passed Act 49 to promote the introduction of shared tenant services in Hawaii, efforts by certain providers to offer these expanded services in Hawaii have met with little success.

Testimony regarding this measure was submitted by the Public Utilities Commission, the Consumer Advocate, GTE Hawaiian Tel, AT&T, and various advocates of expanded telecommunications services. After consideration of the concerns expressed by those in opposition to and in support of this measure, your Committee agrees that this subject deserves further study and discussion.

Your Committee, therefore, has made technical amendments to this bill, and recommends that the parties affected by this measure work together to develop compromise amendments which can be considered by the respective subject matter committees in the House of Representatives.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1572, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1572, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 649 Science, Technology and Economic Development on S.B. No. 1575

The purpose of this bill to promote economic development through the establishment statewide of telecom free-trade zones in which digital telecommunications service providers may operate free from regulation by the Public Utilities Commission.

Your Committee finds that traditional sectors of our economy are in decline and Hawaii must diversify its economy through more modern industries, such as telecommunications. Although some initial efforts to develop a telecommunications industry in Hawaii have been made, our State presently cannot compete on an international level because we cannot meet the telecommunications needs of multi-national corporations. And without further development and access to certain telecommunications services such as advanced digital network services, integrated service digital networks, and urban digital networks, we will not be able to compete in the future.

Your Committee further finds that telecom free-trade zones will provide a free-market environment based on open competition for digital telecommunication service customers. Such open competition will also require that the competitive network customers pay for all costs of services, and not require support from residential ratepaying customers nor contributions from the State general fund.

Testimony regarding this bill was submitted by the Public Utilities Commission, the Department of Business, Economic Development, and Tourism, the Consumer Advocate, GTE Hawaiian Tel, and advocates of the telecommunications industry.

Your Committee, upon consideration of the testimony presented, has amended this bill by:

- (1) Adding a definition of "competitive access provider";
- (2) Requiring that all digital telecommunications service providers be subject to statutory common carrier rules;
- (3) Providing that affiliates of local exchange carriers may compete freely, not bound by tariffs, within the telecom free-trade zone, and that there shall be no cross-subsidies between the local exchange carrier and any affiliate;
- (4) Providing for arbitration proceedings between a local exchange carrier and all competitive access providers, to be conducted within Hawaii and pursuant to Commercial Arbitration Rules of the American Arbitration Association;
- (5) Allowing interisland digital telecommunications within different telecom free-trade zones;
- (6) Prohibiting carriers from using their regulated facilities for less than tariffed rates to compete with telecom free-trade zones, and providing penalties for such actions; and
- (7) Allowing in-state communications between a digital service subscriber within a telecom free-trade zone and a party outside the zone under certain conditions.

Your Committee has also amended this bill by deleting "except as provided in section 269- , and any provision of this chapter to the contrary notwithstanding" at Page 14, because it could be interpreted that there be no exemptions when in fact section 269- creates an exemption.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1575, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 650 Ways and Means on S.B. No. 789

The purpose of this bill is to authorize the housing finance and development corporation to certify for a general excise tax exemption, any developer involved in the planning, design, financing, construction, or sale of affordable housing.

This bill also requires housing developers awarded tax exemptions under the law to impose a condition on the buyer of the unit to offer the housing finance and development corporation the first option to purchase the unit in the event the buyer wishes to sell the unit. Upon the purchase of any unit, the housing finance and development corporation is required to sell the unit at a rate that is affordable to the public.

Your Committee agrees with your Committee on Housing, that affordable housing development by the private sector should be encouraged by the State to the fullest extent possible.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 789, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 651 Ways and Means on S.B. No. 1476

The purpose of this bill is to allow the Hawaii community development authority to collect fines and administrative costs for violations of the community development law.

Your Committee finds that the Hawaii community development authority is responsible for regulating all projects within a community development district. Although the authority is authorized to seek injunctions and other relief in the appropriate courts of law, the authority is not authorized to enforce the law through administrative procedures. This bill gives the authority the flexibility to assess fines for violations of the law or any rule adopted under the law.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1476 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 652 Ways and Means on S.B. No. 1769

The purpose of this bill is to authorize the housing finance and development corporation to adopt rules to delineate the conditions under which county-owned housing projects may be exempted from the shared appreciation requirements of the rental assistance program.

Your Committee finds that this bill will allow the housing finance and development corporation to adopt rules and exercise flexibility in imposing the shared appreciation requirements of the law on the counties. Your Committee finds that this bill will expedite the development of affordable housing by the counties.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1769, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 653 Ways and Means on S.B. No. 625

The purpose of this bill is to appropriate \$200,000 to provide funds for the Kalakaua Marine Education Center at the University of Hawaii at Hilo.

Your Committee finds that the programs proposed for the Kalakaua Marine Education Center would be beneficial to the university student population in Hilo as well as in Manoa. Additionally, these programs would benefit high school teachers throughout the State and attract scholars from the mainland, the Pacific, and Asia.

Your Committee has amended this bill by replacing the specific appropriation with an unspecified amount to encourage further discussion on this matter.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 625, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 654 Ways and Means on S.B. No. 1706

The purpose of this bill is to authorize the Hawaii public broadcasting authority to appoint a chief engineer and assistant chief engineer who are exempt from civil service.

Your Committee finds that the current chief engineer and assistant chief engineer positions are civil service positions and are the only two management positions in the Hawaii public broadcasting authority that are not exempt. The authority seeks to convert these positions to exempt status after the current incumbents have retired since exempt status would provide more flexibility for the authority in attracting and retaining qualified individuals.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1706 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 655 Ways and Means on S.B. No. 583

The purpose of this bill is to appropriate \$75,000 for each year of the 1993-1995 fiscal biennium to the department of human services to provide administrative support to the Wai'anae Coast Coalition for Human Services.

Your Committee has amended this bill to change the appropriation amounts to unspecified sums.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 583, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 583, S.D. 2.

Signed by all members of the Committee.

SCRep. 656 Ways and Means on S.B. No. 1040

The purpose of this bill is to appropriate \$150,000 for purchase of service contracts to provide social services for Filipino veteran immigrants in Hawaii.

Your Committee finds that as a result of the Immigration Act of 1990, Hawaii has experienced a great influx of Filipino veteran immigrants who are in need of social services. This unanticipated increase has detracted from the delivery of public and private services to the overall immigrant population given their current budgets. This bill is needed to provide the additional resources necessary to ensure that the needs of all immigrants to Hawaii, including the Filipino veterans, are met.

Your Committee has amended this bill to change the appropriation and allocation amounts to unspecified sums and to make 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 S.B. No. 1040, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1040, S.D. 2.

Signed by all members of the Committee.

SCRep. 657 Ways and Means on S.B. No. 1529

The purpose of this bill is to establish the Hawaii children's trust fund.

Your Committee finds that child abuse and neglect remains one of the State's most pressing social issues and recognizes that without identification and treatment for both abuses and their victims, the cycle of abuse will continue and be perpetuated. Your Committee also finds that Hawaii is one of only two states without a children's trust fund and thus is ineligible to receive federal prevention grants.

Your Committee believes that it is important to proceed to establish the Hawaii children's trust fund as a permanent source of funding to support an ongoing integrated public-private approach for the prevention of child abuse and neglect.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1529, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 658 Ways and Means on S.B. No. 1562

The purpose of this bill is to designate the department of human services as the lead agency in the executive branch for all programs related to domestic violence and sexual assault.

The bill requires the department to contract with a master contractor who will handle all subcontracts with private agencies.

Your Committee is in agreement with the intent of the Committee on Human Services that by designating responsibility for the coordination of these programs to a single state agency, the programs would receive much needed recognition and support as an integral part of the department and duplication of services would be avoided.

Your Committee has amended this bill by changing the appropriation to an unspecified amount and by 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. 1562, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1562, S.D. 2.

Signed by all members of the Committee.

SCRep. 659 Ways and Means on S.B. No. 9

The purpose of this bill is to appropriate the funds necessary to develop a multi-purpose recreational, cultural, sports complex in central Oahu.

Your Committee finds that except for a few open spaces in the various communities of the region, there are no large parks in the Waipio area. It is estimated that the population immediately adjacent to the site of the proposed park will more than double by the end of the decade. Your Committee believes that the establishment of a cultural, recreational, and sports complex in central Oahu will greatly enhance the quality of life for present and future residents of the area.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 9 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 660 Ways and Means on S.B. No. 294

The purpose of this bill is to appropriate an unspecified sum for the acquisition of Coconut Island and related property.

Your Committee finds that Moku o Loe, better known as Coconut Island, provides a protected haven for an abundance of marine life, much of which is unique to Hawaii. The purchase of the island would ensure that the educational pursuits at the Hawaii Institute of Marine Biology would be enhanced and expanded.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 294 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 661 Ways and Means on S.B. No. 1367

The purpose of this bill is to repeal the requirement under the state disaster loan program that a party not be able to secure a loan from a private lending institution in order to qualify for a commercial disaster loan administered by the Department of Business, Economic Development, and Tourism.

Your Committee finds that deleting this requirement would clarify the intent of the program, which is to assist applicants who are unable to repair or restore their businesses using their own resources. Your Committee also finds that this bill will give victims of Hurricane Iniki needed relief since this bill would take effect retroactive to September 10, 1992.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1367 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 662 Ways and Means on S.B. No. 1726

The purpose of this bill is to increase the conveyance tax from 5 cents per \$100 to 10 cents per \$100 and allocate specific tax revenues to the rental housing trust fund, the natural area reserve fund and the forest stewardship fund.

In addition, this bill proposes several other amendments to improve the administration of the conveyance tax by:

- (1) Requiring that any overpayment of conveyance taxes imposed be credited within three years after the filing of a conveyance tax certificate;
- (2) Prohibiting commencement of a court proceeding without assessment for the collection of taxes before the expiration of the three year period;
- (3) Allowing for the assessment or levying of the conveyance tax at any time if a false or fraudulent certificate was filed with the intent to evade taxes or if a certificate was not filed;
- (4) Clarifying the basis and rate of the conveyance tax to include any promise, act, forbearance, property interest, value, gain, advantage, benefit, or profit, as well as money; and
- (5) Clarifying the section on exemptions from the conveyance tax to include: (a) the threat of eminent domain, the point at which most conveyances to government occurs, (b) partition deeds that result in equal value to the co-owners and no change in the proportionate interest of the co-owners' exemption, (c) conveyances involving divorced couples ordered by the courts to dispose of property, and (d) transfers involving certain testamentary trusts and grantor revocable living trusts.

This bill also earmarks fifty per cent of the taxes collected to be deposited into the rental housing trust fund, the natural area reserve fund for the natural area partnership program, and the forest stewardship fund.

Your Committee recognizes the importance of providing resources for these funds as they support necessary programs but your Committee finds that the programs can continue without the earmarking of the conveyance tax.

Accordingly, your Committee has amended this bill by deleting the provisions related to the disposition of conveyance taxes collected to any other fund except the general fund.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1726, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1726, S.D. 1.

Signed by all members of the Committee.

SCRep. 663 Ways and Means on S.B. No. 327

The purpose of this bill is to replace the \$400 and \$600 limitation on the medical services excise tax credit for those aged sixty-five and over with an unspecified amount.

Testimony in opposition of this bill was received from the department of taxation. Your Committee finds that the maximum allowable credits currently relate to medical services expenses between \$10,000 and \$15,000. With the current limits incorporated into the medical excise tax credit, the credit has generated a revenue loss for the State of \$17.0 million. It is not clear how much of this loss is attributable to credits taken by persons over sixty-five years old but it is clear that an increase or a removal of the limitation on the amount of credit allowable would certainly increase the loss of revenues to the State.

Your Committee finds that the issue of medical services to those sixty-five and older is an important issue. Your Committee also recognizes that the positions presented in the testimony need further exploration. Accordingly, your Committee has not entered any specific amounts to limit the medical service excise tax for persons sixty-five and older in order to stimulate further discussion on the issues.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 327 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 664 Ways and Means on S.B. No. 1628

The purpose of this bill is to appropriate an unspecified sum to the department of land and natural resources for fiscal year 1993-1994, for the dredging of Maunalua Bay at the main entrance channel to the Hawaii Kai marina.

Specifically, this bill declares that this dredging will serve to fulfill a health, welfare, and safety concern.

Your Committee has amended this bill by:

- (1) Changing its effective date from "upon approval" to July 1, 1993; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1628, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1628, S.D. 2.

Signed by all members of the Committee.

SCRep. 665 Ways and Means on S.B. No. 1807

The purpose of this bill is to implement the recommendations of the "Corrections 2000: A Plan to Manage the Correctional Population in Hawaii".

Your Committee believes that Corrections 2000 will greatly improve the corrections system in the State by expanding bed space for violent and repeat offenders, increasing intermediate punishment programs for the less serious offenders, and improving inmate education and training.

Your Committee has amended this bill by:

- (1) Deleting Sections 2 and 3 requiring a statement of fiscal impact by the legislative analyst to accompany any bill increasing any term of imprisonment and renumbering the remaining sections consecutively;
- (2) Changing the appropriation amounts to unspecified amounts to facilitate continuing discussion on this matter; 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. 1807, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1807, S.D. 2.

Signed by all members of the Committee.

SCRep. 666 Ways and Means on S.B. No. 18

The purpose of this bill is to require that all family court judges be circuit court judges, with the requisite background, powers, and compensation of regular circuit court judges.

Your Committee finds that, because of the potential impact that family courts have on the lives of children and their families, this bill is necessary to ensure that family court judges meet the highest standards as well as to ensure that these judges are adequately compensated for the enormous responsibilities they bear.

Your Committee has amended this bill by:

- (1) Underscoring the word "Family" at line 14, page 3, and deleting the underscoring of the word "family" at line 8, page 7, to reflect correctly the existing statutory language;
- (2) Adding the word "who" after the word "and" at the end of line 15, page 8, to correct a grammatical error; and
- (3) Making a technical nonsubstantive change at lines 12 and 13 of page 6 to conform to proper ramseyer format.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 18, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 18, S.D. 2.

Signed by all members of the Committee.

SCRep. 667 Ways and Means on S.B. No. 154

The purpose of this bill is to create a multi-agency task force to analyze and improve traffic violations enforcement.

Your Committee finds that a need exists for better coordination and cooperation among the numerous and diverse agencies responsible for traffic violations enforcement.

Your Committee made several minor technical, nonsubstantive changes to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 154, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 154, S.D. 2.

Signed by all members of the Committee.

SCRep. 668 Ways and Means on S.B. No. 222

The purpose of this bill is to provide statutory authority for the court to rule on the likelihood that a conditionally released defendant will be fit to proceed in the future.

Your Committee finds that a lack of authority under existing statutes prevents the court from gathering information necessary for its rulings in cases where a defendant has been conditionally released.

Your Committee has amended the bill by changing the reference to "himself/herself" at line 11, page 1, to "the defendant" to conform to gender neutral language and 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. 222, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 222, S.D. 1.

Signed by all members of the Committee.

SCRep. 669 Ways and Means on S.B. No. 901

The purpose of this bill is to transfer the office of public guardian from the judiciary to the office of the governor.

Your Committee finds that the office of public guardian was established within the judiciary in 1984 to address the inherent conflicts of interest when departments such as the department of health or department of human services serve as guardians for individuals to whom they provide services. However, there is concern that the current placement in the judiciary may not be appropriate due to potential conflicts of interest on issues of guardianship and property where the office is the guardian of both the person and the property. Advocates for the transfer believe that to avoid conflict of interest situations, the office must be placed within an agency that does not provide direct services to individuals.

Your Committee has amended this bill to add language authorizing the transfer of officers, employees, records and equipment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 901, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 901, S.D. 1.

Signed by all members of the Committee.

SCRep. 670 Ways and Means on S.B. No. 972

The purpose of this bill is to extend the exemption from prosecution for parking violations to witnesses appearing in family or district court.

Your Committee finds that current law provides an exemption only for witnesses summoned or subpoenaed for circuit court cases. Your Committee believes that all witnesses attending to court duties should be afforded the same fairness and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 972 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 671 Ways and Means on S.B. No. 1498

The purpose of this bill is to update the requirements and procedures for issuing Hawaii state identification cards and to increase the card fees.

Your Committee finds that requiring only the right thumbprint for the application of the card will reduce the amount of time it takes to process an identification card without compromising the accuracy of the card. Additionally, requiring applicants to provide their permanent address will decrease the number of cards that are processed for tourists using their hotel addresses to qualify for kamaaina rates. Finally, your Committee finds that there has been no increase in the fee for the card since 1982. Increasing the fee for the card more closely reflects the costs involved of producing one.

Accordingly, your Committee has amended this bill by increasing the fee for the identification card to \$10.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1498, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1498, S.D. 1.

Signed by all members of the Committee.

SCRep. 672 Ways and Means on S.B. No. 1651

The purpose of this bill is to require voting by absentee ballot in the event of a natural disaster or other extreme emergency when determined by the chief election officer and clerk of the affected county. This bill also facilitates the availability, use, and administration of absentee voting by, among other things, permitting the use of ballots by facsimile with certain affirmations, and removing the conditions to which people must affirm in order to vote absentee.

Your Committee finds that these provisions will facilitate the availability and administration of absentee voting. Your Committee has also 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. 1651, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1651, S.D. 2.

Signed by all members of the Committee.

SCRep. 673 Ways and Means on S.B. No. 168

The purpose of this bill is to establish a telecommuting work option for state employees and to establish the Hawaii telework task force. This bill appropriates funds for that purpose.

Your Committee finds that the concept of telecommuting and establishment of telework centers would enhance service delivery as well as reduce highway traffic and conserve fuel. Your Committee further finds that additional benefits derived from telework include reducing employee commuter time and absence from work due to illness, and increasing employee productivity, morale, and retention, thereby improving the overall labor pool.

Your Committee has amended section 3 to reflect the fact that the appropriations are being made for the 1993-1994 fiscal year, rather than 1992-1993. Other technical, nonsubstantive changes have also been made.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 168, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 168, S.D. 2.

Signed by all members of the Committee.

SCRep. 674 Ways and Means on S.B. No. 1338

The purpose of this bill is to distribute to the counties the portion of the public service company taxes collected in excess of four per cent.

Your Committee finds that the public service company (PSC) tax is paid by public utilities in lieu of other state and local taxes, including county property taxes. Your Committee further finds that the PSC tax rate is based on the company's gross income and generally exceeds the standard four per cent excise tax paid to the State by most other businesses. Your Committee agrees that this measure is necessary to provide parity to the counties for the loss of the property tax revenues.

Distributing the public service company taxes collected in excess of four per cent will also decrease the amount of state revenues. The effect of this distribution is unclear.

Accordingly, your Committee has amended this bill by replacing the four per cent amount with an unspecified amount to encourage further discussion on the issue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1338, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1338, S.D. 2.

Signed by all members of the Committee.

SCRep. 675 Ways and Means on S.B. No. 1599

The purpose of this bill is to establish the Hawaii aviation training corporation to facilitate the growth and development of the aviation industry in Hawaii.

Your Committee finds that the development of an aerospace industry, including aircraft maintenance and the training of pilots, mechanics, and air traffic controllers will provide greater opportunity for Hawaii's youth to pursue high-quality, well-paid careers in Hawaii.

Your Committee has added a definition section and made other technical, 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 S.B. No. 1599, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1599, S.D. 2.

Signed by all members of the Committee.

SCRep. 676 Ways and Means on S.B. No. 478

The purpose of this bill is to allow employees of the department of education and the University of Hawaii to invest in custodial accounts, in addition to annuity contracts.

Your Committee finds that educators are allowed to fund their tax shelter accounts in annuities pursuant to the Internal Revenue Code of 1954; however, the 1986 amendments to the Internal Revenue Code now allow investment in custodial accounts--a before-dollar independent retirement account (IRA) option that all but a handful of states have adopted. Your Committee finds that this bill will afford educators an appropriate investment option without imposing additional costs on the State.

Your Committee has amended this bill by making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 478, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 478, S.D. 1.

Signed by all members of the Committee.

SCRep. 677 Ways and Means on S.B. No. 920

The purpose of this bill is to afford lifeguards employed by the State and counties the same retirement benefits as currently provided to other employees in high risk occupations such as firefighters, police officers, and corrections officers.

Your Committee agrees with the finding of the Committee on Education, Labor and Employment that lifeguards meet the same criteria by which the other high risk occupations are deemed entitled to selective treatment under the retirement law. Your Committee is concerned, however, that the mandatory conversion from class C to class A may impose a financial hardship on some currently employed lifeguards since they would have to pay for prior service credits in addition to the required 12.2 per cent monthly contribution. Accordingly, your Committee has amended this bill to require only those lifeguards hired after December 31, 1993, to become class A members and to allow lifeguards who are currently class C members the option of remaining in class C or transferring to class A.

Your Committee has also amended this bill to correctly display section 88-74, Hawaii Revised Statutes, to include amendments made in 1992. This amendment is a technical amendment which has no substantive effect.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 920, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 920, S.D. 2.

Signed by all members of the Committee.

SCRep. 678 Ways and Means on S.B. No. 1164

The purpose of this bill is to allow the board of trustees of the public employees health fund to select its own legal adviser and appoint a civil service exempt administrator.

Currently, the attorney general acts as legal adviser to the board of trustees of the health fund and the administrator is a civil service employee.

Upon further consideration, your Committee has amended this bill by deleting the provisions allowing the board of trustees to select its own legal adviser.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1164, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1164, S.D. 1.

Signed by all members of the Committee.

SCRep. 679 Ways and Means on S.B. No. 1208

The purpose of this bill is to appropriate \$2,300,000 for a new library facility at Kanoelani Elementary School.

Upon further consideration, your Committee has amended this bill to change the appropriation amount to an unspecified sum and to insert the term "Oahu" at the end of the sentence in section 1.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1208, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 680 Ways and Means on S.B. No. 1748

The purpose of this bill is to establish as a separate fund of the Hawaii State Library Foundation, a Hawaii nonprofit corporation, the Hawaii State Library Foundation trust fund.

Specifically, this bill:

- (1) Requires all state funds contributed to the Hawaii State Library Foundation trust fund, including income and capital gains earned therefrom, to be used exclusively for state library programs as defined in the articles, by-laws, resolutions, and other instruments executed on behalf of the foundation or by the state librarian;
- (2) Allows the trust fund to receive any appropriation by the legislature; any and all types of private contributions, including contributions to the fund made to satisfy any matching conditions set forth in legislation or otherwise; the income and capital gains earned by the fund; and net income or all proceeds received from the operation of libraries and any concessions, vending machines, and other for-profit business enterprises conducted on library facilities;
- (3) Exempts the public library system from the law relating to the operation of concessions on public property by blind or visually handicapped persons;
- (4) Repeals the law requiring income from the operation of libraries that are financially supported by the State, with the exception of income from charges (fines) for detained (lost and overdue) library materials, to be deposited with the director of finance to the credit of the general fund, subject to the condition that moneys or properties donated for library use and patrons' deposits are required to be deposited and accounted for in accordance with regulations prescribed by the comptroller; and
- (5) Is repealed on June 30, 1995, unless a tax exempt, nonprofit foundation subject to the terms and conditions of this bill has been established.

Your Committee has amended this bill by:

- (1) Deleting all provisions concerning state funds (i.e., public moneys), including those amendments relating to the operation of concessions on public property by blind or visually handicapped persons and the disposition of other income from the operation of libraries, since the legislature intends that the trust fund not include any public moneys;
- (2) Clarifying that the purpose of this bill is to create by statute a private charitable trust fund, rather than a private charitable trust, to financially support state library programs;
- (3) Deleting the provision repealing this bill on June 30, 1995, unless a tax exempt, nonprofit foundation subject to the terms and conditions of this bill has been established; and adding a provision repealing the trust fund on June 30, 1995, if the Hawaii State Library Foundation is not established by this date, in order to make this bill self-executing; and
- (4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1748, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1748, S.D. 2.

Signed by all members of the Committee.

SCRep. 681 Ways and Means on S.B. No. 649

The purpose of this bill is to establish a predator augmentation pilot project to control the diamondback moth.

Your Committee finds that an effective strategy must be developed to control the diamondback moth in Hawaii. One method of controlling this destructive pest is through the development and release of predator insects in the field. This bill appropriates the fund necessary to control the diamondback moth.

To facilitate further discussion, your Committee has replaced the sum to be appropriated with an unspecified amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 649, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 649, S.D. 2.

Signed by all members of the Committee.

SCRep. 682 Ways and Means on S.B. No. 1300

The purpose of this bill is to appropriate \$105,000 for the development of a multi-agency alien species action plan to control and prevent the introduction of non-native plant and animal species. This bill identifies the department of urban and regional planning of the University of Hawaii as the agency in charge of developing the plan.

Your Committee finds that an average of twenty new invertebrate species are introduced to Hawaii each year. Some species become major pests and cause unwanted environmental as well as economic impacts to the State. The development of an action plan to control the infiltration of alien species into the State will represent the first step in mitigating the destructive effects of these pests in Hawaii.

To facilitate further discussion on this measure, your Committee has deleted the sum to be appropriated for the development of the action plan.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1300, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1300, S.D. 2.

Signed by all members of the Committee.

SCRep. 683 Ways and Means on S.B. No. 1749

The purpose of this bill is to establish a program of regimental discipline to be implemented by the department of public safety. The program will be available to defendants and committed persons chosen by the director of public safety who meet certain criteria.

Your Committee is vitally concerned with the problem of prison overcrowding and finds that this program is a viable alternative to incarceration and will assist in rehabilitative efforts.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to facilitate continuing discussion on this matter and by making a few technical nonsubstantive changes for purpose of grammar, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1749, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1749, S.D. 2.

Signed by all members of the Committee.

SCRep. 684 (Joint) Judiciary and Consumer Protection on S.B. No. 191

The purpose of the bill is to exempt volunteer firefighters and trainers of volunteer firefighters from liability except in case of gross negligence or wanton acts or omissions. The bill also requires insurers to treat a volunteer fire department the same as a county operated fire department for purposes of ratemaking.

Your Committees find that volunteer firefighters provide a beneficial and indispensable service to the community, especially in rural areas. However, your Committees find that volunteer firefighters are adequately protected from liability under current principles of law. The circumstances of being a volunteer and working under emergency situations affords them an appropriate amount of insulation from being found negligent. To exempt any volunteer firefighter from liability except for gross negligence may be more harmful than beneficial; for instance, a volunteer firefighter would have no recourse if harmed as a result of a trainer who was "merely" negligent.

In consideration of these concerns, your Committees have amended the bill to remove the exemptions from liability by deleting section 1 of the bill.

Your Committees on Judiciary and Consumer Protection are in accord with the intent and purpose of S.B. No. 191, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 191, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 685 Judiciary on S.B. No. 192

The purpose of this bill is to allow the medical claims conciliation panel to assess costs to a party who fails to cooperate.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs and the Hawaii Medical Association and Kaiser Permanente. The Hawaii Academy of Plaintiffs' Attorneys had no opposition to this bill.

Your Committee finds that this bill would correct an inherent weakness in the medical claims conciliation panel system by providing the panel with a mechanism to assess costs of a hearing to an uncooperative party.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 192, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 686 Judiciary on S.B. No. 195

The purpose of this bill is to add a new procedure to handle vague or ambiguous claims filed with a medical claim conciliation panel.

Your Committee received testimony relative to the bill from the Department of Commerce and Consumer Affairs, Hawaii Medical Association and the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee finds that under current law, a party to a tort action which is before a medical claim conciliation panel may not know the specifics of a claim because the claim is vague or ambiguous, and may have difficulty preparing a defense to the claim. This bill would alleviate this problem by allowing a party to request a more definite statement of the claim.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 195, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 687 Judiciary on S.B. No. 308

The purpose of the bill is to require that the names of candidates for public office be followed on the ballot by a line that reads, "none of the above".

Your Committee received testimony relative to the bill from the Lieutenant Governor and a private citizen.

Your Committee finds that voters should have the opportunity and be free to select this symbolic choice.

Your Committee has amended the bill to include provisions for its repeal on June 30, 1995.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 308, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 688 Judiciary on S.B. No. 492

The purpose of the bill is to amend the Hawaii Revised Statutes to require the consent of the Senate for the appointment of district court judges.

Your Committee received testimony relative to the bill from the Judiciary.

Your Committee finds a need for legislative oversight in the selection of district court judges.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 492 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 689 Judiciary on S.B. No. 555

The purpose of the bill is to eliminate the distinction between first degree and second degree murder. Specifically the bill amends sections 707-701, 707-701.5, 571-22, 706-606.5, 706-610, 706-620, 706-656, 706-660.1, and 706-660.2 to consolidate first and second degree murder and to classify murder as a felony subject to a penalty of life without parole.

Your Committee finds that murder is a particularly heinous crime, regardless of degree. However, a person committing the act of first degree murder is subject to a penalty of life imprisonment without parole while parole is available for a person who commits second degree murder. The Legislature created the distinction to generate a greater deterrent effect on persons contemplating murdering members of those classes of persons who the Legislature felt would be more susceptible to being killed because of their position or role in society. Your Committee finds that the distinction is of long standing and should remain.

However, your Committee feels that the criminal act of sexual assault that results in or is coupled with death should be subjected to the higher penalty under first degree murder, and therefore, has amended the bill to reflect that concept.

Furthermore, because your Committee finds that any degree of murder is inexcusable and unparalleled in maliciousness, your Committee has deleted the references to "second degree" for "murder in the second degree" to signify that there is no lesser degree of opprobrium and condemnation for murder. Consequently, "murder in the first degree" is changed to "aggravated murder" because the term "first degree" is no longer accurate.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 555, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 690 Judiciary on S.B. No. 667

The purpose of the bill is to provide for the recovery of damages, costs and attorney's fees by persons who have been sued by reason of such persons having involved themselves in public petition and participation.

Your Committee received testimony relative to the bill from the Native Hawaiian Legal Corporation, the Chamber of Commerce and an interested individual.

Your Committee finds that the rights of citizens to participate freely in the public process must be safeguarded with great diligence.

Your Committee has amended the bill to allow the recovery of expert witness fees and discovery costs for prevailing defendants and the definition of defendant has been added. Your Committee has further amended the bill to permit the immediate appeal of the denial of summary judgment or a motion to dismiss. Other amendments make technical changes for the purposes of style, clarity and conformance with recommended drafting technique.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 667, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 691 Judiciary on S.B. No. 728

The purpose of this bill is to provide limited immunity from liability for removal costs and damages associated with oil spills if the activities are performed in a manner consistent with the Federal National Contingency Plan or when under the direction of a federal on-scene coordinator or an appropriate state official.

Your Committee received testimony in support of the bill from the Department of Health.

Your Committee finds that a need to provide limited liability immunity for persons responding to an oil spill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 728, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 692 Judiciary on S.B. No. 741

The purpose of the bill is to extend the time limitation in which a criminal prosecution may be commenced for classes of crimes. Specifically, the bill would allow prosecution of sexual offenses or child abuse committed against a person under the age of 18 to be commenced at any time until the person is 21 years of age.

Your Committee received testimony in support of the bill from the Honolulu Police Department and testimony in opposition from the Public Defender.

Your Committee finds that persons who have been subjected to sexual offenses or abuse while they were under 21 years old undergo tremendous emotional and mental distress. It may take them several years before they recover sufficiently to even describe the incident or incidents of abuse to others. Your Committee believes the proposal in this bill is necessary to further the policy of preventing sexual offenders and child abusers from going free due to lack of evidence and in protecting the victims and the community.

However, because your Committee is concerned with not violating the Constitutional principle that a person is innocent until proven guilty, it has amended the bill by changing the word "victim" to "complainant" to preserve that concept and to not convey any preconceived notions of guilt.

Your Committee also finds that there should not be any statute of limitations on prosecutions for manslaughter. The taking of a human life is too important, and the incentive too great to hide the evil deed until the limitation time has passed. Consequently, your Committee has amended the bill by including provisions extending the time for prosecution of manslaughter.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 741, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 693 Judiciary on S.B. No. 831

The purpose of this bill is to prohibit smoking in all group child care homes, group child care centers, and family child care homes during their hours of operation.

Your Committee received testimony in support of the bill from the Office of Children and Youth, the Department of Health, the Department of Human Services, the American Heart Association, the American Cancer Society, the American Lung Association and the Healthcare Association.

The Environmental Protection Agency (EPA) has identified and declared environmental tobacco smoke (ETS) or secondhand smoke as a Class A carcinogen, and the Surgeon General has concluded that nonsmokers who inhale tobacco smoke greatly increase their risk of heart disease, lung and other cancers, and respiratory diseases.

According to the Department of Health, young children exposed to ETS are more likely to experience sickness in their early years and develop chronic illnesses as they grow older. The EPA estimates that exposure to ETS accounts for 150,000 to 300,000 serious respiratory problems in children each year and increases their risk of developing bronchitis and pneumonia, asthma, and disturbances in the middle ear and lungs.

Current Department of Human Services child care licensing rules provide limited restrictions on smoking in child care facilities aimed at minimizing some of the direct hazards associated with smoking, including injuries, burns, and fires, and eliminating opportunities for highly impressionable young children to witness adults smoking cigarettes. Smoking is currently prohibited in the presence of the children in care, but allows for smoking in other parts of the home, facility, or playground.

Your Committee finds that the health and well-being of Hawaii's children is of utmost importance, and this bill will provide added protection for the health of children in child care facilities by decreasing their exposure to secondhand smoke.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 831 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 694 Judiciary on S.B. No. 937

The purpose of the bill is to establish felony penalties for toll fraud involving telephone access devices or credit cards.

Your Committee heard testimony relative to the bill from the Public Defender and the American Telephone and Telegraph Company.

Your Committee finds that telephone toll fraud severely impacts the cost of telephone service for law abiding citizens.

Your Committee has amended the bill to include its essential provisions in the definition of "credit card" contained in the general provisions relating to offenses against property rights.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 937, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 937, S.D. 2.

Signed by all members of the Committee.

SCRep. 695 Judiciary on S.B. No. 1216

The purpose of the bill is to permit tort actions between spouses.

Your Committee received testimony relative to the bill from the Judiciary, Hawaii State Bar Association, University of Hawaii and Hawaii Academy of Plaintiff's Attorney.

Your Committee finds the need to more fairly and equitably protect the legal rights of married persons by removing interspousal tort immunity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1216 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 696 (Majority) Judiciary on S.B. No. 1387

The purpose of the bill is to exempt real and personal property in Hawaii from attachment and execution if the underlying judgment is in favor of another state for a failure to pay that state's tax on pension and retirement benefits. The purpose of this bill is to hinder the imposition of income taxes by other states on the pension income received by individuals who formerly resided and worked in those states.

Your Committee received testimony in support of the bill from several private citizens. The Department of Taxation expressed concern that the bill may violate the full faith and credit clause under the United States Constitution and that other states may enact retaliatory legislation to deny the execution of judgments by the State of Hawaii within those states.

Your Committee finds that, as a matter of public policy, Hawaii does not tax pension and retirement benefits and therefore sees no reason to help those states that seek to tax pensions and retirement benefits of Hawaii residents. However, your Committee is mindful of the dangers inherent in all legislation, that laws may be overturned by the courts and persons who rely on such provisions may be subject to additional back taxes, penalties and interest. Those who testified have been so informed, and those who rely on the provisions of this bill in the future are advised that they do so at their own risk.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1387 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 697 Judiciary on S.B. No. 1422

The purpose of the bill is to amend Act 328, Session Laws of Hawaii 1991, which established Chapter 398 pertaining to family leave, by postponing the application of Chapter 398 on private sector employers from January 1, 1994 to July 1, 1994.

Chapter 398, the Family Leave Law, was enacted to grant qualified employees the right to take time off from work without pay upon the birth or adoption of a child of the employee or to care for the employee's child, spouse, or parent, with a serious health condition. The Act imposes the family leave requirement on all employers with one hundred or more employees. Qualified employees are those who have been employed by the employer for at least six consecutive months.

The Family Leave Law is currently in effect for public sector employers with the Department of Labor and Industrial Relations responsible for enforcement and administration of the law. Your Committee has amended the bill to provide rule making authority pursuant to Chapter 91 to the Department of Labor and Industrial Relations to make clear that the Department has the authority to enforce the Family Leave Law on both public and private sector employers.

Your Committee agrees that additional time is needed to allow for both the private sector and the Department to review and evaluate the impact on Hawaii's law of the recently enacted federal legislation in this area.

Your Committee has changed the word "employees" on line 5 to "employers" to correct a typographical error.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1422, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1422, S.D. 2.

Signed by all members of the Committee.

SCRep. 698 Judiciary on S.B. No. 1429

The purpose of this bill is to allow the Department of Labor and Industrial Relations to recover overpaid unemployment benefits from a claimant's benefit entitlement in another state or under a federal unemployment program.

Under current law, overpayment may be satisfied by deductions from a claimant's future Hawaii benefit entitlement. The Omnibus Reconciliation Act of 1985, however, authorizes states to recover overpayments of state and federal benefits through interstate arrangements and by offset between programs.

This bill is consistent with federal objectives and will allow the State to participate in the recoupment program. It will also enhance the solvency of the Unemployment Insurance Trust Fund and the integrity of the Program.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1429, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 699 Judiciary on S.B. No. 1441

The purpose of the bill is to change the registration requirements for those who dispense any controlled substance in this State, or who wish to ship, mail or otherwise deliver controlled substances from a location out of this state.

Your Committee finds that it is appropriate to allow the Department of Public Safety to set registration requirements by rule. The intention is to enable the State to more closely parallel Federal standards.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1441 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 700 Judiciary on S.B. No. 1453

The purpose of this bill is to clarify Hawaii Revised Statutes Chapter 353 by adding a definition of "committed person" to include those committed to the custody of the Director of Public Safety for imprisonment.

Your Committee heard testimony from the Director of Public Safety and the Public Defender favoring the legislation. Your Committee finds that this clarification will give the department needed flexibility in managing inmates and controlling overcrowding.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1453 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 701 Judiciary on S.B. No. 1444

The purpose of the bill is to: 1) consolidate Part VII, Precursors to Controlled Substances, into Part VI, Precursors to the Manufacture of Methamphetamine of Chapter 329, Hawaii Revised Statutes, HRS; 2) repeal Part VII; 3) permit records and information required to be kept by manufacturers, wholesalers, or retailers, of the listed substances to be disclosed to not only State and Federal agencies but to county agencies; and 4) permit the Department of Public Safety to add to the list of controlled substances by promulgating rules pursuant to Chapter 91, HRS.

Your Committee finds that Part VI and Part VII of the HRS are identical except for the listed precursor chemicals contained in each part. This duplication adds unnecessary language to the Hawaii Revised Statutes and makes implementation of the regulations relating to precursor chemicals needlessly cumbersome. Your Committee wishes to make clear that the consolidation of Parts VI and VII is not for any substantive effect in the implementation or interpretation of the law, but rather to simply streamline the statutes.

The list of controlled substances is interrelated to offenses under the Penal Code for the possession, sale and use of controlled substances, and convictions for those offenses result in imprisonment. Your Committee finds it inappropriate to subject a person to imprisonment based on rules promulgated by the Department of Public Safety and not by legislative action. Therefore, your Committee has amended the bill by deleting the provision allowing the Department to add to the list of controlled substances by rule making.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1444, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 702 Judiciary on S.B. No. 1485

The purpose of this bill is to authorize broader service of process powers for investigators employed by the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs.

Your Committee finds that currently investigators are only authorized to serve administrative subpoenas. This bill would expand investigators' service of process powers by allowing them to serve other documents pertaining to departmental civil and administrative cases.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1485, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 703 Judiciary on S.B. No. 1493

The purpose of this bill is to eliminate the distinction under the Securities Act between an issuer or broker-dealer domiciled in the State and one located outside the State.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs.

Your Committee finds a need to eliminate potential discrimination against out-of-state issuers and broker-dealers.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1493 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 704 (Majority) Judiciary on S.B. No. 1579

The purpose of the bill is to exempt from the description of the offense of violation of privacy, the recording of a telephone conversation by a person domiciled in this state when consent to the recording is given by a party to the conversation.

Your Committee finds that when a party to the conversation consents to a recording, the act of recording should be exempt from the statute in that no violation of privacy has occurred.

Your Committee has amended the bill to delete the word "domiciled" from the description of a person falling within the exemption and to make technical changes that have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1579, S.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 705 Judiciary on S.B. No. 1606

The purpose of the bill is to exempt licensed commercial pesticide applicators from liability for using chemical pesticides unless done in a negligent, reckless or intentional manner. The bill also provides a rebuttable presumption that the commercial applicator is without fault if the applicator presents evidence that instructions on the label of the pesticide were followed. The presumption can be overcome by evidence of a clear and convincing nature.

Testimonies in support of the bill were submitted by the Hawaii Academy of Plaintiffs' Attorneys and the Hawaii Pest Control Association. The State of Hawaii Board of Agriculture and the Sierra Club opposed the bill.

Your Committee finds that federal law controls the manner in which restricted use chemicals are labelled. The United States Environmental Protection Agency reviews and approves all labelling of pesticides as to their use and application, as well as the limitations and prohibitions of the chemical pesticides. Your Committee also finds that the Department of Agriculture of the State of Hawaii requires that local businesses which are licensed by the State as commercial pesticide applicators or pest control operators, utilize and apply restricted use chemicals according to the requirements on the labels. To deviate from the instructions on the labels would subject the licensee to discipline by the Department, including the loss of the license.

Your Committee believes that to the extent that commercial pesticide applicators utilize chemicals according to the labelling instructions, and consistently with the requirements of their licensed status, they should receive the benefit of an evidentiary presumption. Your Committee finds that the proposed measure will encourage the sensible, informed use of chemicals and discourage discretionary divergence from the directions on the labels.

Your Committee has amended the bill by replacing the word "intentionally" with "wilful, wanton" to conform to current tort law principles. Your Committee has also deleted the words "of a clear and convincing nature" to conform to accepted principles of rules of evidence on overcoming a rebuttable presumption.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1606, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 706 Judiciary on S.B. No. 1816

The purpose of the bill is to allow the court to order the testimony of a child be taken by a video camera in a room other than the courtroom and broadcast by television in the courtroom and to establish a hearsay exception for incompetent and uncommunicative child abuse victims.

Your Committee received testimony relative to the bill from the Judiciary, the Public Defender and the Sex Abuse Treatment Center.

Your Committee finds a need to avoid subjecting a child sex abuse victim to the traumatic and frightening experience of testifying in open court.

Your Committee has amended the bill by adding "sexual penetration" to the act performed with or against the child by another.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1816, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 707 (Joint) Planning, Land and Water Use Management and Agriculture on S.B. No. 1438

The purpose of this bill is to extend the sunset date of Act 237, Session Laws of Hawaii (SLH) 1988, as previously extended by Act 249, SLH 1990 and Act 69, SLH 1991.

Act 237, SLH 1988, authorized the Department of Land and Natural Resources to negotiate long-term leases with certain individuals holding revocable permits on State agricultural land. Until the enactment of Act 237, many of these individuals were farmers who held month-to-month leases with no assurance of tenure. Consequently, they were unable to secure financing for farm improvements and could not develop the land to its maximum potential.

Your Committees find that the extension of Act 237 will allow the Department to provide additional long-term leases to qualified permittees who depend on farming state land for their livelihood, and allow the State to realize greater returns from the long-term disposition of lands now under permit.

Your Committees have amended this bill by providing that agricultural leaseholds under Act 237 shall be exempt from all statutes, ordinances, charter provisions, and rules relating to standards for subdivision development. Your Committees find that the exemption will allow the Department of Land and Natural Resources to issue fifteen additional leases to permittees who would not otherwise qualify for long-term leases. Under the present subdivision ordinance, the lot sizes of these fifteen parcels are substandard and accordingly, the lots cannot be subdivided and leases cannot be issued. With the exemption, the lots can be subdivided and the State will be able to issue additional long-term agricultural leases to qualified permittees.

Your Committees on Planning, Land and Water Use Management and Agriculture are in accord with the intent and purpose of S.B. No. 1438, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1438, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator Solomon.

SCRep. 708 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 726

The purpose of this bill is to require the preparation of an environmental assessment for the release of any genetically modified organisms.

Your Committee finds that Hawaii's unique and fragile environment must be protected through appropriate scrutiny of potentially destructive bio-engineered organisms. Your Committee further finds that currently environmental assessments are prepared by the U.S. Department of Agriculture, and that recent federal law changes would preempt any state rules inconsistent with or stricter than federal law.

Testimony regarding this measure was submitted by the Department of Health, the Office of Environmental Quality Control, the University of Hawaii Environmental Center, the Board of Agriculture, and representatives of biotechnology programs and companies.

Your Committee, after consideration of the testimony, agrees that the State does not need to be involved in the strict regulation of biotechnology, as long as there are appropriate federal guidelines and compliance with such guidelines is assured. Your Committee, therefore, has amended this bill by:

- (1) Deleting the provision requiring the preparation of environmental assessment prior to the release of a genetically modified organism;
- (2) Amending section 321-11.6 to require that any applicant to the U.S. Department of Agriculture for any permit for, or approval of, field testing or release of any genetically modified organism shall submit a copy to the state Department of Agriculture; and
- (3) Requiring the state Department of Health to coordinate and assist the U.S. Environmental Protection Agency or the U.S. Food and Drug Administration in federal oversight responsibilities for genetically modified organisms.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 726, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 709 Judiciary on S.B. No. 396

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii requiring the Legislature to hold public hearings at least two days prior to a vote to appoint the Auditor. Forty-eight hours notice of the hearings would be required.

Your Committee received testimony in support of the bill from the State Auditor.

The Constitution currently provides for appointment by majority vote in joint session. This bill will allow the general public to be privy to deliberations relating to the appointment.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 396, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 710 Judiciary on S.B. No. 427

The purpose of the bill is to allow votes for candidates other than those listed on the ballot through a write-in procedure.

Your Committee received testimony relative to the bill from the Lieutenant Governor, Common Cause and an interested citizen.

Your Committee finds that eligible voters may choose to refrain from participation in the election process rather than be forced to vote for one of the available candidates.

Your Committee has amended the bill to limit its scope to primary and special primary elections only. Other amendments provide that:

1. Pre-filing requirements be replaced by post-filing requirements for winners only. Candidate legitimacy has been ensured by requiring that write-in votes may be cast only for "otherwise qualified" candidates, i.e., candidates who meet statutory and constitutional requirements but have not satisfied requirements to appear on the ballot.
2. The box which corresponds to the write-in name must be punched for the vote to be counted.
3. The definition of "ballot" is clarified.
4. Write-in candidates in uncontested races are required to receive 10 percent of the total vote for the office, or more votes than a winning ballot candidate for the office, before the write-in votes are counted.
5. Only section 11-115 is amended to provide for the blank lines on the ballot necessary to accommodate write-in votes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 427, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 711 Judiciary on S.B. No. 646

The purpose of this bill is to strengthen, broaden, and liberalize Hawaii's laws relating to the right to farm.

Specifically, the bill:

- (1) Provides for recovery of attorneys' fees and expenses by successful defendants in frivolous nuisance suits;
- (2) Provides that implementation of changes or adoption of new technology shall not constitute commencement of a new farming operation; and
- (3) Expands the definition of farming operation to include roadside marketing, use of chemicals, ground and aerial seed spraying, operation of machinery and irrigation pumps, and natural effects such as noise, odors, dust, and fumes arising out of or associated with farming.

It also nullifies all ordinances relating to nuisance farming.

Urban expansion has historically been accompanied by suits alleging farming operations to be nuisances and seeking to shut them down in favor of development. In response to this phenomenon, and in recognition of agriculture's critical importance to Hawaii's economy and character, the Legislature passed the Hawaii Right To Farm Act to limit circumstances under which farming operations may be deemed a nuisance.

Now the farming industry, especially the livestock industry on Oahu, is again facing the problem of urban encroachment. This bill broadens the protections afforded to farmers by the Right to Farm Act without unduly limiting or curtailing the right of developers to engage in lawful activities.

Your Committee has amended the bill by designating both agriculture and aquacultural facilities or pursuits, specifying the area of a "farming operation" to exceed one acre and providing that any farming operation found to be a nuisance, shall be governed by section 607-14.5. The one-acre provision has been inserted in recognition of the existence of one-acre lot subdivision which, though zoned for agriculture, are essentially residential subdivisions. Although a commercial agricultural farm might not be impossible on one acre, its impacts on the community may necessitate a different balancing of the equities.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 646, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 646, S.D. 2.

Signed by all members of the Committee.

SCRep. 712 Judiciary on S.B. No. 692

The purpose of the bill is to delete the requirement that all statements required to be filed with the State Ethics Commission by lobbyists be open to public inspection pursuant to section 92-51, Hawaii Revised Statutes which was repealed in 1988.

Your Committee received testimony relative to the hearing from the State Ethics Commission, the League of Women Voters and Common Cause.

Your Committee finds the bill to be a housekeeping measure to delete a provision of law that no longer has a field of operation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 692 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 713 Judiciary on S.B. No. 693

The purpose of the bill is to ease the current restrictions on activity of former legislators or their employees.

Your Committee received testimony in support of the bill from the State Ethics Commission and Common Cause.

Your Committee finds the prohibitions on post-employment under existing law to be overly restrictive.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 693 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 714 Judiciary on S.B. No. 1172

The purpose of the bill is to allow magazines with capacities in excess of ten rounds of ammunition to be possessed by persons who are registered owners of pistols which accept the magazines, by dealers licensed pursuant to section 134-31, Hawaii Revised Statutes, and by persons lawfully engaged in firearms repair.

The 1992 Legislature found the use of semiautomatic and automatic firearms to be particularly dangerous, and after extensive deliberation and discussion, passed legislation restricting the manufacture, possession, sale, barter, trade, gift, transfer, or acquisition of detachable ammunition magazines with capacities in excess of ten rounds. The law was passed to protect the public and aid law enforcement in crime prevention and gun control.

It is not the intent of your Committee to undermine the findings of the 1992 Legislature, but your Committee finds that under certain circumstances, magazines with capacities in excess of ten rounds can be used safely. For instance, in the sport of Action Pistol Shooting, magazines with capacities of twenty rounds are often used in competition, locally and nationally. In addition, many law abiding citizens with registered pistols that accept magazines with capacities greater than ten rounds have found it difficult to modify their magazines to conform to the requirements of the law without jeopardizing the reliability of the pistol and the manufacturer's warranty.

In consideration of the competing concerns, your Committee has amended the bill to allow the possession of magazines in excess of ten rounds if certain criteria are met:

- 1) the person has possession or control of the magazine;
- 2) the person is the registered owner of the pistol into which the magazine fits; and
- 3) when the magazine is inserted into the pistol, the ammunition contained in the magazine does not extend beyond the end of the pistol butt.

Your Committee has also removed the bill's proposed amendment to section 134-8(d), Hawaii Revised Statutes, as unnecessary because magazines fitting the above criteria would not be prohibited under section 134-8. Additionally, in accordance with standard statutory drafting techniques your Committee is repealing section 3 of Act 286 instead of section 4, and amending section 4 of Act 286 instead of section 134-8 of the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1172, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1172, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 715 (Majority) Judiciary on S.B. No. 1363

The purpose of this bill is to amend the Uniform Information Practices Act (Modified), "UIPA", to clarify that identifying information about employment-related misconduct may only be disclosed 30 days after a written decision sustaining the suspension or discharge is rendered at the highest level of non-judicial grievance procedure timely requested by the employee. The information to be disclosed will consist of: the name of the employee; the name of the complainant; the nature of the misconduct; findings of fact and conclusions of law; and the disciplinary action taken against the employee; except that police officers are excluded.

Your Committee finds that the UIPA is intended to be a comprehensive public records law that applies to all State and county agencies and promotes governmental accountability through public access to government records on the one hand while recognizing certain constitutional rights to privacy on the other. Your Committee is aware that the UIPA is a dynamic law and as various situations arise to test its applicability, the fine balance between the public's right to know and an individual's right to privacy is also tested.

Your Committee is also aware that one of the pressing issues of government accountability is the disclosure of employment-related misconduct by its government employees. Your Committee received testimony both in support of and in opposition to this measure and considered the concerns expressed by all those testifying.

To protect the privacy interests of individuals and to not discourage reporting of misconduct, your Committee has amended the bill by deleting the name of the complainant from being disclosed.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1363, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1363, S.D. 2.

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

SCRep. 716 Judiciary on S.B. No. 1556

The purpose of this bill is to clarify criminal offenses for the prosecution of persons making harassing telephone calls.

Your Committee received testimony relative to the bill from the Honolulu City Prosecutor.

Your Committee finds a need to clarify measures designed to protect persons from telephone calls intended to alarm, harass or annoy.

Your Committee has amended the bill by deleting the element of intent in the description of an offense under the statute.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1556, S.D. 1, and be placed on the calender for Third Reading.

Signed by all members of the Committee.

SCRep. 717 Judiciary on S.B. No. 1423

The purpose of this bill is to clarify the authority of the Director of Labor and Industrial Relations to assess administrative penalties, to increase the penalty amount from \$1,000 to \$5,000, and to delete the provision for possible imprisonment.

Your Committee received testimony in support of the bill from the Department of Labor and Industrial Relations. ILWU Local 142 expressed some concern about the change in penalties.

Your Committee finds that an expeditious administrative penalty is more appropriate and efficient than a criminal penalty in the context of Workers' Compensation Law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1423, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 718 Judiciary on S.B. No. 1424

The purpose of this bill is to clarify that the court can render a judgment to enforce a penalty under the Workers' Compensation law.

Current law specifies only that the court can render judgments on compensation.

Your Committee finds that this bill is necessary to ensure proper enforcement of Workers' Compensation penalties.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1424, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 719 Judiciary on S.B. No. 1425

The purpose of this bill is to clarify the authority of the Director of Labor and Industrial Relations to assess administrative penalties for claiming unapproved fees under the Workers' Compensation Law.

Current law provides for a fine of up to \$10,000 or up to one year in jail or both.

This bill eliminates the criminal sanction and establishes the fine as an administrative penalty.

Your Committee finds that this bill will expedite imposition and collection of penalties. Your Committee further finds that criminal sanctions are inconsistent with the intent of the statute.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1425, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 720 Judiciary on S.B. No. 1428

The purpose of this bill is to make Hawaii's occupational safety and health law relating to prohibited discrimination consistent with federal and case law.

Current law specifies circumstances under which refusal to engage in unsafe work is protected and discharge or suspension is illegal. However, while focusing precisely on protecting employees who refuse to engage in unsafe work, the law fails to distinguish between actual danger and minor administrative or technical violations that pose no harm.

Case law evolving since enactment of Hawaii's statutes has not only affirmed an employee's right to refuse unsafe work but has also clarified limitations, remedies, and types of activities that are protected.

This bill modernizes and clarifies Hawaii's occupational health and safety provisions governing discrimination and brings Hawaii law into line with federal law and precedent.

While administrative review by the Department of Labor and Industrial Relations will hasten a final determination of an employee's grievance, there may be times when injunctive relief or other remedy ordered by the courts will be more beneficial to the employee. In light of this, your Committee has amended the bill by including a paragraph that allows the employee to seek any other relief applicable under the law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1428, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1428, S.D. 2.

Signed by all members of the Committee.

SCRep. 721 Judiciary on S.B. No. 1430

The purpose of this bill is to exempt housing for older persons from the protections against age discrimination in real estate transactions.

Your Committee received testimony in favor of the bill from the Civil Rights Commission and a local law firm.

Your Committee finds that Act 171, 1992, inadvertently deleted "age" in the amendment to section 513-4(b), Hawaii Revised Statutes. That section specifies the exemptions from the chapter. Without the addition of age, there are absurd results since elderly housing projects are necessarily meant for older persons and therefore is intended to discriminate in favor of the elderly.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1430 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 722 Judiciary on S.B. No. 1434

The purpose of this bill is to prohibit the release of fish or other aquatic organisms into the wild.

Your Committee is concerned that non-native species of fish and other wildlife may compete with or even destroy Hawaii's native species, and your Committee finds that this bill is a means to alleviate the problem which is already occurring in our State waters.

Your Committee finds that although this bill would basically allow the Department of Land and Natural Resources to cite anyone for releasing anything alive into the State's waters, there may be situations where the department should not cite a person. For example, a person who caught opae for bait and kept it in a container while fishing should be allowed to release the opae back in a place where it was already established. Your Committee feels this type of release may actually conserve our resources and not destroy them.

Your Committee therefore has clarified that the prohibition applies to the release of non-native fish, non-native aquatic life, and reproductive products of those species, into storm drains as well as into those areas listed in the proposed bill, and has amended the bill to effectuate that intent. Your Committee has also made technical changes that have no substantive effects.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1434, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1434, S.D. 1.

Signed by all members of the Committee.

SCRep. 723 Judiciary on S.B. No. 1484

The purpose of this bill is to authorize the Department of Commerce and Consumer Affairs to issue citations for unlicensed activity regulated under chapter 436B, Hawaii Revised Statutes.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs and the American Institute of Architects.

Your Committee finds the need to establish a citation procedure to provide quick response to deal with unlicensed activity.

Your Committee has amended the bill by providing for its repeal on June 30, 1995.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1484, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1484, S.D. 2.

Signed by all members of the Committee.

SCRep. 724 Judiciary on S.B. No. 1698

The purpose of this bill is to amend the laws relating to hazardous waste by requiring persons who produce, transport, or store hazardous waste to directly notify the Department of Health (DOH) annually of the disposition of the hazardous waste in their possession.

Your Committee received testimony in support of the bill from the Department of Health. The Sierra Club, Hawaii Chapter, supported the intent but had objections to one provision.

According to the DOH, as the State's hazardous waste program is currently considered by the Environmental Protection Agency (EPA) to be on unauthorized status, the program relies on the EPA's hazardous waste listings. As the State's hazardous waste program approaches delegated status, the DOH is finding that many of the EPA's database listings contain inaccuracies regarding generator's status and activities. By requiring direct hazardous waste status notification to the DOH, the problems associated with such inaccuracies can be easily rectified on the local level.

Furthermore, as the DOH seeks to develop and implement a fee structure to support the hazardous waste program, an accurate database of hazardous waste handlers in Hawaii will be imperative.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1698, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 725 Judiciary on S.B. No. 1779

The purpose of this bill is to provide criminal sanctions for fraudulent encoding of a credit card.

Recently, criminal elements have gained the capability of changing the magnetic encoding on a credit card. Due to this advancement in technology, a person can obtain any card, change the code to match a usable code, and use the card without being detected. The potential loss to our State's commerce can be tremendous. The Honolulu Police Department, who testified in support of this bill, gave an example of a situation involving four people, who used fraudulently encoded credit cards to obtain over \$20,000 in goods and services before anyone discovered the fraud.

Your Committee finds that fraudulent encoding of credit cards is potentially dangerous to Hawaii's economy because large sums of money, goods, or services may be taken by a single fraudulent card before the activities are discovered. Your Committee feels Hawaii may be more vulnerable to this type of activity due to its tourist based economy where merchants expect the majority of transactions will be by credit cards.

Your Committee has amended the bill by adding the word "knowingly" to subsections (b) and (c) to cover those who had knowledge that the card was fraudulently encoded when the person used, uttered, offered, possessed, sold, or distributed the card.

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

Signed by all members of the Committee.

SCRep. 726 Judiciary on S.B. No. 1824

The purpose of this bill is to provide indemnification to the individual counties for injuries or damage, not arising from maintenance activities, involving Act 15 housing developments.

Your Committee received comments on the bill from the Housing Finance and Development Corporation.

Act 15 of the 1988 Hawaii Session Laws was enacted by the legislature to address a critical shortage of affordable housing. Act 15 gave the Housing Finance Development Corporation (HFDC) the power to develop projects and dedicate them to individual counties without requiring that the counties approve the plans of development. Thus, the counties have responsibility over housing developments which they may not have inspected for compliance with county codes.

Your committee finds it would be unfair to force the counties to assume liability resulting from projects over which they were not able to exercise control.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1824, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 727 (Joint) Consumer Protection and Judiciary on S.B. No. 235

The purpose of this bill is to extend the drop dead provision for certain sections of Act 2, First Special Session Laws of Hawaii 1986, relating to tort reform.

Your Committees have amended this bill to extend the drop dead provision for another two years to 1995. Your Committees have also amended this bill to make Section 3 of Act 2, First Special Session Laws of Hawaii 1986, the roll back provision, permanent.

Your Committees heard testimony which indicated that no study has ever been conducted on the effects of tort reform since the enactment of this law in 1986. Your Committees have also amended this bill to include a study by the Auditor to review the effects of Hawaii's tort reform law.

Your Committees received testimony in support of this bill from the Hawaii Medical Association, the Chamber of Commerce of Hawaii, and the Hawaii Insurers Council. The Hawaii Academy of Plaintiffs' Attorneys opposed this bill.

Your Committees on Consumer Protection and Judiciary are in accord with the intent and purpose of S.B. No. 235, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 235, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 728 (Joint) Consumer Protection and Health on S.B. No. 1547

The purpose of this bill is to clarify the specific immunization requirements (standards) for children which must be covered or reimbursed by the health insurance industry.

Your Committees find that immunization is an important aspect of health care and prevention and standards are necessary so that proper immunization is covered under a patient's health insurance plan.

Your Committees have amended this bill by inserting a proviso which would allow the Director of Health to make a determination of which standard to apply when the standards of the Advisory Committee of Immunization Practices of the United States Department of Health and Human Services differs from the standards of the American Academy of Pediatrics. It is your Committees' understanding that differences between the two entities are few, but there may be instances when someone has to make a determination of which standard to apply.

Your Committees have also amended this bill for purposes of style and clarity.

Your Committees received testimony in support of this bill from the Department of Health.

Your Committees on Consumer Protection and Health are in accord with the intent and purpose of S.B. No. 1547, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1547, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 729 Consumer Protection on S.B. No. 120

The purpose of this bill is to extend regulation of massage therapy to December 31, 2003.

Your Committee feels that regulation of massage therapy serves to protect consumers from incompetent massage therapist who may hurt clients, especially if they stray from their practice into other health care areas. Your Committee also feels that regulation has helped to reduce the use of this profession as a front to prostitution.

Your Committee has amended this bill to shorten the extension period for regulation of massage therapists to December 31, 1999.

Your Committee received testimony in support of this bill from the State Auditor and the Board of Massage Therapy.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 120, S.D. 1, be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 730 Consumer Protection on S.B. No. 122

The purposes of this bill are to continue regulation of osteopaths, clarify the examinations of osteopaths that will be accepted for licensure, terminate the Board of Osteopathic Examiners, and assign the duties of the Board of Osteopathic Examiners to the Board of Medical Examiners.

Your Committee finds that while osteopaths still need to be regulated, their small number does not justify a separate board. Your Committee feels that the profession would be sufficiently represented by having a member on the Board of Medical Examiners.

It is your Committee's intent that the Board of Medical Examiners remain self-sufficient and that increasing its membership will not result in additional costs to the State.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 122 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 731 Consumer Protection on S.B. No. 124

The purpose of this bill is to prohibit refiners and distributors from selling motor fuel at a wholesale price that is greater than or equal to the lowest price at which they sell fuel at their own retail outlets or to any other commercial account.

After consideration, your Committee feels that the measure does not adequately address the competitiveness of selling motor fuel at the wholesale level. Rather than imposing a restriction on sales below cost, which is adequately covered under Chapter 481, Hawaii Revised Statutes, your Committee feels that disclosure of the various wholesale prices would create a more competitive atmosphere in the wholesaling of motor fuels.

Your Committee has amended this bill by:

1. Deleting the provisions of this bill and adding language to require price posting at the distribution, jobber, or refiner level of the distribution system;
2. Providing for pool buying which would allow independent dealers to pool their purchasing power to participate in discounts offered to resellers that have a larger purchasing power;
3. Establishing a policy requiring wholesalers to offer all customers the lowest wholesale price available to any customer that has the capability of purchasing in the quantity established by the wholesaler; and
4. Providing for criminal penalties and civil damages for violations.

Your Committee has included a pool buying provision which would allow independent dealers to effectively compete with larger resellers. This pool buying provision is similar to a provision in Chapter 281, Hawaii Revised Statutes.

Your Committee feels this bill, as amended, would provide a fair and competitive motor fuel market by prohibiting unfair wholesale pricing that threatens the viability of independent retailers and distributors as competitors essential to a truly competitive fuel market. Your Committee also feels this bill would ultimately benefit the consumer.

Your Committee received testimony in support of this bill from the Hawaii Automotive and Gasoline Dealers Association.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 124, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 732 Consumer Protection on S.B. No. 131

The purpose of this bill is to establish provisions for management and financial accountability for time share plan management and to extend the sunset law for time share plans to 1999.

Your Committee has concerns about the accountability of plan managers to owners of time share units or plans and believes this bill would provide a certain degree of accountability to the owners.

Your Committee has amended this bill to:

1. Clarify that the association's financial accounts shall be audited;
2. Provide the Director of Commerce and Consumer Affairs with authority to adopt rules on the contents of the audit report;
3. Allow a biennial review, instead of an annual review, of the plan manager's employment contract by the association of time share owners;
4. Provide that the termination of a plan manager shall be effective one hundred twenty days, instead of sixty days, after written notice is transmitted;
5. Add a proviso that the termination shall be effective only if a replacement has been approved by the Director of Commerce and Consumer Affairs;
6. Allow for an interim plan manager when a plan manager's contract has been terminated; and
7. Make technical nonsubstantive amendments.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 131, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 733 Consumer Protection on S.B. No. 819

The purpose of this bill is to amend laws relating to owner-occupant affidavits.

Your Committee feels that Act 50, Session Laws of Hawaii 1992, may have had the effect of deterring development of new condominium housing and creating problems with financing for construction and purchase money loans for owner-occupants, and this bill would alleviate these problems.

Your Committee has amended this bill by:

1. Adding language to subsection (d) to provide more flexibility for a developer in regard to affirmation of the affidavit, and to set forth in statutory language that a failure to reaffirm may constitute a default on the sales contract;
2. Adding language to subsection (f) to clarify that two notices are to be mailed by the developer;
3. Deleting language from subsection (f) which allowed the Commission to adopt a form for the notice requirement; and
4. Adding language to subsection (f) to make clear that the developer shall keep records from the date of the first conveyance.

Your Committee also made technical amendments.

Your Committee received testimony in support of this bill from the Real Estate Commission and the Hawaii Association of Realtors.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 819, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 734 Consumer Protection on S.B. No. 1148

The purpose of this bill is to ensure that contraceptive options will be offered to all subscribers whose plans cover other pregnancy related services; and prohibit the exclusion of contraceptives from drug plans.

Your Committee feels that contraceptive services should be offered so that women have access to this type of preventive service. Your Committee finds that offering these services may result in increased access to contraceptive planning which may be a key factor to effective family planning.

Your Committee has amended this bill as follows:

- 1) By including physician assistants and certified nurse midwives as providers;
- 2) By revising the language for consistency in terminology;
- 3) By including the same coverage into Chapter 393, HRS, which governs the benefits for prepaid health care; and
- 4) By changing "prescription drug coverage" to "contraceptive prescription drug coverage" to more accurately express the intent of this bill.

Your Committee received testimony in support of this bill from the Department of Health and other organizations who are concerned with women's issues.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1148, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 735 Consumer Protection on S.B. No. 1223

The purpose of this bill is to provide safeguards for consumers who purchase motor vehicles from dealers.

This bill would afford a consumer a fair playing ground when conducting a transaction for a motor vehicle sale with a dealer by requiring the dealer to make certain disclosures and by allowing the consumer to rescind the contract within forty eight hours.

It is the intent of your Committee to make every attempt to ensure that a motor vehicle transaction between a dealer and the consumer is an arms-length transaction. After due consideration your Committee has amended this bill deleting its contents and adding language to:

1. Include new and used motor vehicles in this bill;
2. Provide that a consumer may cancel a contract so long as the consumer does not take physical possession and remove the vehicle from the dealer's lot;
3. Allow the dealer to assess fees and costs for preparing the motor vehicle for delivery;
4. Provide that a contract shall be void unless all financing terms have been finalized;
5. Allow the dealer to have a reciprocal right to cancel the contract so long as the consumer has not finalized a financial obligation to purchase the vehicle;
6. Provide for automatic rescission of the contract if a dealer does not disclose to the consumer that a motor vehicle is a salvaged vehicle; and
7. Delay the effective date of this bill to July 1, 1995.

Your Committee wants to make clear, that the purpose of delaying the effective date of this bill is to provide a time period for the parties involved to continue their discussion on this subject and even to allow discussions to continue after this session.

Your Committee feels this bill, as amended, protects both the consumer and the dealer from any unfair advantages that a party may have against the other.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1223, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 736 Consumer Protection on S.B. No. 1239

The purpose of this bill is to exempt from physician licensure requirements, first responder personnel certified by the Department of Health to provide automatic defibrillation to cardiac arrest victims when such services are rendered under the medical oversight of a Hawaii licensed physician.

First responders are usually the first personnel on location when a victim has suffered a heart attack. In the majority of cases, the heart stoppage occurs when the heart's normal rhythmical beat is replaced by a chaotic purposeless quivering that is termed ventricular fibrillation. The automatic defibrillator would be used in cases where a victim has ventricular fibrillation. The defibrillator would deliver a jolt of electric current throughout the heart to stop the ventricular fibrillation. Timing is critical when a defibrillator is used, the sooner the jolt is delivered, the better the chances for recovery.

Your Committee feels that the automatic defibrillator would be an important addition to emergency response if a first responder would be allowed to use it. Lives may be saved through its proper use.

Your Committee has amended this bill by removing the liability of a physician for overseeing the use of a defibrillator. Your Committee feels that physicians may be reluctant to provide medical oversight of an automatic defibrillation program if the physician has to carry full responsibility for defibrillations performed by first responder personnel.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1239, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 737 Consumer Protection on S.B. No. 1353

The purpose of this bill is to provide penalties for violations of an insurer's no-fault obligations.

This bill would establish penalties for an insurer's failure to make required disclosures to claimants regarding the limits available for no-fault coverage.

Your Committee finds that this disclosure requirement would alert claimants to possible excessive charges by providers and would permit claimants to monitor the use of their benefits.

Your Committee feels this bill would help keep a claimant informed of the benefits available so that the claimant may monitor the course of treatment and would be able to take some course of action before the benefits are exhausted.

Your Committee has amended this bill by deleting language which would have made these penalties the exclusive remedy. Your Committee feels that the claimant should be able to seek other remedies against the no-fault insurer. Your Committee also changed "no-fault insurer" to "insurer" to be consistent within the section and with the definitions section of the article.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs and the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1353, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 738 Consumer Protection on S.B. No. 1483

The purpose of this bill is to amend section 481I-3, Hawaii Revised Statutes, by deleting repair of the motor vehicle as an appropriate remedy.

Your Committee has amended this bill to correct an erroneous reference to section 481I-3, Hawaii Revised Statutes.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1483, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1483, S.D. 2.

Signed by all members of the Committee.

SCRep. 739 Consumer Protection on S.B. No. 1868

The purpose of this bill is to prohibit certain activities related to the selling of time share units or plans.

This bill amends the prohibited practices section by:

1. Adding transportation, luaus, ocean recreation activities, tours, or land recreation activities to the list of prohibited activities;
2. Adding a prohibition that a prospective purchaser must complete a sales presentation to be eligible for a prize;
3. Adding a prohibition of making any representation that a time share interest is an investment;
4. Adding a prohibition as to misrepresentation as to management fees;
5. Adding a prohibition on the distribution of promotional or disclosure material separately if the material was approved in a consolidated form; and
6. Adding a prohibition on the use of any unregistered time share booths.

The registration of time share booths is currently required by department rule. However, your Committee finds making it a statutory creation would be more effective. These booths are set up to look like "activities booths" to offer cheap rates on tourist attractions, when in fact it is disguising the high pressure tactics of time share salespersons. It is a come-on for unwary tourists who think the booths are for selling activities rather than time shares.

Your Committee recognizes that the tourist industry is an important industry to Hawaii and anything that would mislead our visitors, is not conducive to this industry. This bill would prevent tying tourist related activities to the promotion of time share units or plans. Your Committee finds that this bill would offer some protection to our visitors from misleading information or promotions.

Your Committee has amended this bill by deleting language which would have made a violation of section 514E-11, Hawaii Revised Statutes, an unlawful or deceptive practice. Your Committee made this amendment to remove any confusion as to application of penalties for a violation under this section, because the chapter already provides for harsh monetary civil penalties and for suspension or revocation of the registration of the person.

Your Committee has also made a technical nonsubstantive amendment to this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1868, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 740 Consumer Protection on S.B. No. 1904

The purpose of this bill is to deny state housing assistance to new residential rental projects in any county that implements rent control, unless the county submits an impact statement for review to the Legislature.

This bill also permits the Legislature to propose legislation that places limitations on a county's allocation of state rental housing resources; provides for a county to become eligible for assistance if no legislation is proposed or passed; and provides exceptions to the bill's application.

Your Committee finds that in order to ensure an equitable allocation of resources for all counties of the State, the Legislature must be allowed to review the impact of rent control and set limitations on the investment of state resources in each county.

Your Committee notes that this bill does not preempt the authority of the counties to institute rent control, but rather protects the State from having to invest a larger than normal proportion of state resources in any county as a result of the imposition of rent control.

Your Committee received testimony in support of this bill from the Hawaii Association of Realtors, the Hawaii Developers' Council, the Land Use Research Foundation of Hawaii, the Chamber of Commerce of Hawaii, and the Building Industry Association of Hawaii.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1904 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 741 Consumer Protection on S.B. No. 799

The purpose of this bill is to establish a diversion program for chemically dependent nurses.

This bill would establish a diversion program to assist nurses who are chemically dependent. Your Committee feels that nurses are in a stressful occupation and your Committee understands that some of them may be tempted to relieve their stress through drugs or alcohol. Many times these nurses do not realize that they are addicted and may want to seek help. Currently, there is no peer program to offer them assistance, while at the same time protecting them from license revocation or suspension or other types of disciplinary action.

Your Committee finds that all nurses play an important role in our health care, and but for a chemical dependency, the chemically dependent nurses would be able perform their functions well. Your Committee further finds that chemically dependent nurses should be given the opportunity to recover from their chemical dependency so that they may once again serve an important role in our society.

Your Committee has amended this bill by:

1. Adding the definition of "peer assistance program" to clarify that there would be a peer assistance program and a diversion program;
2. Adding a findings section to clarify that the peer assistance program is an informal program of the Hawaii Nurses Association of which the diversion program is a component part;
3. Deleting section -2(e) in its entirety and inserting language which would designate the Executive Secretary of the Board of Nursing as the person to contact along with the Regulate Industries Complaints Office to ensure that the licensee's right to due process is preserved;
4. Adding to language to the section -3 to include persons or entities working with a peer assistance program;
5. Deleting section -4 in its entirety and inserting new language to indicate that records of nurses in the diversion program are privileged and nurses in the peer assistance program would not have their licenses at risk; and
6. Making technical amendments for clarity and style.

Your Committee received testimony in support of this bill from the Board of Nursing, the Department of Health, the Department of Commerce and Consumer Affairs, the Hawaii Nurses' Association, Loretta Schuler, and Donna Figueroa.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 799, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 799, S.D. 2.

Signed by all members of the Committee.

SCRep. 742 Consumer Protection on S.B. No. 829

The purpose of this bill is to amend section 403-1, Hawaii Revised Statutes.

Your Committee heard this bill and S.B. No. 1482 for the purpose of inserting the recodification of existing laws governing financial institutions. After consideration, your Committee has decided to amend this bill by inserting the proposed Code of Financial Institutions.

The new purpose of this bill is to recodify existing laws governing financial institutions.

Laws governing financial institutions were first enacted in the 1930's and have been amended in a piecemeal fashion to accommodate changes in regulation and in the marketplace. This measure is a comprehensive proposal which seeks to simplify, modernize, and harmonize the laws governing financial institutions.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Bankers Association, the Hawaii Savings League, the Hawaii Financial Services Association, the Corporate Trustees Association, and the Hawaii Credit Union League.

According to testimony submitted, the regulators and the affected industries have labored throughout the year to produce the proposal that has been submitted. As proposed, this measure balances the interests of financial institutions to

provide services to the community, but more importantly, preserves and enhances the rights and enforcement tools of regulators to keep financial institutions safe and sound. This measure also permits financial institutions to engage in modern practices and services that are of benefit to the community, consumers, and businesses.

This measure also repeals sixteen chapters of law, presently set forth in Title 22, Hawaii Revised Statutes, and codifies these laws into a single chapter to be known as the "Code of Financial Institutions". The chapter is divided into eleven different articles.

The articles have been organized in a fashion that will permit easier use and understanding of the laws governing financial institutions. A brief description of these Articles is set forth below.

Article 1 sets forth the "General Provisions of Law" that are used throughout the Code. Uniform definitions that apply to all financial institutions and which are used throughout the Code of Financial Institutions are set forth in this Article.

Article 2 sets forth the powers and jurisdiction of the Commissioner of Financial Institutions and the Division of Financial Institutions. This Article preserves and enhances the traditional regulatory powers and enforcement actions utilized by regulators to address unsafe and unsound practices or conditions.

Article 3 governs the "Organization and Management of Financial Institutions". This Article sets forth basic application procedures to organize or apply for certain charters and licenses. This Article also governs mergers, acquisitions, and conversions.

Article 4 sets forth the general laws governing "Deposits in Financial Institutions". The laws here have been clarified for all financial institutions.

Article 5 deals with "Banks" and sets forth those provisions that specifically relate to commercial banks. This Article also sets forth those laws governing international banking corporations, foreign banks, and intra-Pacific banks.

Article 6 deals with "Savings Banks" and sets forth those laws that are unique to this institution.

Article 7 deals with Savings and Loan Associations and sets forth those provisions that govern the operations of these institutions.

Article 8 deals with "Trust Companies". Your Committee has changed this Article by deleting a proposed Part providing expanded powers to the trust companies. Your Committee has been advised that since this law was enacted and incorporated into Chapter 406, Hawaii Revised Statutes, no applications have been filed with the Commissioner of Financial Institutions. Accordingly, there is no present use for these provisions to remain in force.

Article 9 deals with Financial Services Loan Companies and sets forth those provisions unique to these companies, their loans and operations.

Article 10 deals with "Credit Unions" and sets forth and preserves those characteristics that are unique to this industry.

Article 11 relates to "Financial Institution Holding Companies". Your Committee believes that it is important for regulators to have jurisdiction over holding companies in order to ensure the safety and soundness of the depository institution. This Article provides regulatory authority to examine financial institution holding companies where there is evidence that the institution is in a troubled condition.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 829, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 743 (Joint/Majority) Government Operations, Environmental Protection and Hawaiian Programs and Agriculture on S.B. No. 637

The purpose of this bill is to exempt odors emanating from agricultural operations necessary for the growth of crops or the raising of fowl or animals from the State's Clean Air Act.

Testimony in support of the bill was received from the Hawaii Farm Bureau. The Department of Health testified against the bill, stating that the exemption would be better addressed through the departmental rulemaking process.

Your Committees find that a rule recently adopted by the Department of Health that regulates the hydrogen sulfide emissions of geothermal projects could inadvertently affect portions of the agricultural community.

The sugar and livestock industries would be affected insofar as these industries make use of waste ponds which emit hydrogen sulfide at unknown levels for unspecified periods of time.

Your Committees believe that the rule adopted by the Department of Health was not intended for this purpose.

Your Committees have amended the bill by clarifying that the exemption from the State's Clean Air Act shall only apply to waste ponds, animals, or manure from agricultural operations.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Agriculture are in accord with the intent and purpose of S.B. No. 637, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 637, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.
Senator Reed did not concur.

SCRep. 744 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Agriculture on S.B. No. 933

The purpose of this bill is to encourage the recycling of locally generated raw material with significant economic value and to establish composting as an agricultural activity.

Specifically, the bill defines the term "post consumer recyclable materials" as raw materials generated in Hawaii that have significant economic value. The bill also amends the term "composting" found in Chapter 342G, Hawaii Revised Statutes, to designate composting as an agricultural activity.

Your Committees received testimony supporting the intent of the bill from the Department of Health, the Department of Business, Economic Development, and Tourism, and the City and County of Honolulu.

Your Committees find that the proposed definition of "post consumer recyclable materials" contained in the bill is inaccurate and conflicts with existing definitions used by the Department of Accounting and General Services.

Your Committees have therefore amended the bill by deleting the proposed definition of "post consumer recyclable materials" and replacing it with definitions of "recycling" and "secondary resources."

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Agriculture are in accord with the intent and purpose of S.B. No. 933, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 933, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 745 Ways and Means on S.B. No. 119

The purpose of this bill is to convene a temporary task force to establish regulatory controls for the protection and preservation of historic districts, landscapes, buildings, and other sites associated with the cultural past of the State.

Your Committee finds that this measure establishes a comprehensive methodology for the protection, preservation, and designation of cultural resources, landscapes, and scenes in Hawaii. The task force, whose membership will include representatives from diverse groups and interests, will carry out the designation and develop the regulatory framework for the protection of these culturally significant areas.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 119, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 746 Ways and Means on S.B. No. 930

The purpose of this bill is to provide continued funding for the recently established Hawaii resource and technical assistance project on autism at the University of Hawaii.

A report on autism submitted in 1991 by the state planning council on developmental disabilities recommended that Hawaii establish a three-year pilot project to develop a comprehensive system of diagnosis and treatment for individuals with autism. Your Committee is in agreement with the finding of the Committee on Higher Education, Culture, Arts and Historic Preservation that this bill would provide critical support for the continuation of this pilot project.

Your Committee has amended this bill by changing the appropriations to unspecified amounts for the purpose of facilitating continued discussion on this issue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 930, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 903, S.D. 1.

Signed by all members of the Committee.

SCRep. 747 Ways and Means on S.B. No. 269

The purpose of this bill is to transfer the Kama'aina Hale project in Kailua, Kona from the housing finance and development corporation to the Hawaii housing authority.

Your Committee finds that Kama'aina Hale project was originally developed as a fee simple project in 1976, but was converted into a rental project because of the depressed real estate conditions. Accordingly, your Committee finds that the project would be more appropriately administered under the auspices of the Hawaii housing authority.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 269 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 748 Ways and Means on S.B. No. 539

The purpose of this bill is to require persons in need of public assistance to work on public projects.

Your Committee finds that the concept of "workfare" is controversial and an integrated approach of providing child care, education, and job training to persons on public assistance is preferable to workfare mandates. However, your Committee is also concerned about the generations of families who have become dependent on public assistance, with little hope for children raised within this socioeconomic strata of breaking out of the cycle.

Your Committee notes that of the 8,187 individuals currently receiving general assistance, 3,000 are participating in the food stamp employment and training program, and 92 are participating in the general assistance temporary labor force program. It is clear that the current law has created a situation where many public assistance recipients do not participate in government work programs, and your Committee believes this bill will ensure increased participation in valuable employment training programs.

Your Committee is concerned that the requirements of the bill may possibly jeopardize the receipt of federal funds for public projects funded in whole or in part by federal moneys, and has therefore amended the bill to provide that if any part of the bill is found to be in conflict with federal requirements that are a prescribed condition for the allocation of federal funds, then the conflicting parts of this bill are inoperative solely to the extent of the conflict and with respect to the agencies directly affected.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 539, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 539, S.D. 2.

Signed by all members of the Committee.

SCRep. 749 Ways and Means on S.B. No. 1711

The purposes of this bill are to: (1) change the length of the terms of members of the board of public broadcasting from six years to four; and (2) require the public broadcasting revolving fund to consist of all revenues, rather than only private revenues, received for services, airtime, and other uses of public broadcasting facilities.

Your Committee has amended this bill by:

- (1) Requiring the public broadcasting revolving fund to consist of donations, grants, and fees, in addition to revenues received for services, airtime, and other uses of public broadcasting facilities, and state funds specifically appropriated for deposit into the revolving fund;
- (2) Requiring the board of public broadcasting to:
 - (A) Prepare an annual report for the legislature identifying the amount and source of all revenues deposited into the revolving fund; and
 - (B) Submit the abovementioned annual report to the legislature not less than twenty days before the convening of each regular session of the legislature;
 and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1711, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1711, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 750 Ways and Means on S.B. No. 652

The purpose of this bill is to appropriate \$240,000 for fiscal biennium 1993-1995 to be expended by the governor's agriculture coordinating committee on low-input sustainable agriculture research, education, and demonstration projects.

The Hawaii Farm Bureau Federation will play a major role in these efforts.

Your Committee finds that low-input sustainable agriculture may be the only economically viable and politically feasible solution to many social, economic, and environmental problems confronting Hawaii's farmers.

Your Committee has amended this bill by changing the appropriation to an unspecified amount, and by making a few technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 652, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 652, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 751 Ways and Means on S.B. No. 1874

The purpose of this bill is to create the Kaneohe Bay Regional Council to implement the Kaneohe Bay master plan developed pursuant to Act 208, Session Laws of Hawaii 1990, and to perform other duties related to the management and administration of Kaneohe Bay.

Your Committee finds that Kaneohe Bay is a rich natural resource used by marine researchers, commercial fishers, and the general public. The Kaneohe Bay master plan was developed to resolve concerns concerning these conflicting uses and provide guidelines for the regulation of all activities in the Bay. The creation of the council as proposed in this bill will ensure the protection of this precious resource and provide a means of addressing important issues regarding use of the Bay.

Your Committee has amended this bill to prevent a conflict in designating ex officio members of the council. The bill as submitted provided in section -2(a) that ex officio nonvoting members shall be appointed "as determined by the council," while section -2(c) listed seven specific members who shall be included as ex officio nonvoting members. Your Committee has amended the bill by bringing subsection (a) into conformance with subsection (c).

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1874, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1874, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 752 Ways and Means on S.B. No. 1543

The purpose of this bill is to appropriate \$1,280,000 for the 1993-1995 fiscal biennium for the medicaid patient delivery supplement project.

This bill also makes permanent the three demonstration projects established by Act 326, Session Laws of Hawaii 1990, namely, the maternal care incentives project, the comprehensive perinatal care in needy areas project, and the medicaid patient delivery supplement project. The bill further repeals the requirement for the department of health to establish adjunctive eligibility for the federally funded WIC program.

Your Committee finds that the projects established by Act 326, SLH 1990, serve a vital function in perinatal care and treatment and that it is appropriate to provide continued funding for the medicaid patient delivery supplement project.

Your Committee has amended this bill to reinstate the requirement originally imposed by Act 326, SLH 1990, for the department of health to establish adjunctive eligibility for the federally funded WIC program and by changing the appropriated amounts to blank amounts for purposes of discussion.

Your Committee has also made technical, nonsubstantive amendments for the purposes of consistency, clarity, and style, including deletion of the phrase "for the fiscal years 1993-1994 and 1994-1995" to describe the duration of the medicaid patient delivery supplement project, which this bill makes permanent.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1543, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1543, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 753 Ways and Means on S.B. No. 1643

The purpose of this bill is to appropriate funds for the Hawaii Families Together initiative.

Your Committee finds that the Hawaii Families Together initiative is a family preservation services program that will provide intensive in-home family crisis counseling and life-skills education. The program will help prevent the unnecessary dissolution of families and reduce the placement of children in foster and other types of care. While the national norm for placement of children in foster homes when there are confirmed cases of abuse or neglect is ten per cent, in Hawaii that figure is closer to thirty percent. This is not in the best interests of the child or the family. It is also not in the best interests of the State, as the cost of foster care is more than twice that of the cost of family preservation services.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to promote continuing discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1643, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1643, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 754 Ways and Means on S.B. No. 1714

The purpose of this bill is to establish a state advisory council on rehabilitation and a statewide council on independent living to replace the board of vocational rehabilitation within the department of human services.

The bill conforms state law to the 1992 amendments to the federal Rehabilitation Act of 1973 which requires states to establish a rehabilitation advisory council and a statewide independent living council.

Your Committee has amended this bill by making technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1714, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1714, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 755 Ways and Means on S.B. No. 1823

The purpose of this bill is to repeal the provisions for fee title acquisition loan program revenue bond special funds.

Your Committee finds that the above-mentioned special fund program is no longer necessary, and should be repealed. Your Committee has made technical, nonsubstantive changes by enclosing the repealed section in brackets according to the requirements of the Ramseyer format, and by deleting references to the repealed program in section 516-107, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1823, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1823, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 756 Ways and Means on S.B. No. 612

The purpose of this bill is to authorize the housing and finance development corporation to use funds from the homes revolving fund or the rental housing revolving fund to contract for the construction and operation of child care recreational facilities and other community-wide facilities that are necessary adjuncts to affordable housing projects.

Your Committee finds that in view of the development of affordable housing in areas such as Kapolei and surrounding areas, there is a need for recreational complexes, child care centers, and other facilities for community-wide use. This bill will allow the housing finance and development corporation to contract with contractors that have success records in constructing or operating community-wide facilities and to finance construction on a matching or other cost-efficient basis.

Your Committee has amended this bill by deleting in its entirety, the section authorizing the housing and finance development corporation to contract with Seagull School, Inc. for the operation or construction and operation of a child care facility for Kapolei and the provision in the effective date section requiring that such contract be executed by June 30, 1995. Your Committee has also made 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. 612, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 612, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 757 Ways and Means on S.B. No. 243

The purpose of this bill is to implement the recommendations of the state auditor with respect to the repeal or modification of the special and revolving funds administered by the University of Hawaii.

Your Committee finds that in its report to the legislature, the office of the state auditor reported that eighteen state agencies currently control nearly \$1,500,000,000 in state moneys in approximately one hundred sixty special and revolving funds. The auditor further reported that although the effects caused by the creation of these funds were unintended, the results have nevertheless distorted the State's financial picture, reduced executive branch accountability, and eroded the legislature's control over state finances.

Your Committee has amended this bill by deleting section 16 which carries out the recommendations made by the auditor with respect to the University of Hawaii press revolving fund and the campus telephone communication system special fund. 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. 243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 243, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 758 Ways and Means on S.B. No. 229

The purpose of this bill is to authorize the issuance of \$6,000,000 in special purpose revenue bonds to assist ETV Hawaii/Elephant Television, Inc., in the generation of capital for a television and film industry production and training facility on Maui.

Your Committee finds that the University of Hawaii is the only state university in the nation that does not offer a four-year degree program in motion picture and television production. ETV Hawaii/Elephant Television, Inc., proposes to establish a facility on Maui that would provide national quality television and motion picture production training for Hawaii's residents. The facility would also enhance the State's economy by providing new, up-scale job opportunities for its residents.

Your Committee also finds that this project was already approved by the legislature and the governor in 1991 through Act 278, Session Laws of Hawaii 1991. However, the Act incorrectly referred to ETV Hawaii/Elephant Television, Inc., as a "processing" rather than an "industrial" enterprise. This bill corrects the error by recasting the language in Act 278 and repealing Act 278.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 229 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 Fernandes Salling.

SCRep. 759 Ways and Means on S.B. No. 700

The purpose of this bill is to establish a marine and coastal affairs program in the office of state planning and to delineate its duties and responsibilities.

The bill also elevates the ocean resources branch of the department of business, economic development, and tourism to division level. Your Committee finds that as an ocean state Hawaii must coordinate ocean policy and look towards creative, efficient use of ocean resources for its economic future.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 700, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 760 Ways and Means on S.B. No. 711

The purpose of this bill is to allow the high technology research and development corporation to expend up to five per cent of its appropriated funds to conduct educational meetings and workshops to stimulate participation by Hawaii businesses.

Your Committee finds that the corporation currently provides grants of up to fifty per cent of the federal grant to each business in Hawaii that receives a federal small business innovation research (SBIR) phase I award or contract. This has been effective in encouraging increased participation by Hawaii companies and making them more competitive for phase II awards. In view of the substantial increase in federal SBIR funding, there is need to make more businesses aware of this program and to assist them in securing federal awards. This bill will permit the corporation to conduct seminars, symposia, workshops, and other instructional or educational meetings designed to familiarize Hawaii businesses with the federal and state programs.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 711, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 761 Ways and Means on S.B. No. 1146

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Kauai Electric Division of the Citizens Utilities Company in providing electricity to the residents of Kauai and lowering the capital costs associated with restoring the necessary electrical infrastructure.

Your Committee finds that the devastation caused by Hurricane Iniki has left the island of Kauai with a weakened and fragile energy production capacity that is barely sufficient for its needs. Your Committee further finds that special purpose revenue bond financing offers a lower cost alternative to financing the needed capital improvement projects.

Your Committee has amended the bill by changing the amount of special purpose revenue bonds that may be issued to an unspecified amount to facilitate continuing discussion on this matter and by 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. 1146, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1146, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 762 Ways and Means on S.B. No. 1209

The purpose of this bill is to authorize the issuance by the department of budget and finance of special purpose revenue bonds for Encogen Hawaii, L.P. for not more than \$36,000,000 to assist it to establish a power plant and related facilities.

Your Committee finds that Encogen Hawaii, L.P. is a Delaware limited partnership presently engaged in developing a power plant project which will sell electric energy to the Hawaii Electric Light Company, Inc. (HELCO), an electric utility serving the public. Your Committee further finds that HELCO customers on the Big Island continue to experience electrical energy shortages due to inadequate supply which should be augmented by the development of the Encogen Hawaii, L.P. energy generation project.

Your Committee has amended this bill by changing the authorization to an unspecified amount for purposes of discussion. Your Committee has also made a technical, nonsubstantive change for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1209, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1209, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 763 Ways and Means on S.B. No. 1345

The purpose of this bill is to authorize the issuance by the department of budget and finance of special purpose revenue bonds for Intellect, Inc.

Your Committee finds that Intellect, Inc., is a Hawaii corporation which designs, manufactures, markets, trains, and supervises the installation of voice and data communications systems to a worldwide market. Your Committee further finds that additional capital will enhance Intellect's potential for further expansion and diversity of its operations and products, which in turn will provide additional employment opportunities and revenues for the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1345, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 764 Ways and Means on S.B. No. 1460

The purpose of this bill is to impose a tax surcharge of one-half per cent on capital goods imported into the State for lease to others.

Your Committee finds that an inequity exists in chapter 238, Hawaii Revised Statutes, which provides an incentive for a leasing company to import capital goods rather than to purchase them locally. Your Committee believes this bill will equalize the amount of taxes paid regardless of whether the goods are purchased locally or imported.

Your Committee has amended this bill by making technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1460, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1460, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 765 Ways and Means on S.B. No. 1587

The purpose of this bill is to authorize the issuance of \$5,000,000, in special purpose revenue bonds for the purpose of assisting Hawaiian Entrepreneurs, or a partnership in which Hawaiian Entrepreneurs is a general partner, with the establishment of a manufacturing and processing facility that will use the thermal fluids produced by the Wiliki Hawaii Partners Elua electric cogeneration facility.

Your Committee finds that Hawaiian Entrepreneurs seeks to purchase thermal fluid output from the cogeneration facility owned by Wiliki Hawaii Partners Elua, a native Hawaiian-owned enterprise, for the operation of wholesale and retail cold storage facilities. Your Committee further finds that this enterprise will diversify the Big Island's economy through the establishment of an alternative energy technology.

Your Committee has amended this bill by:

- (1) Changing the name of the owner of the electric cogeneration facility from "Wiliki Hawaii Partners Elua" to "Hui Enekinia Hawaii";
- (2) Specifying that the bond proceeds are "seed money" for Hawaiian Entrepreneurs; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1587, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1587, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 766 Ways and Means on S.B. No. 1914

The purpose of this bill is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist Electric Car Hawaii in establishing an electric vehicle conversion and assembly plant.

Your Committee finds that Electric Car Hawaii, a Hawaii corporation, plans to operate an electric vehicle assembly plant that will convert existing internal combustion engines to electric, as well as assemble new electric cars and related infrastructure equipment. The establishment of this plant will help to diversify the State's economy by providing additional high technology training and jobs for Hawaii's residents.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1914, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 767 Ways and Means on S.B. No. 535

The purpose of this bill is to clarify the assessment of delinquent taxes and penalties as a condition precedent to the renewal of a motor vehicle registration or the transfer of ownership of a motor vehicle.

Your Committee agrees with the finding of the Committee on Tourism, Recreation and Transportation that the provisions of the bill would clarify the intent of section 249-10, Hawaii Revised Statutes, that requires all delinquent taxes and penalties be paid before a motor vehicle is registered or ownership is transferred.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 535, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 768 Ways and Means on S.B. No. 1076

The purpose of this bill is to appropriate \$25,000 for the second annual Royal Hawaiian Masters Rugby Festival.

This bill also provides that no funds shall be made available unless matched dollar for dollar by private sector donations.

Last year, the legislature supported the inaugural Royal Hawaiian Masters Rugby Festival, which was successful in bringing foreign teams and supporters to the State.

Your Committee finds that continued support and promotion of the Royal Hawaiian Masters Rugby Festival will ensure a continued boost to our State's tourist industry and overall economy.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to promote further discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1076, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1076, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 769 Ways and Means on S.B. No. 1080

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

Your Committee has amended this short form bill by inserting substantive material to provide assistance to Hawaiian Airlines, whose operations and revenues have been adversely affected by the reduced number of visitors now using their transportation services.

The bill directs the department of business, economic development, and tourism to review the possible options available to the State in assisting Hawaiian Airlines, and to report findings and recommendations to the legislature twenty days before the convening of the Regular Session of 1994.

Your Committee agrees that failure to provide some manner of relief to Hawaiian Airlines will further exacerbate visitor decline throughout the State, especially in the neighbor islands. Your Committee finds that some form of action is necessary to protect the public's welfare, to prevent reductions in employment and quality of life, and to ensure that interisland air transportation is not further eroded.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1080, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 770 Ways and Means on S.B. No. 1592

The purpose of this bill is to appropriate \$250,000 for Aloha Festival activities.

Your Committee finds that the Aloha Festival provides a valuable multi-cultural experience that benefits both the local and tourist population. The events bring cultural awareness and enhance the attractiveness of Hawaii.

Your Committee has amended this bill by replacing the specific appropriation with an unspecified amount to encourage further discussion on the issue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1592, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1592, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 771 Ways and Means on S.B. No. 552

The purpose of this bill is to amend sections 103-50 and 103-50.5, Hawaii Revised Statutes, to conform to the Americans with Disabilities Act, P.L. 101-336, by requiring that buildings be made accessible to persons with disabilities according to Americans with Disabilities Act Guidelines rather than the Uniform Federal Accessibility Standards.

Your Committee has amended this bill by changing the appropriation to an unspecified amount and by making technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 552, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 772 Ways and Means on S.B. No. 1555

The purpose of this bill is to improve government efficiency by establishing a system of employee performance standards and measurements and allowing agencies to retain savings from one fiscal year for use in the next fiscal year.

Your Committee agrees with the Committee on Government Operations, Environmental Protection and Hawaiian Programs that the time is right and that state agencies are ready to "reinvent" state government by streamlining operations, increasing productivity and responsiveness, and becoming mission-driven and results-oriented. This bill is intended to facilitate that process.

Your Committee has amended this bill as follows:

- (1) In section 1, sections -2 through -5, relating to notice to employees, performance evaluations, salary increase based on high performance measurements, and oversight and adoption of rules by department of personnel services have been deleted;
- (2) The entire section authorizing the retention of unexpended or unencumbered appropriations into the next fiscal year has been deleted; and
- (3) A technical, nonsubstantive change has been made.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1555, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1555, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 773 Ways and Means on S.B. No. 1765

The purpose of this bill is to permit a county to impose a county vehicle ad valorem tax in place of the current county vehicular weight tax.

Testimony in support of the bill was received from the director of finance for the city and county of Honolulu.

Your Committee finds that a vehicle tax based on value of the vehicle rather than its weight is less regressive in that persons able to afford a more expensive vehicle will pay a higher tax, and persons able to afford a more modest vehicle will pay a concomitantly lesser tax. This arrangement is more fair and less arbitrary than the current system.

Your Committee received testimony that this bill will provide the means to finance a city fixed rail system. Your Committee assumes that if such is the case, proper public hearings will be held specifically to address the many concerns associated with a fixed rail system and the use of an ad valorem tax to finance that project.

Your Committee has amended the bill by placing a cap on the tax at an unspecified rate.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1765, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1765, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 774 Ways and Means on S.B. No. 1377

The purpose of this bill is to appropriate \$1, for purposes of discussion, for the development of a statewide comprehensive system of mental health care for children and adolescents.

The bill specifies high priority areas for funding, including therapeutic day treatment services on Maui, Kauai, Molokai, and Hawaii, and therapeutic foster homes and case management positions on Maui, Kauai, Molokai, Hawaii, and Oahu. The bill additionally specifies the new priority of continuing the existing system of care project at the current level of operation with an additional \$53,375 for each of fiscal years 1993-1994 and 1994-1995.

Your Committee finds that there is a critical shortage of mental health services and programs and recognizes that an adequate system of care cannot be funded and implemented immediately but that a continuing commitment to expanding programs and resources is necessary to provide for the mental health needs of Hawaii's children and adolescents. This bill represents only the first step in the development of a comprehensive mental health system for all the people of Hawaii.

Your Committee has amended this bill by changing the appropriations to unspecified amounts and by making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1377, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1377, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 775 Ways and Means on S.B. No. 208

The purpose of this bill is to eliminate fees and costs deposited with the courts by a party requesting a garnishment.

Your Committee finds that the collection and disbursement of all garnishment fees provided for in section 652-13, Hawaii Revised Statutes, impose unnecessary and costly record keeping on the courts. Your Committee further finds this section is no longer relevant as the amount of the fee has become insignificant and does not compel the parties to file a return or make an appearance in court.

Your Committee has amended this bill by setting out the repealed section 652-13 in full in proper drafting style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 208, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 208, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 776 Ways and Means on S.B. No. 213

The purpose of this bill is to designate the supreme court law library fund as a revolving fund rather than as a special fund.

Your Committee finds that all special funds are placed under legislative and executive budgetary control, and any disbursements from these funds must be made as part of a budgetary appropriation. Accordingly, your Committee finds that this bill is necessary to bring the definition and operation of the law library fund within the provision of section 37-62, Hawaii Revised Statutes, defining the term "revolving fund".

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. 213, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 213, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 777 Ways and Means on S.B. No. 506

The purpose of this bill is to make an appropriation to provide investigator positions and funding to the Hawaii civil rights commission.

The duty of the Hawaii civil rights commission is to address complaints of discrimination in state-funded services, public accommodations, housing, and employment practices. It is undisputed that the Hawaii civil rights commission, since it began its operations in January 1992, has had a backlog of cases and that that backlog has only grown. At present, it takes an average of two months just to make a complaint and intake appointment. Your Committee finds that the investigator workload has increased over the past year from fifty complaints per investigator to eighty, even though a report by the auditor has issued a report stating that investigators can handle only twenty-five to thirty-five cases at a time. The current caseload far exceeds this mark, and cannot be sustained indefinitely.

Your Committee has amended this bill by changing the appropriation to fund additional inspector positions, and by making technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 506, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 506, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 778 Ways and Means on S.B. No. 511

The purpose of this bill is to appropriate funds in a blank amount, for a report on public financing of campaigns by the campaign spending commission.

Your Committee finds that voter registration and turnout have diminished in the past few years. Your Committee feels that the lack of voter interest may be attributable to decreased public faith and confidence in political candidates, committees, and their activities. Your Committee finds that improving citizen participation in political campaigns increases communication and understanding between citizens and those who run for and are elected to office, resulting in renewed public confidence in our political system. One possible way to improve the system might be meaningful public financing coupled with campaign spending limits.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 511, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 779 Ways and Means on S.B. No. 1281

The purpose of this bill is to establish the position of controller of the child support enforcement agency of the department of the attorney general and to appropriate funds for this position.

Your Committee finds that the position created and funded by this bill will help improve the financial management of child support accounts and lessen the severity of the pervasive operational problems currently affecting the agency.

Your Committee has amended this bill by changing the position from controller to assistant administrator to conform it with existing classification titles, and by changing the language of the appropriation section to eliminate the perpetual appropriation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1281, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1281, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 780 Ways and Means on S.B. No. 1448

The purpose of this bill is to allow the criminal injuries compensation commission to delegate certain functions to the commission's administrator.

Specifically, the commission may assign the determination of eligibility of compensation to the administrator in cases:

- (1) Where no serious, permanent bodily injury is involved;
- (2) That can be adjudicated on available records or documents; and
- (3) Where the applicant has waived a hearing.

However, where the applicant is dissatisfied with the administrator's determination, the applicant may appeal to the commission, whose decision shall be final.

The bill also allows funds received from collateral sources to be deposited into the criminal injuries compensation fund.

Your Committee finds that the delegation of certain cases by the commission to the administrator will streamline the eligibility determination process and provide quicker recovery to victims. The commission will then have more time to evaluate more serious cases requiring more attention.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1448, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 781 Ways and Means on S.B. No. 1449

The purpose of this bill is to appropriate \$1,272,147 for fiscal year 1993-1994 to compensate victims who were awarded compensation by the criminal injuries compensation commission. The appropriated sums are to be deposited into the criminal injuries compensation fund to be used as authorized by the commission.

Your Committee finds that this bill is necessary to enable the State to keep its commitment to victims of violent crimes as contemplated by chapter 351, Hawaii Revised Statutes.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to facilitate continuing discussion on this matter.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1449, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1449, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 782 Ways and Means on S.B. No. 1495

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy judgments against the State, claims for legislative relief, settlements, and miscellaneous claims.

Your Committee finds that these claims are a legitimate charge against the State. Your Committee further finds that this bill is an appropriate vehicle to satisfy these claims.

Your Committee has amended the bill by adding the claims in the matters of Hoolehua Naone and George Naone v. State of Hawaii, Civil No. 55105, First Circuit, and Mary L. Gueble v. State of Hawaii, et al., Civil No. 90-00713 DAE,

U.S.D.C., which were in the original bill. These claims were deleted by your Committee on Judiciary to afford the senate additional time to consider other appropriate sources from which to pay these claims. Your Committee finds that payment of these claims from the general fund is appropriate.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1495, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1495, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 783 Ways and Means on S.B. No. 1622

The purpose of this bill is to create a child fatality review team to study the incidence and causes of child fatalities in the State and to develop protocols necessary to investigate child fatalities. The bill specifies membership on the team and allows the team access to information and records relating to the deceased child.

Your Committee finds that there is a need to establish a child death review program in the continuing effort to prevent child abuse and neglect.

Your Committee finds that it was erroneously reported in Senate Standing Committee Report No. 390 that this bill had been amended by the Committee on the Judiciary to designate the medical examiner of the city and county of Honolulu to replace the proposed state medical examiner. In fact, a "child fatality review team" alone is created. Accordingly, your Committee has amended this bill to clarify the establishment of the state child fatality review program and team. Your Committee also made technical, nonsubstantive amendments 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. 1622, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1622, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 784 Ways and Means on S.B. No. 11

The purpose of this bill is to appropriate funds for the planning, design, and construction of an all-weather track at Mililani high school.

Your Committee has amended the bill by changing the appropriation to an unspecified amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 11, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 11, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 785 Ways and Means on S.B. No. 189

The purpose of this bill is to provide an exemption for charges against an employer's reserve account for unemployment compensation payments made to employees separated because of natural disasters.

Your Committee finds that the unemployment compensation law provides certain exemptions for charges against an employer's reserve account when employees separate for reasons beyond the control of the employer, such as quitting without good cause. Your Committee further finds that the recent devastation on Kauai due to Hurricane Iniki has shown the need to establish an exemption for separations due to natural disasters.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 189, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 786 Ways and Means on S.B. No. 352

The purpose of this bill is to amend laws relating to Employees' Retirement System investment income.

Specifically, this bill:

- (1) Phases in over a period of four years the liquidation of the Employees' Retirement System's unfunded accrued liabilities from earnings in excess of the eight per cent investment yield rate which are currently deposited into the pension accumulation fund and used to reduce the amount of contributions owed by the State and counties; and
- (2) Provides that the expenses of the system, which are currently paid by the public employers, will be paid instead out of investment earnings, subject to the governor's approval.

Your Committee has amended this bill by deleting section 3 which requires the board to establish the system's investment yield rate beginning with the year ending June 30, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 352, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 352, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 787 Ways and Means on S.B. No. 476

The purposes of this bill are to provide additional death benefit options to beneficiaries of public employees who die in service, and to increase the death benefit for beneficiaries of noncontributory members from fifteen per cent to thirty per cent of the member's average final compensation.

Under current law, a contributory member's beneficiary designation form becomes null and void whenever there is a change in the member's marital status or upon the death of the named beneficiary. In these situations, the only death benefit payable is a lump sum payment comprised of the member's accumulated contribution and a portion of the member's annual salary.

Your Committee concurs with the findings of the Committee on Education, Labor and Employment and believes that the changes proposed by this bill are necessary to provide for a more equitable method for the payment of death benefits under the retirement system.

Your Committee has amended this bill 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 S.B. No. 476, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 476, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 788 Ways and Means on S.B. No. 680

The purpose of this bill is to raise the amount payable for disfigurement under the workers' compensation law from \$15,000 to \$30,000.

Your Committee finds that the \$15,000 cap on payments for disfigurement under the workers' compensation schedule has been in effect since 1971, and although adjustments have been made in amounts paid for other injuries, there has been no conforming adjustment for disfigurement. Your Committee further finds that of the total awards paid under this section, disfigurement awards represent only one-half of one per cent of the total.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 680, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 789 Ways and Means on S.B. No. 877

The purpose of this bill is to permit negotiations under the public sector collective bargaining law on the classification and salary ranges of public school teachers.

Presently, salary ranges and matters of classification and reclassification of positions are subjects excluded from negotiations, pursuant to the collective bargaining law, chapter 89, Hawaii Revised Statutes.

Your Committee concurs with the findings of the Committee on Education, Labor and Employment that this bill will provide more flexibility in negotiating teacher compensation and classification that is responsive to the varying needs and changing circumstances that will arise under school/community-based management.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 877, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 790 Ways and Means on S.B. No. 879

The purpose of this bill is to provide University of Hawaii football coaches with increased options for retirement planning.

Your Committee finds that under present law and the short-term periods of employment for football coaches at the University of Hawaii, these coaches are often not able to receive retirement benefits under the employees' retirement system. This bill will allow the university to secure alternative retirement options for its football coaches.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 879 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 Fernandes Salling.

SCRep. 791 Ways and Means on S.B. No. 1426

The purpose of this bill is to transfer from the director of commerce and consumer affairs to the director of labor and industrial relations the power to determine the amount of each employer's workers' compensation special compensation fund assessment and to receive these payments directly from self-insured employers.

Your Committee finds that this bill will expedite the assessment and collection process.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1426, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 792 Ways and Means on S.B. No. 1669

The purpose of this bill is to amend two laws relating to eligibility for extended unemployment insurance benefits.

First, the bill extends eligibility to claimants who have wages in the base period of at least one and one-half times their high quarter wages, or wages for insured work of at least forty times their most recent weekly benefit amounts. Current law requires a claimant for extended benefits to have at least twenty weeks of work in the base period on which the original claim was filed. This bill, by providing two alternatives, will permit more long-term unemployed claimants to receive additional benefits.

The other amendment will suspend from March 6, 1993 to January 1, 1995 the extended benefit eligibility requirements relating to looking for work and purging of a previous misconduct disqualification by subsequent employment.

Public Law 102-318 enacted on July 3, 1992 allows states to implement the expanded eligibility requirements, but requires states to suspend their active work search and misconduct disqualification provisions while a nationwide study is carried out, or lose the federal tax offset credit for employers and administrative funds to operate the unemployment insurance program. While this temporary moratorium is in effect, the regular benefit requalifying earnings requirement will apply.

Your Committee finds that expanding eligibility for extended benefits in these economic times is appropriate and serves the public interest. Your Committee also finds that it is incumbent on the legislature to temporarily repeal the work search and misconduct disqualification provisions in order to preserve the unemployment insurance program.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1669, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 793 Ways and Means on S.B. No. 1670

The purpose of this bill is to require the board of education, through the state librarian, to establish and administer a literacy and lifelong learning program.

Specifically, this bill:

(1) Transfers to the department of education:

- (A) All rights, powers, functions, and duties of the office of children and youth provided under chapter 581, Hawaii Revised Statutes, and relating to the family literacy program; and
- (B) All appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the office of children and youth relating to the family literacy program;

and

(2) Transfers the public-private partners for literacy trust fund from the office of children and youth to the department of education.

Your Committee finds that the Hawaii state public library system is ideally suited for the task of coordinating government and private-sector literacy programs to avoid the wasteful duplication of efforts and ensure the availability of literacy programs on a statewide basis.

Your Committee has amended this bill by:

- (1) Clarifying that this bill creates a private charitable trust fund, rather than a private charitable trust, into which the State may appropriate matching funds to ensure the perpetual existence of the fund;
- (2) Clarifying that chapter 581, Hawaii Revised Statutes (office of children and youth), neither creates nor provides for the creation of a literacy and lifelong learning program; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1670, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1670, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 794 Ways and Means on S.B. No. 1682

The purpose of this bill is to allow the surviving spouse of a noncontributory member of the employees' retirement system who dies an ordinary death in service and who was otherwise eligible for retirement the choice of electing a reduced death benefit allowance payable to the beneficiary for the life of the beneficiary as if the member had retired the day prior to death.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1682 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 795 Ways and Means on S.B. No. 1724

The purpose of this bill is to make rental income derived by employee benefit plans from real property investments subject to the general excise tax. This bill is effective July 1, 1993.

Your Committee on Ways and Means agrees with your Committee on Education, Labor and Employment that the present exemption of employee benefit plan income derived from "other income" was not intended to exempt rental income. This is consistent with other recent measures that make rental income derived by insurance companies and financial institutions subject to the general excise tax.

Your Committee has amended this bill to conform the provisions of the exemption to the amended effective date and made other technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1724, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1724, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 796 Ways and Means on S.B. No. 1888

The purpose of this bill is to amend the wage and hour law to provide a clear distinction between wages paid to and tips earned by minimum wage employees.

Specifically, the bill:

- (1) Clarifies that service charges collected in lieu of tips are to be considered tips rather than wages unless agreed to otherwise in collective bargaining;
- (2) Provides that the hourly wage of tipped employees whose wages are set by collective bargaining may not be deemed increased pursuant to section 387-2, Hawaii Revised Statutes, absent a provision to that effect in a collective bargaining agreement; and
- (3) Provides that, for the purpose of computing overtime pay, the regular wage rate of a tipped employee whose hourly wage is deemed increased pursuant to section 387-2 shall not be less than the minimum wage.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1888, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 797 Ways and Means on S.B. No. 1303

The purpose of this bill is to allow legislative appropriations and private donations (as well as other proceeds) to be deposited into the special land and development fund in the department of land and natural resources. The bill also permits the use of moneys in the fund without prior authorization from the legislature for: land banking acquisitions, deposit into the forest stewardship fund, deposit into the natural area reserve funds, providing matching funds necessary to obtain federal money related to public lands, and the Hawaii statewide trails and access system.

Your Committee finds that the protection and preservation of Hawaii's forests and natural area reserves will be more adequately protected by giving the department of land and natural resources the flexibility provided by this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1303 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 798 Ways and Means on S.B. No. 1759

The purpose of this bill is to provide a public service company tax credit to utilities that sustained damages to their facilities due to Hurricane Iniki, and to provide for the legislative reference bureau to conduct a study on chapter 234, Hawaii Revised Statutes, relating to tax relief for natural disaster losses.

Your Committee finds that the victims of Hurricane Iniki would benefit from any relief from their existing financial burdens, especially in this critical time of reconstruction and recuperation.

Your Committee finds that the utilities, especially electric and telephone companies, have incurred substantial loss due to the hurricane, and further finds that a public service company tax credit to utilities that sustained damages resulting from Hurricane Iniki is necessary to prevent substantial rate increases. Your Committee believes that this tax credit will relieve some financial hardship to consumers.

Your Committee has made technical nonsubstantive amendments to the bill 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. 1759, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1759, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 799 Ways and Means on S.B. No. 1616

The purpose of this bill is to reassign the titles of "sheriff" and "deputy sheriff" to persons presently employed by the department of public safety who previously held these respective positions pursuant to chapter 601, Hawaii Revised Statutes.

Your Committee finds that the department currently is finalizing its organizational plan which will specify employee division assignments, duties, salary ranges, and position classifications.

Your Committee has amended this bill to clarify that the titles of "sheriff" and "deputy sheriff" apply to and remain with the applicable personnel positions, not individuals, and that these titles also will apply to any newly created positions of a similar nature within the department of public safety.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1616, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1616, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 800 Ways and Means on S.B. No. 1777

The purpose of this bill is to appropriate funds to upgrade the telecommunications system of the Honolulu police department.

Your Committee finds that there are currently insufficient police radio channels resulting in severe radio traffic congestion, and potentially critical delays in transmitting essential information. Additionally, there are several areas in deep valleys and highrise districts where radio messages cannot be transmitted or received. These deficiencies may place officers and the public in wholly preventable danger. While recognizing the current budget constraints, your Committee supports the funding of this worthwhile project.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount. Your Committee has also deleted references in section 1 of the bill to the acquisition of a mobile data terminal system, since funding for this system has been deleted from the bill. Your Committee has also made technical, nonsubstantive amendments to the bill 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. 1777, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1777, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 801 Ways and Means on S.B. No. 537

The purpose of this bill is to increase the delinquent transfer of ownership fee from \$5 to \$20.

Your Committee agrees with the finding of the Committee on Tourism, Recreation and Transportation that the delinquent transfer of motor vehicle ownership often causes great inconvenience, expense, and aggravation to the seller and that a greater fee should be assessed to deter future occurrences of delinquent transfer and promote more responsible behavior from motor vehicle buyers.

Your Committee has amended this bill by increasing the fee from \$20 to \$50.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 537, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 537, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 802 Ways and Means on S.B. No. 1397

The purpose of this bill is to establish a trails and access special fund to carry out the purposes of the Hawaii statewide trail and access system (Na Ala Hele system), including the management, maintenance, and development of trails and accesses under the Na Ala Hele system.

Specifically, this bill:

- (1) Requires the special fund to consist of moneys from the following sources:
 - (A) All taxes collected under the fuel tax law on non-highway recreational fuel, or in the alternative, 0.3 per cent of the proceeds under the fuel tax law deposited into the state highway fund;
 - (B) Federal government grants; and
 - (C) Private contributions;
- (2) Requires the special fund to be held separate and apart from all other moneys, funds, and accounts in the state treasury, subject to the condition that moneys received as deposits or contributions from the federal government or private sources are required to be deposited and accounted for in accordance with the conditions established by the agencies or persons making the contribution;
- (3) Requires earnings on the investment of the assets of the special fund to become a part of the fund;
- (4) Requires an amount equal to all moneys collected under the fuel tax law through the assessment of taxes on the sale of non-highway recreational fuel to be deposited to the credit of the trails and access special fund.
- (5) Requires 0.3 per cent of all proceeds deposited into the state highway fund to be deposited to the credit of the trails and access special fund, until such time as the department of transportation develops a system to calculate the tax revenues generated from non-highway recreational fuel, or until July 1, 1997, whichever is later.

Your Committee finds that the federal National Recreational Trails Fund Act of 1991 requires a state that imposes a tax on non-highway recreational fuel to reserve a reasonable estimation of the revenues from that tax for use in providing and maintaining recreational trails in order to be eligible for federal funding under the Act.

Your Committee has amended this bill by:

- (1) Deleting all provisions relating to the trails and access special fund;
- (2) Establishing a trails and access program within the department of land and natural resources to carry out the purposes of the Hawaii statewide trail and access system (Na Ala Hele system), including the management, maintenance, and development of trails and accesses under the Na Ala Hele system;
- (3) Requiring the trails and access program to prepare an annual report for the legislature concerning the amount of moneys accruing to the credit of the general fund from the following sources:
 - (A) All taxes collected under the fuel tax law on non-highway recreational fuel, or in the alternative, 0.3 per cent of the proceeds under the fuel tax law deposited into the state highway fund;
 - (B) Federal government grants for the management, maintenance, and development of trails and accesses;
 - (C) Private contributions for the management, maintenance, and development of trails and accesses; and
 - (D) Earnings on the investment of the moneys specified in subparagraphs (A) to (C), which become a part of the general fund;
- (4) Requiring the trails and access program to submit the report specified in paragraph (3) to the legislature not less than twenty days prior to the convening of each regular session of the legislature;
- (5) Requiring earnings on the investment of the moneys specified in paragraphs (3)(A) to (3)(C) to become a part of the general fund;
- (6) Requiring all moneys to meet the general operating needs and expenses of the trails and access program to be allocated by the legislature through appropriations out of the state general fund;
- (7) Requiring the department of land and natural resources to include in its budgetary request for each upcoming fiscal period, the amounts necessary to effectuate the Hawaii statewide trail and access system;
- (8) Requiring an amount equal to all moneys collected under the fuel tax law through the assessment of taxes on the sale of non-highway recreational fuel to be reported to the trails and access program;
- (9) Requiring 0.3 per cent of all proceeds deposited into the state highway fund to be the amount reported to the trails and access program, until such time as the department of transportation develops a system to calculate the tax revenues generated from non-highway recreational fuel, or until July 1, 1997, whichever is later; and
- (10) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1397, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1397, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

The purpose of this bill is to do the following:

- (1) Repeal all special and revolving funds by June 30, 1997;
- (2) Put a limit of four fiscal years on the duration of any special or revolving fund created after July 1, 1993;
- (3) Prior to lapsing these funds, deposit all remaining fund balances into the general fund; and
- (4) Before a repeal, direct the administrator of the fund to submit a budgetary request for the program requirements previously supported by the fund.

Your Committee has amended this bill by incorporating into it the basic provisions of the following bills: S.B. No. 842, S.B. No. 7, and S.B. No. 1865. As amended, in addition to the purposes set forth above, this bill also:

- (1) Establishes the procurement investigation agency in the office of the auditor headed by a chief investigator with a staff to monitor procurement transactions of all departments, agencies, and offices of the State;
- (2) Requires transfers of funds from special and revolving funds to first be approved by a joint fiscal committee of the chairs of the Senate Committee on Ways and Means and the House Committee on Finance, and two members from each house appointed pursuant to resolution during the legislative session;
- (3) Restricts the legislature to authorize revolving and special funds only when the auditor can verify a clear link between the program and the revenue source and that the use of the fund is essential to the operation of the program; and
- (4) Repeals the authority of the department of land and natural resources and the department of business, economic development, and tourism to transfer funds between the large and small fishing vessel loan revolving funds, the Hawaii innovation development loan fund, and the Hawaii capital loan revolving fund.

Your Committee finds that this bill as amended brings together provisions which will provide greater accountability over special and revolving funds, legislative oversight for these funds and corresponding budgetary requests, encourage adherence to expenditure laws, and control the manner and kind of transfers of special fund moneys.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 239, 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. 239, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 804 Ways and Means on S.B. No. 350

The purposes of this bill are to expand the membership of the board of trustees of the employees' retirement system and to require that one trustee be a retirant who represents the interests of retirees and beneficiaries.

The bill also provides for a \$20,000 appropriation for fiscal year 1993-1994 to facilitate the restructuring of the board of trustees.

Presently, the board consists of seven members, including three current employees of the State, three members of the community, and the director of finance. Your Committee finds that this proposal to include a retirant on the board will allow direct input from, and representation of, the interests of retirees and beneficiaries.

Your Committee has amended this bill by changing the appropriation amount to an unspecified sum and by making technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 350, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 350, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 805 Ways and Means on S.B. No. 366

The purpose of this bill is to enable negotiation of supplemental benefits provided as retirement incentives by specifically excluding such benefits from the list of subjects excluded from negotiations under the public sector collective bargaining law.

Your Committee agrees with the Committee on Education, Labor and Employment that incentives are not retirement benefits per se and are therefore proper subjects of negotiation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 366, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 366, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 806 Ways and Means on S.B. No. 1582

The purpose of this bill is to appropriate \$246,667, for fiscal year 1993-1994, and \$296,001, for fiscal year 1994-1995, to the department of education, for salary adjustments made by the educational officer classification and compensation appeals board to the educational officer classification/compensation plan.

Your Committee has amended this bill by:

- (1) Changing the sums appropriated for fiscal years 1993-1994 and 1994-1995 from \$246,667, and \$296,001, respectively, to unspecified amounts; and
- (2) Making a technical nonsubstantive amendment for purposes of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1582, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 807 Ways and Means on S.B. No. 298

The purpose of this Act is to authorize the issuance of special purpose revenue bonds to encourage native Hawaiian owned businesses to construct and operate energy-producing facilities.

Testimony was received from the assistant project manager for Kawaihae Cogeneration Partners, which is currently developing a fifty megawatt cogeneration plant at Kawaihae, Hawaii; Hawaiian Electric Company; and the Financial Vice President and Treasurer of Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company.

Your Committee finds that the State needs to increase its sources of energy, and that Hawaii county in particular has been plagued with power outages and rolling blackouts. Your Committee also notes that native Hawaiian businesses are a distinct minority and that a major obstacle for such businesses is lack of financing.

Your Committee has amended this bill by changing the amount of the bonds to \$10 million, and by setting December 31, 1998 as the date on which authorization to issue the bonds shall lapse.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 298, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 808 Ways and Means on S.B. No. 1028

The purpose of this bill is to require a plebiscite of Hawaiian and native Hawaiian citizens to determine issues relating to Hawaiian self-governance.

Your Committee finds that the time has arrived for the State to recognize the inherent right of all Hawaiian people to determine the nature of their sovereign nation and the characteristic form it should take. This bill would create a committee called the Loa'a Ka Pono Organizing Committee (LOC) which will be made up of representatives from all groups representing Hawaiians and part-Hawaiians. The LOC will be assisted by the lieutenant governor's office which will implement the necessary mechanics of calling for a plebiscite to decide the question: "Shall there be a Loa'a Ka Pono (to secure what is right) to consider and decide issues relating to self-governance?" Persons eligible to vote in office of Hawaiian affairs elections may vote in the plebiscite.

Your Committee recognizes that self-determination for the Hawaiian people is important and necessary for the strengthening of their cultural future as Hawaii moves into the twenty-first century.

Your Committee has changed the words in section 3 from "no more than" to "at least" and made 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. 1028, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1028, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 809 Ways and Means on S.B. No. 1361

The purpose of this bill is to regulate the disposal of petroleum-contaminated soil by including it under the laws regulating solid waste management and solid waste pollution and to appropriate an unspecified amount to pay for costs associated with enforcing the provisions of the bill.

Recent events involving the exportation and disposal of petroleum-contaminated soil have attracted the attention of the community, various government agencies, and elected officials. Your Committee finds that state laws regulating solid waste management must evolve and be amended to address environmental and health concerns as new information becomes available concerning the dangers and liability associated with contaminated solid waste. Your Committee believes that the provisions of this bill will aid in preserving and protecting our natural environment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1361, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 810 (Majority) Ways and Means on S.B. No. 1346

The purpose of this bill is to establish the Hawaii State University as an independent body from that part of the University of Hawaii system known as the University of Hawaii-Hilo.

Your Committee finds that ample support exists within the Big Island community to donate from private sources a substantial portion of the millions of dollars needed to establish the Hawaii State University as a going concern. This community support should not go unrecognized.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1346, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.
Senator George did not concur.

SCRep. 811 Ways and Means on S.B. No. 1627

The purpose of this bill is to appropriate \$230,354 for personnel and operation costs at the center for Hawaiian language curriculum research and development at the University of Hawaii at Manoa.

The Hawaiian language, an official language of this State, and the native language of the indigenous people of these islands, has been slowly declining in use and is threatened with extinction due to neglect in the public sphere.

Your Committee finds that the establishment of a center for Hawaiian language curriculum research and development is essential to the revitalization process of the Hawaiian language. Your Committee further finds that the funds appropriated by this bill are necessary to help focus efforts on specific areas of need for curriculum research and development in the Hawaiian language.

Your Committee has amended this bill by changing the appropriation to an unspecified amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1627, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1627, S.D.1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 812 Ways and Means on S.B. No. 1709

The purpose of this bill is to establish a public utility regulation special fund to support the operations of the public utilities commission and the consumer advocate.

The public utilities commission is responsible for regulating and investigating the performance and financial condition of public utilities, and the consumer advocate represents the interests of utility customers in the State.

Your Committee finds that various taxes and fees paid by public utilities generate sufficient revenues to support, in part, the regulation activities undertaken by the State on behalf of the public interest.

Your Committee has amended this bill by:

- (1) Deleting support from the fund for the consumer advocate;
- (2) Changing the reference at line 7, page 1, to section 237-13.5, relating to the excise tax on on the gross proceeds from the sale of electric power, to the more appropriate section 237-31 which provides for the remittance of taxes;
- (3) Adding two new sections amending sections 237-31 and 240-1, Hawaii Revised Statutes, respectively, to require that revenues collected thereunder be deposited in the state treasury to the credit of the public utility regulation special fund and renumbering the remaining sections of the bill consecutively; and
- (4) 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. 1709, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1709, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 813 Ways and Means on S.B. No. 320

The purpose of this bill is to permit counties to establish volunteer community patrols.

As the population of the State has increased, the incidence of crime has risen significantly. County law enforcement agencies are experiencing budget deficits and are unable to provide resources and personnel to adequately combat crime.

Your Committee finds that volunteer community patrols can be an effective crime prevention tool, augmenting current services and improving the quality of life for Hawaii's citizens.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 320, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 320, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 814 Ways and Means on S.B. No. 1647

The purpose of this bill is to establish the office of elections and the elections appointment panel to select and appoint a chief elections officer and to transfer the functions and duties of the existing elections division of the office of the lieutenant governor to the office of elections.

This bill is based on recommendations made by a task force created pursuant to H.C.R. No. 299, "Concerning the Duties of the Lieutenant Governor," adopted by the legislature in 1992. The task force found that although the present elections system incorporates a multitude of safeguards to ensure integrity of the system, there remains an appearance of a possible conflict of interest, an observation made by the current chief elections officer, the lieutenant governor, who is an elected officer. Your Committee finds that this bill will resolve this concern and ensure confidence by the public in the election process by statutorily reassigning state election duties to an appointed rather than elected official.

Your Committee has amended this bill by:

- (1) Providing that the chief election officer: "shall refrain" instead of "should refrain" from certain financial and business dealings; and "shall not" instead of "should not" hold most positions in any private business; and
- (2) Making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1647, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1647, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 815 Ways and Means on S.B. No. 1694

The purpose of this bill is to grant to the department of health, with the governor's approval, limited authority to contract for the management or lease of all components of Lanai hospital.

Current law allows contract management and lease of "any component of a public health facility," and at several community hospitals, laboratory, pharmacy, and radiology services are currently performed by private contractors. This bill enables the department of health to contract the entire operation of Lanai hospital to a professional hospital management organization.

Your Committee finds that private professional management of Lanai hospital will reduce administrative costs and increase the level of health care service to Lanai residents.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1694, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1694, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 816 Ways and Means on S.B. No. 1744

The purpose of this bill is to protect the island of Kahoolawe by designating it an island reserve to be managed by an oversight commission, the Kahoolawe island reserve commission.

Your Committee finds that the restoration of this island and concern for its future management will perpetuate the Hawaiian culture and restore one of the most abused islands in the State to ecological health.

Your Committee has amended this bill by clarifying that the dispositions and approvals by the board of land and natural resources, the land use commission, and the county of Maui that are superseded by the island reserve commission are those relating to Kahoolawe. Your Committee has added the phrase "or the chair's designated representative" to allow the chair of the board of land and natural resources to designate a representative to the commission. Your Committee has also changed the appropriated amount of \$137,500 to an unspecified amount and made technical, nonsubstantive corrections.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1744, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1744, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 817 Ways and Means on S.B. No. 1715

The purpose of this bill is to generate increased revenues to cover health care payments for the federally funded medicaid program and enable the department of human services to earn additional federal matching funds on this revenue.

The bill imposes a six per cent tax on all nursing facility income and a four per cent tax on all hospital income, except income subject to the general excise tax. This bill also establishes a health care revolving fund to receive the revenues out of which expenditures would be made by the department of human services.

Your Committee supports efforts to strengthen the State's medicaid program and effect increased income and reimbursements.

Your Committee has amended this bill by replacing the six per cent tax rate on all nursing facility income and the four per cent tax rate on all hospital income with unspecified percentages to encourage further discussion on these issues. 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. 1715, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1715, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 818 Ways and Means on S.B. No. 417

The purpose of this bill is to appropriate funds to hire a liaison resource teacher to assist teachers and their students to utilize more effectively the educational facilities and resources of the Astronaut Ellison S. Onizuka Space Center and to facilitate the use of space education as a catalytic tool to enrich the curriculum in the schools.

Your Committee finds that the Onizuka Space Center, since its opening, has lived up to expectations, becoming one of the State's outstanding educational facilities and serving thousands of Hawaii's children who have come through its doors to learn about the fascinating field of space-science. Much of the center's success is due to the current liaison resource teacher, whose position, until now, has been funded by the department of education. Your Committee further finds that this liaison resource teacher position is crucial to the continued operation of the Onizuka Space Center and that elimination of the position will curtailed severely the ability of the center to serve the children of Hawaii at the current level.

Your Committee has amended the bill by making several 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. 417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 417, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 819 Ways and Means on S.B. No. 1729

The purpose of this bill is to impose an excise tax on wholesaling or dealing in cigarettes measured by a tax of 4.5 cents on each cigarette sold or used by a wholesaler or dealer.

The taxation of other tobacco products will remain at forty per cent of the wholesale price of the article. The bill also appropriates \$1,000,000 to the department of health for each year of the 1993-1995 fiscal biennium. This bill is effective on approval but will apply only to sales during periods after June 30, 1993, or ninety days after Congress passes a law requiring military installations to purchase cigarettes locally in a manner similar to alcoholic beverages, whichever is later.

Testimony in support of this bill was received by several health-related organizations including the department of health, the Hawaii Medical Association, Healthcare Association of Hawaii, HMSA, American Cancer Society, Interagency Council on Smoking and Health, American Lung Association of Hawaii, Hawaiian Islands Nonsmokers Organization and some individuals.

Your Committee agrees with their testimony that raising the tax on cigarettes would have a beneficial effect on the general public. The increase in cost of cigarettes would deter more smokers and therefore provide a significant public health impact.

The department of taxation also testified in support of the measure stating that an increase in tax on cigarettes would provide increased revenues to the state general fund.

Testimony in opposition of this bill, received from The Tobacco Institute, characterized the tax increase as punitive in nature and confiscatory.

The provisions of this bill concerning the applicable periods of sales to which the increase in taxes on cigarettes would apply are the latter of periods after June 30, 1993, or periods of sales ninety days after Congress passes a law requiring military installations to purchase locally, therefore subjecting sales of cigarettes on military installations to the state tax. In effect, this tax increase would not apply to any cigarette sales unless the Congress passed a law making military installations purchase cigarettes locally.

Your Committee has amended this bill by replacing the tax rate of 4.5 cents per cigarette and the amount appropriated with unspecified amounts to provide for further discussion on these issues, and by making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1729, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 820 Education, Labor and Employment on S.B. No. 881

The purpose of this bill is to provide that service performed for a corporation by anybody who owns more than half of the corporation does not constitute employment under the Workers' Compensation Law.

Your Committee finds that it has never been the intent of the law to discourage the entrepreneurial spirit of citizens who would risk the vagaries of the open marketplace to provide goods or services. Current law, however, may have an inappropriate effect on small business, and should be changed.

This bill provides a measure of relief for small businesses that otherwise would have to surrender a disproportionate amount of their earnings for Workers' Compensation premiums.

However, your Committee is concerned that as an inappropriate consequence of this measure, some employers might require employees to establish separate corporations solely to avoid or circumvent the law. Your Committee stresses that this bill is not intended to encourage or permit such behavior.

Therefore, your Committee has amended this bill by limiting the exclusion to no more than two individuals in a single corporation or related corporations. The exclusion shall apply only if the corporate officers expressly and voluntarily waive Workers' Compensation coverage in writing to the Director of Labor and Industrial Relations.

Your Committee has also amended this bill by making several technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 881, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 881, S.D. 2.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 821 Consumer Protection on S.B. No. 1382

The purpose of this bill is to amend the no-fault insurance laws to limit nonrenewals and cancellations of policies.

This bill would limit the nonrenewals of auto policies by an insurance company to two percent of its total number of policies in force. This bill would also repeal section 431:10C-111, Hawaii Revised Statutes, which prohibits the cancellation or nonrenewal of no-fault policies under certain conditions.

Your Committee has amended this bill by inserting a proviso into the definition of maximum limit which would prohibit the insured or legal representative from transferring benefits unless the insured is no longer receiving medical and rehabilitative services and does not expect to incur any additional medical or rehabilitative expenses.

Your Committee made a technical amendment in this bill by deleting new language which made a reference to a section which would be repealed by this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1382, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 822 Consumer Protection on S.B. No. 1629

The purpose of this bill is to limit mutual benefit societies from using payments received from its members to operate a health care facility or engage in any line of insurance except medical and hospital benefits.

Your Committee feels that mutual benefit societies may have an unfair advantage over other insurance companies if they are allowed to engage in other lines of insurance. Mutual benefit societies are nonprofit entities, which may give them a tax advantage over for-profit insurance companies. It is your Committee's intent to offer a level playing field for all insurance companies.

In addition to making technical changes that have no substantive effect, your Committee has deleted from the bill provisions that would have required the Insurance Commissioner to make difficult determinations, concerning which the Insurance Division currently lacks necessary experience and expertise, about the reasonableness of expenditures made by these societies. Instead, your Committee has required the Commissioner to include useful data on these expenses and related expense ratios in her annual report to the Legislature.

Your Committee had concerns about areas which may be medically underserved and which a private practitioner may not be willing to serve. Your Committee has amended this bill to exempt from the limitations of this bill, areas which are

medically underserved so that people in these areas may receive proper medical care. Your Committee has also amended this bill to grandfather existing medical and dental clinics.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1629, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 823 (Joint) Consumer Protection and Ways and Means on S.B. No. 1668

The purpose of this bill is to serve as a vehicle for language related to laws affecting insurance.

Your Committees heard a proposed draft of this bill which would have established a hurricane pool. This hurricane pool would have been the sole and exclusive mechanism for insurance coverage for losses due to a hurricane in this State.

Your Committees have rejected the establishment of a hurricane pool for the following reason. The State would permanently assume the liability of losses due to a hurricane, and at the same time the insurance industry would be relieved of this risk. Your Committees were never given any assurances that the insurance industry would ever take this risk away from the State, nor any assurances that if the hurricane pool was eventually eliminated, insurance companies would offer hurricane coverage. Your Committees had questions whether the hurricane pool would be viable. Testimony indicated that after ten years the pool would amass about one billion dollars, which clearly would not cover losses if a hurricane damaged the island of Oahu.

Your Committees would like to make it clear, if a hurricane the magnitude of Hurricane Iniki ever struck the islands, especially Oahu, there would never be sufficient coverage for all the losses. However, it is your Committees' intent to offer some protection, and at the same time make the public realize that losses from another hurricane may never be fully recoverable. Your Committees feel that a hurricane reinsurance fund may be more viable because it would provide a more efficient loss distribution mechanism.

The purpose of this bill, as amended, is to establish the Hawaii Hurricane Reinsurance Fund which would be used to provide coverage for excess hurricane loss to all property insurers writing in Hawaii.

Your Committees included language in this bill to:

1. Establish the Hawaii Hurricane Reinsurance Fund (Fund), and its funding mechanism;
2. Provide that the Fund shall be authorized to offer reinsurance for hurricane losses;
3. Provide for cessation of all insurers to the Fund;
4. Provide for the establishment of rates for reinsurance coverage;
5. Provide for assessments on participating insurers;
6. Establish advisory committees to assist the Insurance Commissioner in the implementation of the Fund;
7. Provide for alternative reinsurance;
8. Provide that the fund may obtain a catastrophe line of credit;
9. Establish a new section in Article 19 of Chapter 431, Hawaii Revised Statutes, on personal lines insurance;
10. Establish a new section in Chapter 502, Hawaii Revised Statutes, to assess a mortgage recordation fee;
11. Provided that insurers shall offer options of higher deductibles in homeowners policies; and
12. Allow the counties to establish their own insurance programs.

Your Committees on Consumer Protection and Ways and Means are in accord with the intent and purpose of S.B. No. 1668, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1668, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator Fernandes Salling.

SCRep. 824 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 1319

The purpose of this bill is to reduce the amount of toxic or hazardous substances in Hawaii.

Specifically, the bill requires facilities using more than 1000 pounds of hazardous substances per year to submit a hazardous substance use reduction plan to the Department of Health by January 1, 1995. The bill also authorizes the Department of Health to adopt rules to implement and enforce compliance with the provisions contained in the bill.

Testimony in support of the bill was received from the Sierra Club of Hawaii. The Department of Health and the City and County of Honolulu provided limited support for the bill, stating that the bill as written would be difficult to enforce for various operational and fiscal reasons.

While your Committee agrees that the bill would be very difficult to enforce, it also realizes the importance of maintaining a healthy environment for the State. Therefore, your Committee has amended the bill by deleting its substance and replacing it with provisions that create the Hawaii Emergency Planning and Community Right-to-Know (HEPCRA) Program.

Your Committee finds that the establishment of HEPCRA will help prevent the occurrence of hazardous material accidents and ensure that environmental response personnel and the community in general will be prepared to deal with them should they occur.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1319, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Fernandes Salling, Solomon, Tanaka and Reed.

SCRep. 825 Judiciary on S.B. No. 14

The purpose of the bill is to include the exploitation of any minor, rather than only persons under fourteen years of age, in the offense of promoting or profiting from prostitution in the first degree.

Your Committee received testimony relative to the bill from the Public Defender and the Waikiki Merchant Group.

Your Committee finds a need to enlarge the scope of persons subject to increased criminal charges for promoting teenage prostitution.

Your Committee has amended the bill by lowering, from eighteen to sixteen, the age of exploited minors which would subject the perpetrator to a first degree charge and by adding that for the purpose of sentencing for the offense of prostitution, a previous deferred acceptance of guilty plea shall be considered a prior offense.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 14, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 14, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 826 Judiciary on S.B. No. 15

The purpose of this bill is to institute reforms in the State's laws relating to campaign contributions and expenditures.

Your Committee finds that voter registration and turn out have diminished in the past few years. Your Committee feels that the lack of voter interest may be attributable to decreased faith and confidence in political candidates, committees, and their activities. Your Committee finds that this measure will greatly aid in rebuilding and strengthening public confidence and improving public perception of political candidates, committees and the overall political system.

Your Committee has amended the bill to provide the following reforms:

- 1) Including loans to candidates as contributions under the definition of "Contribution";
- 2) Limiting contributions by a person to a candidate to \$2,000 for a two year office, \$6,000 for a four year statewide office, and \$4,000 for a four year nonstatewide office, during an election period which consists of the two year period between general election days for 2 year offices, 4 year period between election days for 4 year offices;
- 3) Requiring that loans by a candidate's family, made for campaign purposes to a candidate, be included in the \$50,000 contribution limit to which the candidate is subject;
- 4) Penalizing candidates who knowingly receive and retain funds in excess of the contribution limits by imposing a fine of three times the amount of the excess and depositing the fine and excess into the public fund;
- 5) Requiring that campaign funds used for mixed benefits be reported with the receipts and the percentage used for campaign purposes. Your Committee believes this will curtail any abuse of campaign funds used for personal purposes and minimize appearances of impropriety;
- 6) Adding requirements for a candidate to pay the full filing fee, and to notify the chief election officer and all contributors when the candidate exceeds previously agreed upon expenditure limits. It is the intention of your Committee to promote full disclosure and prevent abuse of the system;
- 7) Deleting the requirement to give notice of intent to hold a fundraiser to conform to other amendments proposed by the bill;
- 8) Requiring reporting within 24 hours of contributions of \$500 or more and expenditures of \$200 or more, by an independent committee occurring after the closing date of the pre-election reporting period until election day;
- 9) Requiring that candidates who fail to be nominated or elected, and elected officials who do not file to become a candidate for reelection, surrender goods, vehicles, and equipment to the campaign commission or pay into the campaign election fund, an amount equal to the campaign funds used;

- 10) Requiring that an advertisement close to election cannot contain the phone number of the state or county office of a candidate who is the holder of an elected office;
- 11) Setting the maximum amount of public funds available to a candidate to be 10% of the total expenditure limit established for each office pursuant to section 11-209, Hawaii Revised Statutes;
- 12) Requiring applications for public funds be made no later than thirty days after the general election;
- 13) Requiring reporting of the occupation and employer of donors who contribute more than \$500 to a candidate. Your Committee finds that this may aid in accurately determining a candidate's support;
- 14) Requiring persons who have received contracts from the State aggregating \$250,000 or more to report their contributions;
- 15) Distinguishing organizational reports of candidate committees from noncandidate committees;
- 16) Restricting the political activities of a member of the campaign spending commission. Your Committee finds that these restrictions will reduce the public's perception of impropriety; and
- 17) Making nonsubstantive technical changes for the purposes of clarity, style, and conformity with recommended drafting techniques.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 15, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 15, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Solomon.

SCRep. 827 Judiciary on S.B. No. 33

The purpose of the bill is to apply the general rule of statutory construction that a specific law is given effect over a general law relative to the status of convicted persons.

Your Committee finds this to be a housekeeping measure to establish conformity in the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 33 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 828 Judiciary on S.B. No. 204

The purpose of this bill is to amend Section 291C-161, Hawaii Revised Statutes, to clarify that the court may require a person to attend a driver retraining course as an additional or alternative penalty for violation of the Statewide Traffic Code.

Your Committee received testimony in support of this bill from the Judiciary and the Department of Transportation, and the Prosecuting Attorney and Police Department of Honolulu.

Your Committee finds that district court judges have utilized driver education as a sentencing alternative for traffic-related offenses but a driver education penalty is not expressly permitted. This housekeeping measure eliminates any confusion or doubt by clearly authorizing the court to impose driver retraining instruction as an optional penalty.

Your Committee has amended the bill by making technical changes that have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 204, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 204, S.D. 1.

Signed by all members of the Committee.

SCRep. 829 Judiciary on S.B. No. 390

The purpose of this bill is to reduce the per se blood alcohol concentration at which driving is prohibited from .10 to .08. This bill also lowers the blood alcohol concentration at which an individual is presumed not to be under the influence of intoxicating liquor from .05 to .04.

Your Committee received testimony in support of this bill from the Honolulu Police Department and the American Automobile Association.

Your Committee finds that significant impairment occurs at blood alcohol concentration levels far lower than that currently prohibited by law. The proposed .08 blood alcohol concentration level is currently the level recommended nationally by the National Highway Traffic Safety Administration. A reduction of the legally allowable blood alcohol concentration level is necessary to protect the health and safety of the public and to deter persons from driving while under the influence of intoxicating liquor.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 390 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 830 Judiciary on S.B. No. 393

The purpose of this bill is to prohibit the use, possession, and sale of radar detectors in the State.

This bill also requires that any radar detector discovered by an arresting officer be forfeited to the State. Receivers of radio waves used for lawful purposes, motor vehicles owned by the State or any county used by law enforcement officers, and sales of radar detectors to law enforcement agencies are exempt from this bill. Any person who violates the prohibitions of this bill shall be guilty of a petty misdemeanor.

Your Committee finds that the prohibitions contained in this bill may contribute to highway safety by discouraging people from using, possessing, or selling radar and laser detectors with the intent of successfully violating speed limits.

Your Committee received testimony relative to this measure from the Department of Transportation, the Public Defender, League of Women Voters, Auto Scene and interested citizens.

Your Committee has amended the bill by changing the penalty provision to a violation under Section 291C-161 because your Committee does not believe a person should face possible imprisonment for a violation of this law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 393, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 393, S.D. 2.

Signed by all members of the Committee.

SCRep. 831 Judiciary on S.B. No. 394

The purpose of this bill is to authorize private actions to enforce the State's endangered species law or to require the Board of Land and Natural Resources to do so.

Your Committee received testimony relative to the bill from the Hawaii Defense Lawyers Association, the Hawaii Insurers Council and the Hawaii Academy of Plaintiffs Attorneys.

Your Committee agrees that there is a need to authorize citizen suits as an additional mode of enforcing Chapter 195D.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 394, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 832 (Majority) Judiciary on S.B. No. 495

The purpose of the bill is to authorize the sentencing court to impose a mandatory minimum term of imprisonment less than that set forth in the applicable statute defining the sentencing requirements, provided that the court files a written statement giving the reasons for the lesser minimum. In addition, the bill also authorizes the paroling authority to similarly set a minimum term of imprisonment less than the mandatory minimum term of imprisonment that had been imposed by the court, again with the requirement of a written statement.

Testimonies in support of the bill were submitted by the Office of the Public Defender and the Department of Public Safety. The Department of the Attorney General and the Department of the Prosecuting Attorney of the City and County of Honolulu opposed the bill. The Judiciary took a neutral position as to the bill, but submitted testimony voicing their concerns that the Judiciary will be affected by the measure.

Your Committee finds that in many situations, there exists mitigating circumstances such that a defendant should not be subjected to the mandatory sentences outlined in certain areas of the law. Your Committee further finds that under the Penal Code the courts do have some discretion in setting sentences.

Your Committee believes that in this area, it should move slowly to balance the concerns for public safety and the need for an appropriate sentencing scheme. Your Committee has amended the bill by allowing the court to award probation for a repeat offender who has only one prior felony or for those convicted of Class A felony drug offenses where the court finds strong mitigating circumstances.

It is not the intent of your Committee to decrease the penalties of any crime or to condone criminal activity, but to award wide discretion to the courts in sentencing defendants. The courts are in the best position to determine what each defendant deserves and what manner of punishment or rehabilitation to impose. The courts can still impose the maximum sentence under the law as the minimum sentence the defendant will serve if it deems it necessary. The Paroling Authority will set the minimum time a defendant will serve when the court has not. Your Committee also feels that the maximum penalties outlined in the law have the sufficient deterrent effect to dissuade individuals from violating the law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 495, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Solomon.
Senators Matsunaga and Reed did not concur.

SCRep. 833 Judiciary on S.B. No. 551

The purpose of the bill is to allow suits for declaratory and injunctive relief for violations of constitutional rights by persons acting under color of state law.

Your Committee received testimony relative to the bill from the Attorney General, the Civil Rights Commission and the ACLU.

Your Committee finds that present state civil rights laws protect only public accommodations, real property and employment.

Your Committee has amended the bill by placing substantial limitations on the award of costs and attorney's fees. Other amendments to the bill provide for prompt appellate review of claims of governmental immunity and to clarify immunity for prosecutorial officers.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 551, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 834 Judiciary on S.B. No. 553

The purpose of this bill is to conform State laws relating to public accommodations with the federal Americans With Disabilities Act of 1990.

Testimony in support of the bill was received from the Commission on Persons With Disabilities and the Hawaii Civil Rights Commission.

Your Committee finds that adoption of the federal standard regarding removal of an architectural barrier to accommodate persons with disabilities would enhance the ability of the Hawaii Civil Rights Commission to ensure access to public accommodations by the disabled.

Your Committee has amended the bill to include establishments described in the Americans with Disabilities Act of 1990 in the definition of place of public accommodation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 553, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 553, S.D. 2.

Signed by all members of the Committee.

SCRep. 835 Judiciary on S.B. No. 554

The purpose of this bill is to establish licensing requirements and to adopt rules for the regulation of heliports and helipads.

Your Committee received testimony relative to the bill from the Department of Transportation, the Federal Aviation Administration, Department of Land Utilization of Honolulu, Hawaiian Electric Company and Citizens Against Noise.

Your Committee finds a need to further regulate the operation of helicopter flight services to insure the safety and convenience of the general public.

Your Committee has amended the bill by deleting its contents and inserting provisions to include rotary wing aircraft in the definition of existing statutes governing airport zoning.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 554, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 554, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 836 Judiciary on S.B. No. 664

The purpose of this bill is to amend the Uniform Probate Code to increase the value of personal property that can be collected by the family or beneficiaries of a decedent without court action from a net value of \$5,000 to a gross value of \$20,000.

The Code, when enacted in 1976, allowed the transfer of personal property to a beneficiary if the net value of a decedent's estate did not exceed \$100. This limit was increased to \$1,000 in 1978 and further increased to \$5,000 in 1988 to conform with the original affidavit limit recommended by the drafters of the Code and to adjust for inflation.

This bill provides that estates with a net value of \$20,000 or less in personal property will not be required to go through probate proceedings and no probate fees will be incurred by the beneficiaries.

According to testimony presented by the Judiciary's Commission on the Uniform Probate Code and Probate Court Procedures, a large portion of the estates administered by the circuit court between \$5,000 and \$20,000 are comprised solely of an automobile. The second largest portion usually consists of a single bank account.

Your Committee finds that probating only a motor vehicle raises numerous problems. Often the vehicle will be the only one in the family, and the family will require use of the vehicle while it is being administered by the court. This raises serious issues of liability of the court if the vehicle is involved in a traffic accident, and uncertainty over who would be responsible to ensure that the vehicle is inspected, registered, and insured. If the family does not need the vehicle during the probate process, but rather desires that it be sold, the vehicle must be stored until the court can sell it. The court process delays disposition of the vehicle by several months, increasing the costs of transferring the vehicle. Consequently, your Committee has amended the bill by excluding motor vehicles from the \$20,000 limit proposed in the bill.

Your Committee finds that this bill will simplify the settlement of decedent's estates, save beneficiaries the costs and delays of complicated probate proceedings, and lessen the administrative burden of the circuit courts in handling small estates.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 664, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 664, S.D. 1.

Signed by all members of the Committee.

SCRep. 837 Judiciary on S.B. No. 886

The purpose of this bill is to bring the State law related to the treatment of status offenders and juvenile law violators into compliance with the federal Juvenile Justice Delinquency Prevention Act (JJDP) of 1974.

Your Committee received testimony in support of the bill from the Judiciary, Department of Human Services, and the Public Defender.

Your Committee finds that Hawaii's compliance with the federal law is contingent on making changes to State law and procedures governing the treatment of juveniles. The issues include the deinstitutionalization of status offenders and non-offenders from secure detention facilities, the removal of juveniles from adult jails and lockups, the separation of juveniles from adult criminals, and the monitoring of compliance with these mandates. Failure to comply will result in the loss of \$1,000,000 in federal funds under the program.

Your Committee has amended the bill to assure compliance with JJDP and to make technical changes for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 886, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 886, S.D. 2.

Signed by all members of the Committee.

SCRep. 838 Judiciary on S.B. No. 1247

The purpose of this bill is to enable HIV testing without a patient's informed consent when an emergency service provider or health care worker has been exposed to a patient's blood or bodily fluids.

The treating physician will have to determine that the person's safety may be in jeopardy.

If the patient refuses to be tested, the patient's identity will be protected and counseling will be made available. The patient will be able to obtain the test results and appropriate counseling. If the patient tests positive, any emergency or health care worker exposed will be promptly notified, and other workers who will be in direct exposure to the patient will be informed. Discrimination in terms of availability or quantity of continued health services provided to a patient tested pursuant to these provisions will not be allowed, regardless of the test result.

Emergency service providers are defined as emergency medical technicians, police officers, firefighters, paramedics, lifeguards, or similar persons who provide lifesaving, emergency, medical, or transportation assistance prior to a patient's hospitalization.

Your Committee received divided opinions in testimony on this measure. The Department of Health objected stating that there is no substitute for strictly following mandatory OSHA guidelines regarding universal precautions and bloodborne pathogens, and the Governor's Committee on HIV/AIDS also demurred preferring written informed consent except in specific situations already provided in the law. However, the Hawaii Federation of Physicians and Dentists, the Hawaii Medical Association, and several physicians supported the measure, strongly advocating adoption of stronger, more flexible testing authority to protect health care and emergency workers.

Your Committee finds that exposure to patient blood or bodily fluids capable of transmitting HIV is an all too common occurrence. 947 exposures were documented in one year alone, and those only in acute and long-term care facilities. Health care and emergency service providers often risk their lives to provide assistance to individuals who could make them ill or cause their death, and for them your Committee looks with approval upon this measure.

Your Committee has amended this bill to delete provisions for the notification of non-exposed health care workers of a patient testing positive for HIV and to add a request that the Governor's Committee on HIV/AIDS report its

recommendations for amendments to existing statutes relative to occupational exposure. No time limit is set since it is believed that the Governor's Committee will be anxious to make recommendations as expeditiously as it possibly can.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1247, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1247, S.D. 2.

Signed by all members of the Committee.

SCRep. 839 Judiciary on S.B. No. 1393

The purpose of the bill is to clarify that a grant of parole is not subject to the acceptance of the person being paroled.

Your Committee finds that clarification may be necessary in cases where a person being confined is reluctant to leave an institution.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1393 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 840 Judiciary on S.B. No. 1490

The purpose of this bill is to authorize the Motor Vehicle Repair Industry Board to issue citations for violations of chapter 437B, Hawaii Revised Statutes.

Your Committee received testimony in support of the bill from the Motor Vehicle Repair Industry Board.

Your Committee has amended the bill to provide for its repeal on June 30, 1995.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1490, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1490, S.D. 2.

Signed by all members of the Committee.

SCRep. 841 Judiciary on S.B. No. 1503

The purpose of this bill is to facilitate the payment of child support from individual trust accounts maintained by the director of public safety for inmates confined in correctional institutions in Hawaii.

The State Attorney General testified in support of the bill, noting that "all parents have a moral and legal obligation to support their children." This bill will enable the State to access additional sources of income for the payment of child support while recognizing that prison inmates normally receive small amounts of money and payments of child support are limited accordingly.

Your Committee has amended the bill to provide that all new deposits and credits over fifteen dollars in a given month shall be paid for child support.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1503, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1503, S.D. 1.

Signed by all members of the Committee.

SCRep. 842 Judiciary on S.B. No. 1534

The purpose of the bill is to create a rebuttable presumption against an award of custody to a parent who has a history of being an abusive spouse or parent.

Your Committee received testimony relative to the bill from the Judiciary, the Honolulu City Prosecutor, the Child and Family Service, Committee on Family Violence and an interested citizen.

Your Committee finds that courts should presume that it is not in the best interests of a child to be in the custody of a parent against whom evidence of family violence is presented.

Your Committee has amended the bill by redefining the presumption and adding elements to the definition of family violence.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1534, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 843 Judiciary on S.B. No. 1557

The purpose of the bill is to impose mandatory incarceration for violations of protection orders issued by the family courts.

Your Committee received testimony relative to the bill from the Prosecuting Attorney and Police Department of Honolulu, the Public Defender, Child and Family Service and an interested citizen.

Your Committee finds a need for additional measures to enforce court orders for the protection of family members from harm by each other.

Your Committee has amended the bill to clarify and expand the scope of authority to impose sentence for violation of temporary restraining orders and orders for protection and to repeal section 586-11, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1557, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 844 Judiciary on S.B. No. 1605

The purpose of this bill is to clarify State law relating to civil liability for recreational and water activities.

Your Committee received testimony in support of this bill from the Hawaii Hotel Association and testimony in opposition from the Hawaii Academy of Plaintiff's Attorneys. Other interested firms presented testimony relative to the bill.

Your Committee finds that landowners should have some protection against users of public beaches if adequate safety precautions are taken. This bill relieves adjacent landowners from liability for injuries resulting from recreational activity or an inherent risk of water activities if the landowner posts a warning sign in compliance with the statute.

Your Committee has amended the bill to make clear that hotelkeepers are not liable if they are not negligent.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1605, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1605, S.D. 1.

Signed by all members of the Committee except Senator Solomon.

SCRep. 845 Judiciary on S.B. No. 1637

The purpose of the bill is to update obsolete cross-references in the Hawaii Revised Statutes relative to negotiable instruments.

Your Committee finds this to be a housekeeping measure and necessary to avoid conflicting provisions of law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1637 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 846 Judiciary on S.B. No. 1675

The purpose of the bill is to clarify criminal statutes making it an offense to alter or tamper with government records and to amend the immunity provisions pertaining to offenses involving public records.

Your Committee received testimony relative to the bill from the Attorney General.

Your Committee finds the need to clarify circumstances which establish affirmative defenses against charges of tampering with government records.

Your Committee has amended the bill by deleting amendments to the immunity provisions and by establishing a specific affirmative defense against record tampering charges.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1675, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 847 Judiciary on S.B. No. 1722

The purpose of this bill is to grant authority to the director of the department of public safety to order the pretrial release of certain inmates when prison capacity is exceeded. The measure provides that no person who has been denied bail or whose bail is set at more than \$5,000 shall be released pursuant to this section. The bill further prohibits the release under this chapter of a person who is being held for a serious crime involving violence against a person as defined in Section 804-3, Hawaii Revised Statutes.

Your Committee received testimony relative to the bill from the Department of Public Safety, the Prosecuting Attorney and Police Department of Honolulu, and the Public Defender. Your Committee is persuaded that by granting the director this authority, prison space for violent and serious offenders will increase and the safety of the community will be ensured.

Your Committee has amended the bill by clarifying the director's rule-making authority, requiring reports relative to the program, and providing for its repeal on June 30, 1995.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1722, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1722, S.D. 2.

Signed by all members of the Committee.

SCRep. 848 Judiciary on S.B. No. 1805

The purpose of this bill is to enable sexual assault victims to require the attacker to be tested for HIV and obtain results and appropriate counseling.

Your Committee finds that sexual assault victims are often fearful of contracting HIV, adding to the extraordinary psychological trauma accompanying such crimes. Counseling, testing, and knowledge (if requested) of the attacker's HIV status will help alleviate some of the trauma.

Your Committee received testimony relative to the bill from the Attorney General, the Governor's Committee on HIV/AIDS, the Department of Health, Commission on the Status of Women, Sex Abuse Treatment Center, Public Defender, Hawaii Nurse's Association, the Maui AIDS Foundation, the Big Island AIDS Project, ACLU, Life Foundation, the Prosecutors and Police Chief of Honolulu, Hawaii, Kauai and Maui Counties and numerous individuals.

Your Committee has amended the bill to further describe body fluids as being capable of transmitting HIV and to require HIV counseling when tests are conducted.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1805, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1805, S.D. 2.

Signed by all members of the Committee.

SCRep. 849 Judiciary on S.B. No. 1819

The purpose of the bill is to create an option for expedited sentencing of persons convicted of intra-family sexual assault.

Your Committee received oral and written testimony from numerous public and private interests both in support of and in opposition to the bill. Your Committee has the benefit of genuine concern from all parties in its deliberations on the bill.

Your Committee finds that cases involving sexual assault of children are very complex and difficult to prosecute and the majority of these cases do not result in a criminal conviction. In cases which do result in a conviction, defendants are usually sentenced to one year or less in jail and five years probation. Typically, these cases take many months to be resolved. Meanwhile, the child victims must wait, and cannot begin to heal until the case comes to trial (or is resolved by a negotiated plea just prior to trial).

Your Committee finds a need to identify and remove obstacles which delay and hinder successful prosecution. Your Committee also recognizes that the child victim, especially in cases involving family members, is best served if the offender admits guilt (as charged, not to a "plea bargain") and is swiftly sentenced -- not only up to a year in jail, but also to appropriate treatment and probation. This bill offers prosecutors an option to encourage offenders to plead guilty and accept treatment, and to do so early in the proceedings. When used successfully, this option will benefit the child victim. The ordeal will be over sooner and the child has the opportunity to resume a normal life.

Testimony was received expressing concern that this bill will create a perception of leniency towards perpetrators of one of the most heinous crimes, and that its provisions take a step backward by creating an exception to the current mandatory sentencing for these crimes. This bill is intended to accomplish an increase in overall criminal convictions, punishment, and deterrence; while providing better protection for potential victims, not only from sexual assault, but from the additional trauma of being the primary witness against a family member. This bill represents a more sophisticated use of the existing laws which will promote the effectiveness of the police, prosecutors, and the courts by providing another option which the prosecutors can use when they deem it appropriate.

Your Committee amended this bill to provide as follows:

1. That its application be limited to intra-family sexual assault;
2. That the child's guardian ad litem or a person acting in that capacity must agree or the option cannot be utilized;
3. That appropriate sex offender assessment and treatment shall be mandatory or the option cannot be utilized;
4. That the Children's Advocacy Center Interagency Advisory Committees in each county shall monitor the expedited sentencing option and shall also identify problems within the civil and criminal processes in this area and propose solutions. Also, that the state director of the Children's Advocacy Center shall compile the information from each county committee, and provide a report to the appropriate legislative committees on or before January 15th of each year; and

5. That the expedited sentencing option shall be automatically repealed on June 30, 1995, unless made permanent by new legislation.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1819, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 850 Judiciary on S.B. No. 1901

The purpose of the bill is to prohibit confidentiality in agreements reached in actions based on financial fraud, a defective product or an environmental hazard.

Your Committee received testimony relative to the bill from the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee finds that public policy requires disclosure of certain information where the public is involved.

Your Committee has amended the bill to include "proprietary information" as being protected together with "trade secrets" and to delete provisions relative to frivolous actions as being redundant. Other amendments make technical changes that have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1901, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 851 Judiciary on S.B. No. 1920

The purpose of this bill is to provide animal control officers with the authority to inspect, investigate, and cite any commercial animal establishment to ensure humane caretaking procedures are being enforced.

Your Committee received testimony relative to the bill from the Public Defender, the Humane Society and interested individuals.

Your Committee finds that recent reports of the inhumane treatment and housing of animals by commercial animal establishments have prompted public outcries and indignation over such treatment. Your Committee believes that the provisions of the bill would provide animal control officers with the necessary authority to protect these animals.

Your Committee has amended the bill to allow officer visits to commercial animal establishments only during regular business hours and to eliminate the requirement to inspect twice a year. The definition of "commercial animal establishment" has been amended to limit the scope to only that part devoted to grooming, buying, selling, bartering, training, using, renting or boarding of animals.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1920, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1920, S.D. 1.

Signed by all members of the Committee.

SCRep. 852 Education, Labor and Employment on S.B. No. 256

The purpose of this bill is to require all employers in the State to adopt smoking policies.

Currently, smoking is prohibited in certain places open to the public such as elevators, lobbies, theaters, banks, and parts of restaurants, and all employers that operate to any extent with public funds are required to adopt and enforce policies that reasonably accommodate the preferences of their smoking and nonsmoking employees.

Your Committee is keenly aware of incontrovertible evidence linking smoking and second-hand smoke with lung cancer and other diseases. Considering the risks and society's demand for protection, it is fully consistent with the obligations and authority of the Legislature to require all employers to be aware of and responsive to the legitimate health needs of their employees and their right to work in a safe, smoke-free environment if they choose.

Testimony in support of this bill was submitted by the American Cancer Society, the American Lung Association, the American Heart Association, Hawaii Medical Service Association, Healthcare Association of Hawaii, Interagency Council on Smoking and Health, Hawaii Society for Respiratory Care, Kaiser Permanente, American Academy of Pediatrics, Hawaii Medical Association, the Department of Health, and small business and individual advocates. Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii, the Tobacco Institute, and representatives of small business interests.

After careful consideration of the testimony presented, your Committee finds that an employee should not have to be exposed to second-hand smoke, a Class A carcinogen, at the workplace and that all employers should be concerned about the potential consequences of exposing their employees to such substances. Your Committee further finds that society's rules about what is appropriate for the workplace are changing and government policy should agree with such rules.

Your Committee wishes to express that this is not an anti-smoking measure nor is it intended to make a moral judgement about smoking. Further, although your Committee is cognizant of the impact this may have upon small businesses, state policy providing for the rights of employees to have clean air at the workplace must be consistent and without exception.

Thus, your Committee determines that nonsmoking employees should have the right to clean air at their workplaces, and that all employers within the State should comply. Accordingly, your Committee has amended this bill by deleting its substance and creating a new section to be added to Chapter 328K which provides:

- (1) Effective January 1, 1994, all employers in the State shall restrict smoking in their workplaces to designated areas either within or easily accessible to the workplace; provided that no employer shall be required to bear any additional expense to carry out this requirement;
- (2) A civil penalty not to exceed \$500 for each day of violation;
- (3) A definition of "employer" pursuant to section 235-61; and
- (4) Repeal of the title of Part I of Chapter 328K, Hawaii Revised Statutes, and Part II in its entirety.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of S.B. No. 256, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 256, S.D. 2.

Signed by all members of the Committee except Senators Fernandes Salling and Tanaka.

SCRep. 853 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on S.B. No. 732

The purpose of this bill is to establish an emissions reduction credit banking and trading program within the Department of Health.

Testimony supporting the bill was received from the City and County of Honolulu, Chevron USA Inc., and Hawaiian Electric Company Inc. The Department of Health testified in opposition to the bill, stating that the Department's Air Advisory Committee is currently working on rules to address the proposed program.

Your Committees find that the provisions of the bill would require the Department of Health to establish an emissions reduction credit program which would allow air pollution producers to sell off the excess portion of their permitted air pollutant emission quota to other air pollution producers.

Your Committees agree with the Department of Health that given the ongoing work of the Air Advisory Committee, the Department of Health should not be required or otherwise directed to establish an emissions reduction credit banking and trading program. Your Committees have amended this bill to delete any such mandate.

Your Committees agree with the Department of Health's assertion that the Department should be given the option of establishing such a program through the adoption of departmental rules and has therefore amended the bill to reflect this position.

However, the bill, as amended, does clarify that the Department of Health does retain the authority to establish such a program through the adoption of departmental rules if, in the discretion of the department, it is deemed prudent and feasible to do so.

Your Committees have further amended the bill to provide that revenue generated by this program shall be shared with the state and counties, so that the public may also benefit by the creation of this program.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management are in accord with the intent and purpose of S.B. No. 732, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 732, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Fernandes Salling, Solomon, Tanaka, Tungpalan and Ikeda.

SCRep. 854 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on S.B. No. 1608

The purpose of this bill is to allow the Director of Health to ensure the uninterrupted flow of electrical service and other necessary public services to the Hamakua region.

Testimony received from the Department of Business, Economic Development, and Tourism indicated support for the bill's intent. The Department of Health testified against the bill's passage, stating that it already has the authority to adequately mitigate any possible interruption in service.

Your Committees find that the bill would enable the Director of Health to issue or approve the transfer of permits or variances for air or water pollution. The ability to do so is necessary to ensure that the Hamakua region would not be adversely affected by the imminent shutdown of the Hamakua Sugar Plantation, which supplies the Hamakua region with a significant portion of its electrical power.

Your Committees agree that the bill as written may grant authority to the Department of Health which it already possesses. However, with regard to the Department's authority to approve the transfer of permits or variances, your Committees believe that the existing law governing such transfers is ambiguous. Therefore, your Committees have amended the bill by inserting language expressly allowing the Director of Health to authorize such transfers.

Your Committees have also placed a repeal date of one year on the provisions of the bill and made several technical changes that have no substantive effect.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development are in accord with the intent and purpose of S.B. No. 1608, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1608, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Fernandes Salling, Solomon, Tanaka, Tungpalan and George.

SCRep. 855 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Agriculture on S.B. No. 645

The purpose of this bill is to establish a procedure to enable the State Board of Agriculture to approve the enactment of ordinances by the counties concerning various aspects of pesticide use, registration, or application.

Testimony in support of the bill was received from the Hawaii Sugar Planters' Association, the Hawaii Pest Control Association, the Hawaii Farm Bureau, and the Department of Agriculture. Testimony against the bill was received from various environmental groups, including the Hawaii Audubon Society, the Sierra Club, the Conservation Council for Hawaii, and the University of Hawaii Environmental Center.

The Committees are cognizant of the need for certainty and uniformity in regulations generally, and find that greater scientific expertise exists at the state level. However, the counties should be empowered to enact ordinances relating to pesticides.

Accordingly, your Committees have amended the bill to establish a procedure whereby a county would notify the Chairman of the Board of Agriculture if it intended to enact an ordinance or adopt a rule relating to pesticides used for the purpose of producing agricultural commodities. Inasmuch as such regulations would impact agricultural production directly, the Committees feel that it would be appropriate and responsible for the counties to seek the advice and counsel of the state agency which regulates agriculture and the use of pesticides. Your Committees feel that this procedure strikes an appropriate balance between the need to receive input from state officials and the need to preserve the integrity of local control.

Your Committees have further amended the bill to increase the representation of environmental organizations from one to three on the Board of Agriculture's Pesticide Advisory Committee. This amendment would expand the committee in size and scope, permitting the concerns of the affected communities to be addressed by the committee in its deliberations and recommendations.

Finally, your Committees have made a number of nonsubstantive technical amendments for the purpose of clarity and style.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Agriculture are in accord with the intent and purpose of S.B. No. 645, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 645, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Fernandes Salling, Solomon, Tanaka, Tungpalan and Ikeda.

SCRep. 856 Ways and Means on S.B. No. 519

The purpose of this bill is to establish within the department of accounting and general services a provisional state history museum advisory council to oversee the creation of a state history museum.

Your Committee agrees with the need to establish a state museum which could act as a clearinghouse and depository for Hawaiian history. Your Committee agrees with the finding of the Committee on Higher Education, Culture, Arts and Historic Preservation that a museum dedicated to such activities would greatly increase the dispersion of existing information and enhance educational opportunities for the people of the State. Your Committee feels, however, that it is unnecessary to establish a council to oversee the creation of the museum, that the museum should not necessarily be housed in the state capitol, and that the appropriate agency to establish the museum would be the state archives as opposed to the department of accounting and general services.

Your Committee has amended this bill by removing the requirement that the museum be housed in the state capitol, by deleting provisions related to the establishment, functions, and duties of the advisory council, by placing the museum in the state archives rather than the department of accounting and general services, and by changing the appropriation to an unspecified sum.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 519, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 519, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 857 Ways and Means on S.B. No. 1137

The purpose of this bill is to increase the allotment of tuition waivers at all University of Hawaii campuses and to specifically designate Hawaiians and other underrepresented minorities as recipients of tuition waivers.

The ever increasing costs of higher education can make further education inaccessible to well qualified Hawaiian and other underrepresented minority students who would benefit from tuition waivers.

Your Committee finds that education is the most important factor in helping minority groups improve their socio-economic status and tuition waivers can help these students obtain higher education goals.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1137, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 858 Ways and Means on S.B. No. 1466

The purpose of this bill is to bring the loan eligibility provisions of the state higher education loan fund in line with the federal Perkins Loan Program, upon which the state program is based.

This bill will give the University of Hawaii flexibility to respond to the financial needs of nontraditional students, many of whom are unable to attend college on a full-time basis. The bill also sets loan amount limits as established under the Perkins Loan Program.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1466 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 859 Ways and Means on S.B. No. 1593

The purpose of this bill is to establish guidelines for multidisciplinary team services within the department of human services.

A multidisciplinary team would consist of health care and social service professionals who would provide consultant services to the department of human services. The teams would make recommendations relating to the diagnosis and treatment of complex or severe child abuse or neglect cases referred by the department.

The State currently has five teams, one each for the city and county of Honolulu and the counties of Maui and Kauai, and two for the county of Hawaii. Funding has recently become available to form a sixth team servicing the islands of Molokai and Lanai.

Although the multidisciplinary team approach has been a part of Hawaii's child protection scheme since its inception in 1969, it is neither mandated by statute nor given any direct role in the child protection process. Currently, the team's function as an auxiliary service is purely consultative in nature on cases deemed appropriate for teaming by the department and the child protective services.

Your Committee agrees with the finding of the Committee on Human Services that these teams have been able to provide valuable services necessary to prevent further abuse and to provide the best possible treatment for victims and their families, and that the issue of abuse is so compelling that legislative action is required.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1593, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 860 Ways and Means on S.B. No. 1794

The purpose of this bill is to make several amendments to improve the administration of the grants, subsidies, and purchases of service law.

More specifically, this bill:

- (1) Requires agencies administering purchase of service contracts to meet at least quarterly with their providers for monitoring and evaluation purposes;
- (2) Establishes an appeals board to investigate complaints or grievances regarding agency decisions;
- (3) Requires the advisory council to conduct public meetings at least once a year with providers and consumers of services;
- (4) Requires a report to the legislature listing agency priorities, criteria for funding, and other information regarding contracted programs; and

- (5) Requires agencies to establish a mechanism to improve current contract execution and administration and to develop a mission statement of long-term goals and a funding plan for using private providers.

Chapter 42D, Hawaii Revised Statutes, was enacted in 1991 following extensive review and debate as to what would constitute an efficient, effective, and fair system of contracting for private provider services by the State. As implementation of chapter 42D is in its infancy, numerous concerns have been raised. This bill addresses a major concern by facilitating ongoing planning, prioritizing, and input by the providers in the chapter 42D process. Your Committee is cognizant, however, that there are still other aspects of the chapter 42D process that will have to be addressed. Toward this end, your Committee notes that it was highly impressed with the Massachusetts purchase of service law which appears to work effectively and efficiently. Your Committee believes that serious consideration should be accorded to the Massachusetts law in future legislative deliberations on this issue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1794, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 861 Ways and Means on S.B. No. 212

The purpose of this bill is to provide specifically that interest earned on court deposits if not otherwise specified by court order or statute shall be credited to the State of Hawaii.

Currently, all moneys collected by the judiciary are deposited in interest bearing accounts until final disposition of the funds is determined. In some cases, court orders direct the judiciary to credit interest earned on certain deposits to the depositor of the funds. However, court orders are not issued for many types of collections by the judiciary, and no specific instructions for the disposition of interest from these funds currently exist.

Your Committee finds that this bill will clarify statutorily the present practice for the disposition of interest earned on funds collected by the courts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 212 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 862 Ways and Means on S.B. No. 1071

The purpose of this bill is to establish state regulation for the possession, storage, sale, and use of fireworks.

Under the provisions of this measure, no person may possess, store, sell, keep or offer for sale, expose for sale, use, explode or cause to explode any fireworks within the State, with the following exceptions:

- (1) Wholesalers for shipment out of state, and licensed retailers;
- (2) Storage or sale for persons licensed as provided herein;
- (3) Sale to and use by an organization obtaining permit as provided herein;
- (4) An organization obtaining permit for religious or ceremonial occasions as provided herein;
- (5) Motor vehicle operators and transportation agencies for signal, warning or illumination purposes;
- (6) Blank cartridges for theatrical or athletic uses;
- (7) Materials for use in legally permitted firearms;
- (8) Use by defense organizations for defense purposes;
- (9) Certain permitted occupational safety uses;
- (10) Certain permitted agricultural uses; and
- (11) Officers or agents of temples, cemeteries, restaurant, cultural or religious organizations which have obtained a permit as provided herein.

The bill provides for a nontransferable license to sell or store fireworks, such license to be issued by the director of public safety. It also provides for a permit for public display of fireworks and requires proof of insurance and bond. The bill prohibits the sale or supply of fireworks to persons below the age of eighteen, and further provides that parents or guardians who knowingly permit such minors to purchase or use fireworks shall violate this chapter. Additionally, the bill authorizes county and state law enforcement officers and fire department personnel to conduct inspections to detect illegal fireworks and to determine if safety regulations are being met by organizations and facilities who sell or store fireworks.

Your Committee has amended this bill by adding a definition of, and banning the use of aerial fireworks, except for public displays, and made that offense punishable as a class C felony, but subject to a maximum fine of \$25,000.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1071, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1071, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 863 Ways and Means on S.B. No. 1752

The purpose of this bill is to establish a corrections population management committee to establish maximum inmate populations for each correctional facility and to develop mechanisms to prevent overcrowding in correctional facilities.

Prison overcrowding was a major cause of the 1985 lawsuit against the State by the American Civil Liberties Union, which resulted in a consent decree governing conditions at the Oahu community correctional center and the women's community correctional center. Continued overcrowding is the primary reason the State is unable to satisfy the requirements of the consent decree, and your Committee believes that a permanent solution must be developed to enable the State to comply with the consent decree, prevent future litigation, and allow the department of public safety to effectively operate its facilities.

Your Committee finds that this bill will facilitate the collaboration of representatives from the three branches of government and from the various criminal justice agencies in the State to develop strategies to control the inmate population of all of the State's correctional facilities.

Your Committee has made a number of technical, nonsubstantive changes to the bill relating to its structure and format. Your Committee feels it is unnecessary and ill-advised to clutter the Hawaii Revised Statutes with legislative findings. Accordingly, your Committee has amended the bill by moving the findings section out of the statutory language, designating it as "Section 1", and renumbering the remaining sections of the bill consecutively. Also, given that the bill purports to create a brand new chapter to the Hawaii Revised Statutes but that the substantive, statutory portion of the bill was crowded into only one statutory section, your Committee, for the sake of clarity, style, and simplicity, has divided the existing "§ -2" into six separate statutory sections with appropriate section titles. Your Committee has made two substantive amendments to require that: (1) the exemption from the Administrative Procedure Act for the commission's guidelines be limited to an exemption from the public notice and hearing requirements; and (2) the commission submit its annual report to the legislature "not less than twenty days prior to the convening of the regular session". Your Committee intends that the commission be exempted from the relatively time consuming notice and hearing requirements of the Administrative Procedure Act, but sees no good reason to exempt the commission's actions from other important aspects of the law, such as gubernatorial approval and filing with the lieutenant governor. Finally, your Committee has made several technical, nonsubstantive changes to eliminate redundancy and 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. 1752, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1752, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 864 Ways and Means on S.B. No. 1740

The purpose of this bill is to authorize the governor, or the governor's designated representative, to cooperate, cosign, or participate on behalf of the State with the counties, or other public or private agencies or entities, in order to participate in any federal program designed to provide services, equipment, supplies, materials, funds, or other benefits to the State or any county in civil defense matters.

Your Committee finds that during the recovery process following the impact of Hurricane Iniki on September 11, 1992, it became apparent to civil defense authorities that certain federal disaster relief programs, including loans available to the counties, required the State to cooperate, cosign, or participate in the relief program in order for the counties to receive federal disaster relief funds. At present, the governor is not authorized to cooperate, cosign, or participate with the respective counties, or other public or private agencies or entities, for these purposes. Your Committee finds that the additional authority granted to the governor under this bill will help to ensure that the counties will be able to obtain available resources for disaster relief in a timely manner when the State is required to cooperate, cosign, or participate.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1740, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1740, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 865 Ways and Means on S.B. No. 1863

The purpose of this bill is to change the amount of the transient accommodations tax (TAT) and to provide that a portion of the TAT revenues be deposited into the convention center development revolving fund. The bill also grants the State the authority to develop and construct a convention center with moneys from the fund.

Testimony was received from a variety of organizations in support of a convention center to support Hawaii's visitor industry.

Your Committee notes that when originally enacted in 1986, the intent of the imposition of the transient accommodations tax was to derive revenues to fund a convention center. Your Committee therefore finds that the intent

of this bill, to authorize the State to construct a convention center and to fund the revolving fund with TAT revenues, has merit.

Your Committee has amended the bill by making blank the percentage of the TAT revenues to be deposited into the revolving fund, to stimulate further discussion on funding mechanisms.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1863, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1863, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 866 Ways and Means on S.B. No. 1318

The purpose of this bill is to exempt from the general excise tax amounts received by health care providers for health services, supplies, and equipment for persons sixty-five years of age and older and to repeal the medical services excise tax credit for persons sixty-five years of age and older.

Your Committee finds that persons over sixty-five, particularly those having lower incomes, have benefited from the medical services excise tax credit and would be better served by allowing that credit to continue. Your Committee also finds that the services provided in selling prosthetic devices should also be exempt from the general excise tax law.

Accordingly, your Committee has amended this bill by:

- (1) Removing language that exempts amounts received by health care providers for services, supplies and equipment for persons sixty-five and older;
- (2) Establishing an exemption for amounts received for services provided in selling prosthetic devices, effective January 1, 1995;
- (3) Reinstating the medical services excise tax credit for persons sixty-five and older; and
- (4) Exempting amounts received by the operator of a nonprofit qualified rehabilitation facility from the operation of a service contract.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1318, S.D. 1, and be placed in the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 867 Ways and Means on S.B. No. 818

The purpose of this bill is to allow the State to make short-term investments in deposit accounts and repurchase agreements with federally insured financial services loan companies and to permit insurance companies and insurance agents to make deposits in financial services loan companies.

Under current law, the State is authorized to make short-term investments with federally insured banks and savings and loan associations. In addition, insurance companies and general agents are allowed to make deposits with banks, savings and loan associations, and credit unions. Financial services loan companies were excluded because at the time the current laws were enacted, these entities were not insured by the Federal Deposit Insurance Corporation (FDIC).

Your Committee finds that the FDIC now insures all deposits made in financial services loan companies, and therefore, pose virtually no risk to state funds. Your Committee believes that this bill will provide the State and insurers with additional options for the deposit of their funds and will enable depositors to obtain the best possible return for their investments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 818, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 868 Ways and Means on S.B. No. 751

The purpose of this bill is to appropriate \$200,000 for the design of a library for Kohala, Hawaii.

Your Committee has amended this bill by changing the appropriation to an unspecified amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 751, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 869 Ways and Means on S.B. No. 1604

The purpose of this bill is to impose a .10 per cent surcharge on the general excise tax levied for ten years beginning on July 1, 1994, and to deposit in the state treasury to the credit of the state educational facilities improvement special fund ("fund") 2.5 per cent of all general excise tax revenues realized in each fiscal year from July 1, 1994 to June 30, 2004.

This bill also repeals the requirement that \$90,000,000 of general excise tax revenues be deposited to the credit of the fund in each fiscal year from 1993 through 1995. The bill further removes legislative authorization for expenditures from the fund. The bill allows a portion of the revenues of the fund to be used for amortization of revenue bonds to be administered by a board of trustees placed within the department of education (DOE) for administrative purposes. The bill finally conditions the .10 per cent surcharge on the development of streamlined educational facilities construction specifications and a plan for the implementation of the DOE's capital improvement program priority system.

Your Committee finds that a percentage amount to be earmarked will be an ever growing or lessening figure and that it would be more appropriate to remain with a fixed dollar amount and extend the period of the transfer to the state educational facilities improvement special fund for a longer period.

Accordingly, your Committee has amended this bill to:

- (1) Delete the .10 per cent surcharge;
- (2) Delete the deposit into the fund of 2.5 per cent of general excise tax revenues from July 1, 1994 to June 30, 2004;
- (3) Reinstate instead, an unspecified amount, for the sake of discussion, to be transferred into the fund on September 1 of each year for ten years from 1994 to 2003; and
- (4) Set as a condition the development of streamlined educational facilities construction specifications and a plan for the implementation of the DOE's capital improvement program priority system for the transfer of the unspecified amount each fiscal year.

Your Committee has also amended this bill to make the governor the appointing authority for all members of the board of trustees, and by making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1604, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1604, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 870 Ways and Means on S.B. No. 483

The purpose of this bill is to appropriate funds for the 1993-1995 fiscal biennium to design a new Hilo day activity center.

The existing day activity center is inadequate and a new facility should be constructed to accommodate the needs of the Hilo community.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to promote continuing discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 483, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 483, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 871 Ways and Means on S.B. No. 1410

The purpose of this bill as received was to establish the Hawaii Emergency Planning and Community Right-to-Know Act, to protect the health, safety, and welfare of the residents of this State from the release of hazardous substances, or pollutants or contaminants into the environment.

Your Committee has amended this bill by:

- (1) Adding program operation provisions:
 - (A) Requiring all moneys to meet the general operating needs and expenses of the emergency planning and community right-to-know, asbestos, used motor oil recovery, environmental response, integrated solid waste management, and "white goods" (e.g., refrigerators, freezers, washing machines, dryers, and stoves) programs of the department of health, including moneys for environmental health education and program enhancement, to be allocated by the legislature through appropriations out of the state general fund;
 - (B) Requiring the department of health to include in its budgetary request for each upcoming fiscal period, the amounts necessary to effectuate the purposes of these programs, including environmental health education and program enhancement;
 - (C) Requiring the department of health, with the assistance of the department of budget and finance and department of accounting and general services, to prepare a report for the legislature concerning the amount of moneys collected during the preceding fiscal year, the amount of moneys collected to date during the

current fiscal year, and the amount of moneys to be collected during the upcoming fiscal year, pursuant to law (both existing and proposed), and accruing to the credit of the state general fund; and

- (D) Requiring the department of health to submit the foregoing report to the legislature not less than twenty days prior to the convening of each regular session of the legislature;
- (2) Adding a provision establishing a used motor oil recovery program and automotive motor oil fee;
- (3) Adding a provision establishing an environmental response tax on liquid fuel;
- (4) Adding a provision establishing a solid waste management surcharge and advance disposal fee;
- (5) Adding a provision establishing a glass container recovery program and glass packaging fee;
- (6) Adding a provision establishing a "white goods" disposal program and white goods delivery fee; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1410, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1410, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 872 Ways and Means on S.B. No. 952

The purpose of this bill is to exempt from the general excise tax amounts received by qualified rehabilitation facilities from contracts with the county or state government.

Currently, the Hawaii sugar industry is exempt from the payment of general excise taxes on the sales of sugar to C&H Sugar Company based on an exemption for sales to cooperatives. The sale of C&H to a single owner would make the exemption inapplicable. With the impending sale of C&H, in order to maintain the exemption and support the sugar industry, a change to the general excise tax law is necessary to allow the continuance of the general excise tax exemption for the sugar industry.

Accordingly, your Committee has replaced the contents of this bill with a provision to exempt the value or gross proceeds arising from the manufacture, production or sale of tangible personal property sold by a producer of agricultural products to a purchaser who will reprocess the products outside of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 952, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 952, S.D. 2.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 873 Ways and Means on S.B. No. 1354

The purpose of this bill is to authorize the issue of special purpose revenue bonds in one or more series in an unspecified amount and to issue from time to time refunding special purpose revenue bonds to assist the Waianae Coast Comprehensive Health Center with the financing, refinancing, or both, of the construction of an addition to the health center's facilities. This authorization lapses on June 30, 1995.

Your Committee finds that the issue of these bonds to the health center, which is a nonprofit corporation, is in the public interest and for the public health, safety, and general welfare of the State and that the activities and facilities of the center constitute a project as defined in part II, chapter 39A, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1354 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 Fernandes Salling.

SCRep. 874 (Joint/Majority) Government Operations, Environmental Protection and Hawaiian Programs and Ways and Means on S.B. No. 1126

The purpose of this bill is to amend the laws related to procurement.

Your Committees are concerned about recent criticism of the State's procurement practices and believes this bill will increase government efficiency and accountability and restore the public's confidence in this process.

Your Committees have amended this short form bill by inserting substantive material that provides a procurement policy for the State and county governments. This bill, as amended, establishes the Hawaii Procurement Code to simplify, clarify, and modernize the laws governing procurement, and establish a centralized means of administering the law.

This bill is intended to serve as a vehicle for continued discussion on this important issue.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Ways and Means are in accord with the intent and purpose of S.B. No. 1126, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1126, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Fernandes Salling, Nakasato, Solomon and Tanaka.
Senator Matsuura did not concur.

SCRep. 875 (Majority) Science, Technology and Economic Development on S.R. No. 24

The purpose of this Resolution is to express support for geothermal development in concert with monitoring of geothermal emissions.

Your Committee finds that the development of alternative energy sources, especially in the County of Hawaii, is necessary to ensure adequate supplies of electricity and to reduce dependence on fossil fuels. Your Committee further finds that such development should be in concert with appropriate monitoring and enforcement of public health and safety standards.

Testimony on this Resolution was submitted by the Department of Business, Economic Development, and Tourism, the Department of Land and Natural Resources, True Geothermal Energy Company, Puna Geothermal Venture, Natural Resources Defense Council, Sierra Club, Hawaii Island Geothermal Alliance, and Hawaii County residents. Your Committee is aware that there are legitimate concerns about geothermal development which have been expressed by both businesses wishing to proceed and the residents wanting to assess the impacts of geothermal on their community.

After consideration of the testimony presented, your Committee has amended this Resolution by:

- (1) Adding a provision to paragraph six which supports geothermal development in concert with state policy on integrated energy planning;
- (2) Adding a provision to paragraph seven which requests monitoring the environmental and social impacts, if any, resulting from exploratory drilling; and
- (3) Making technical changes for the purposes of clarity and proper drafting style.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 24, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 24, S.D. 1.

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

SCRep. 876 (Majority) Science, Technology and Economic Development on S.C.R. No. 27

The purpose of this Concurrent Resolution is to express support for geothermal development in concert with monitoring of geothermal emissions.

Your Committee finds that the development of alternative energy sources, especially in the County of Hawaii, is necessary to ensure adequate supplies of electricity and to reduce dependence on fossil fuels. Your Committee further finds that such development should be in concert with appropriate monitoring and enforcement of public health and safety standards.

Testimony on this Concurrent Resolution was submitted by the Department of Business, Economic Development, and Tourism, the Department of Land and Natural Resources, True Geothermal Energy Company, Puna Geothermal Venture, Natural Resources Defense Council, Sierra Club, Hawaii Island Geothermal Alliance, and Hawaii County residents. Your Committee is aware that there are legitimate concerns about geothermal development which have been expressed by both businesses wishing to proceed and the residents wanting to assess the impacts of geothermal on their community.

After consideration of the testimony presented, your Committee has amended this Concurrent Resolution by:

- (1) Adding a provision to paragraph six which supports geothermal development in concert with state policy on integrated energy planning;
- (2) Adding a provision to paragraph seven which requests monitoring the environmental and social impacts, if any, resulting from exploratory drilling; and
- (3) Making technical changes for the purposes of clarity and proper drafting style.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 27, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 27, S.D. 1.

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

SCRep. 877 Consumer Protection on S.B. No. 122

The purpose of this bill is to continue regulation of osteopaths, clarify the examinations of osteopaths that will be accepted for licensure, terminate the Board of Osteopathic Examiners, and assign the duties of the Board of Osteopathic Examiners to the Board of Medical Examiners.

After consideration, your Committee feels that osteopaths are in a unique field which may not be fully understood by other medical professions. Your Committee feels their own separate board is needed so that their concerns may be

properly addressed. Your Committee has amended this bill to continue regulation of osteopaths under the Board of Osteopathic Examiners.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 122, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 122, S.D. 1.

Signed by all members of the Committee except Senators Iwase, Matsuura, McCartney and Koki.

SCRep. 878 Ways and Means on S.B. No. 1071

The purpose of this bill is to establish state regulation for the possession, storage, sale, and use of fireworks.

Under the provisions of this measure, generally, no person may possess, store, sell, keep or offer for sale, expose for sale, use, explode or cause to explode any fireworks within the State.

Upon further consideration, your Committee has amended the bill by allowing public use of firecrackers. Your Committee finds that the problems caused by fireworks are primarily due to the aerial type of fireworks. Therefore, your Committee has retained provisions prohibiting the possession and use of aerial fireworks, except by a licensed professional, and has deleted provisions banning the public use of firecrackers.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1071, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1071, S.D. 3.

Signed by all members of the Committee except Senators Holt and Tungpalan.

LCRep. 879 Executive Appointments on Gov. Msg. No. 192

Recommending that the Senate consent to the nomination of BAMBI E.E. WEIL for Judge of the Circuit Court of the First Circuit, 5th Division, 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.

LCRep. 880 Executive Appointments on Gov. Msg. No. 194

Recommending that the Senate consent to the nomination of KEVIN S.C. CHANG for Judge of the Circuit Court of the First Circuit, 2nd Division, 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.

LCRep. 881 Executive Appointments on Gov. Msg. No. 193

Recommending that the Senate consent to the nomination of JAMES RICHARD AIONA, JR., for Judge of the Circuit Court of the First Circuit, 14th Division, 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 except Senator Chang.

LCRep. 882 Executive Appointments on Gov. Msg. No. 191

Recommending that the Senate consent to the nomination of MICHAEL ANTHONY TOWN for Judge of the Circuit Court of the First Circuit, 19th Division, 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 except Senator Chang.

SCRep. 883 Planning, Land and Water Use Management on S.C.R. No. 1

The purpose of this Concurrent Resolution is to provide for legislative review of an exchange deed between the Board of Land and Natural Resources and the Pioneer Mill Company, Limited, pursuant to Section 171-50, Hawaii Revised Statutes (HRS).

At its December 1992 meeting, the Board of Land and Natural Resources approved a land exchange with the Pioneer Mill Company, Limited. The exchange involves 5.641 acres of Pioneer Mill land and related easements with a fair market value of \$208,590 and 3.610 acres of State land together with 2.818 acres of related easements with a fair market value of \$145,400.

According to Section 171-50, HRS, any exchange of public land for private land is subject to the disapproval of the Legislature by a two-thirds vote of either the Senate or the House of Representatives or by a majority vote of both houses in any regular or special session following the date of the exchange.

Your Committee finds that the exchange of these parcels will enable the State to construct and develop well sites, water tank and reservoir sites, and water transmission facilities necessary for the development of the State's Lahaina Master Plan Housing Project.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 884 Planning, Land and Water Use Management on S.C.R. No. 39

The purpose of this Concurrent Resolution is to authorize the Board of Land and Natural Resources to lease approximately twenty acres of submerged lands and thirteen acres of fast lands at Kawaihae, Hawaii to a private developer for construction of a marina.

The lease would provide for appropriate historical preservation and require the developer to mitigate siltation in order to preserve the integrity of ancient and culturally significant features of the area. Prior to executing the lease, the Board will have to conclude that the project will be economically feasible, environmentally sound, and in compliance with environmental assessment and impact statement requirements.

Section 171-53(c), Hawaii Revised Statutes (HRS), authorizes the Board to lease submerged lands, and Section 171-60, HRS, authorizes the Board to lease public land to private developers. Both actions require the prior approval of the Governor and prior authorization of the Legislature by Concurrent Resolution. This Concurrent Resolution satisfies the statutory requirements applicable to the Legislature.

Your Committee finds that the State needs more small boat harbors and berthing spaces to meet the demands of its recreational boaters. The area authorized for lease by this Concurrent Resolution is eminently suitable for these purposes and has been recognized as such since 1965 when the Army Corps of Engineers so recommended to Congress. Your Committee is confident that any development arising out of the authority granted by this Concurrent Resolution will be suitable for and beneficial to the area.

Your Committee has amended the Concurrent Resolution by making many stylistic changes, none of which have any substantive effect.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 39, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 39, S.D. 1.

Signed by all members of the Committee.

LCRep. 885 Executive Appointments on Gov. Msg. Nos. 195, 206, 207, 208, 209, 210, 214, 217, 220 and 227

Recommending that the Senate advise and consent to the nominations of the following:

JOHN V. DUEY and MASAO NAKAMURA to the Advisory Committee on Agricultural Products, terms to expire June 30, 1997 (Gov. Msg. No. 195);

LINDA KAWAI'ONO DELANEY to the Environmental Council, term to expire June 30, 1994 (Gov. Msg. No. 206);

HARLAN H. HASHIMOTO, Ph.D., to the Environmental Council, term to expire June 30, 1996 (Gov. Msg. No. 206);

TERRY Y. YAMANE to the Governor's Agriculture Coordinating Committee, term to expire June 30, 1997 (Gov. Msg. No. 207);

RAYMOND M. KAWAMOTO to the Hawaii Fisheries Coordinating Council, term to expire June 30, 1996 (Gov. Msg. No. 208);

ROBERT M. FOX, A.I.A., to the Hawaii Historic Places Review Board, term to expire June 30, 1997 (Gov. Msg. No. 209);

KENNETH N. KATO, Ph.D., to the Board of Directors, High Technology Development Corporation, term to expire June 30, 1993 (Gov. Msg. No. 210);

KENNETH N. KATO, Ph.D., and DAVID Y.Y. YUN, Ph.D., to the Board of Directors, High Technology Development Corporation, terms to expire June 30, 1997 (Gov. Msg. No. 210);

MICHAEL G. HADFIELD, Ph.D., to the Natural Area Reserves System Commission, term to expire June 30, 1993 (Gov. Msg. No. 214);

STEVEN LEE MONTGOMERY, Ph.D., to the Natural Area Reserves System Commission, term to expire June 30, 1994 (Gov. Msg. No. 214);

ANDREW RAYMOND YUEN to the Natural Area Reserves System Commission, term to expire June 30, 1996 (Gov. Msg. No. 214);

MICHAEL G. HADFIELD, Ph.D., to the Natural Area Reserves System Commission, term to expire June 30, 1997 (Gov. Msg. No. 214);

MARK H. KIJIMA to the Advisory Committee on Pesticides, term to expire June 30, 1995 (Gov. Msg. No. 217);

GEORGE BUGARIN, ALVIN F. FUKUYAMA and RONALD L. WALKER to the Advisory Committee on Pesticides, terms to expire June 30, 1997 (Gov. Msg. No. 217);

GLADYS C. BAISA, MARY-LOU BARELA, CORRINA MOEFU, ROBIN WELCH, Ph.D., and GEORGE YOKOYAMA to the Purchases of Service Advisory Council, terms to expire December 5, 1994 (Gov. Msg. No. 220); and

RICHARD H. KOSAKI, Ph.D., to the Western Interstate Commission for Higher Education, term to expire June 30, 1997 (Gov. Msg. No. 227).

Signed by all members of the Committee except Senator McCartney.

LCRep. 886 Executive Appointments on Gov. Msg. No. 229

Recommending that the Senate consent to the nomination of MARIO R. RAMIL for Associate Justice of the State Supreme Court, 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.

LCRep. 887 Executive Appointments on Gov. Msg. Nos. 197, 198, 199, 200, 201, 202, 205, 211, 215, 216 and 218

Recommending that the Senate advise and consent to the nominations of the following:

AMEFIL AGBAYANI, Ph.D., and JOSEPHINE G. EPSTEIN to the Civil Rights Commission, terms to expire June 30, 1997 (Gov. Msg. No. 197);

SARAH A. NEAL-FUJIMOTO and GEORGE T. NIITANI to the Civil Service Commission, terms to expire June 30, 1997 (Gov. Msg. No. 198);

FRED CACHOLA, SHARMANE HOLOKA'I, ROY M. HORNER, NATALIE A. (TASHA) KAMA, LILLIAN P. KRUSE and MELISSA L. MONIZ to the Advisory Commission on the Compensation of Trustees of the Office of Hawaiian Affairs, terms to expire May 3, 1993 (Gov. Msg. No. 199);

ANN M.F. MORIMOTO and LOIS Y. OKINO to the Board of Trustees, Deferred Compensation Plan, terms to expire June 30, 1997 (Gov. Msg. No. 200);

LILLIAN M. JESKEY-LUBAG, ANN HOLLOWAY VANNATTA and DAVID A. WOLL to the State Planning Council on Developmental Disabilities, terms to expire June 30, 1995 (Gov. Msg. No. 201);

VERONICA B. YAMANOHA to the Hawaii Advisory Commission on Drug Abuse and Controlled Substances, term to expire June 30, 1994 (Gov. Msg. No. 202);

LORRAINE GODOY, WILLIAM F. HANING III, M.D., STEPHEN B. KEMBLE, M.D., ARLENE LEE-WILLIAMS and SUSAN ZIMMERMAN to the Hawaii Advisory Commission on Drug Abuse and Controlled Substances, terms to expire June 30, 1997 (Gov. Msg. No. 202);

ROBERT K. OVERLOCK, M.D., to the State Emergency Medical Services Advisory Committee, term to expire June 30, 1994 (Gov. Msg. No. 205);

WINTHROP SCOTT SCHAEFER, M.I.C.T., to the State Emergency Medical Services Advisory Committee, term to expire June 30, 1997 (Gov. Msg. No. 205);

DOUGLAS R. SODETANI to the Board of Medical Examiners, term to expire June 30, 1994 (Gov. Msg. No. 211);

ROBERT S. WEINER, M.D., to the Board of Medical Examiners, term to expire June 30, 1997 (Gov. Msg. No. 211);

FAITH Y. LEBB to the Board of Examiners in Naturopathy, term to expire June 30, 1995 (Gov. Msg. No. 215);

RODNEY CHUN, N.D., to the Board of Examiners in Naturopathy, term to expire June 30, 1996 (Gov. Msg. No. 215);

MARGARITA L. HOPKINS to the Board of Examiners in Optometry, term to expire June 30, 1997 (Gov. Msg. No. 216);

RICHARD K. MINATOYA to the Board of Pharmacy, term to expire June 30, 1994 (Gov. Msg. No. 218); and

MARADA DECKER, JR. and SUSAN CHUN WAKAYAMA, Pharm.D., to the Board of Pharmacy, terms to expire June 30, 1997 (Gov. Msg. No. 218).

Signed by all members of the Committee.

SCRep. 888 Science, Technology and Economic Development on H.B. No. 2001

The purpose of this bill is to authorize the issuance by the Department of Budget and Finance of special purpose revenue bonds for Wailuku River Hydroelectric Power Company, Inc.

Your Committee finds that Wailuku River Hydroelectric Power Company, Inc., is currently constructing a 10-megawatt hydroelectric power plant and ancillary facilities on the Wailuku River in Hawaii County. Your Committee further finds that Hawaii Electric Light Company, Inc. (HELCO) customers continue to experience electric energy shortages due to an inadequate supply of electric energy, and assistance for the development of an additional energy generation project would be beneficial to Hawaii County residents.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, and the Wailuku River Hydroelectric Power Company. Both indicated that a similar bill was passed by the 1992 Legislature, but vetoed by the Governor due to a technical error, and they requested that this measure be expeditiously passed by the 1993 Legislature. The Governor has in fact recommended immediate passage of this measure pursuant to Article VII, Section 9 of the State Constitution.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 2001 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 889 Tourism, Recreation and Transportation on H.B. No. 2052

The purpose of this bill is to allow the Department of Transportation to issue special facility revenue refunding bonds.

This bill also deletes the sunset provision in section 266-56, Hawaii Revised Statutes, and makes some housekeeping amendments to sections 266-53 and 266-55, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Transportation.

In light of recent substantial declines in interest rates payable on bonds, your Committee finds that the Department of Transportation should be allowed to provide the maritime industry with the opportunity to refund outstanding special facility revenue bonds with special facility revenue refunding bonds at lower interest rates.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 2052 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 890 Judiciary on H.B. No. 361

The purpose of the bill is to: 1) consolidate Part VII, Precursors to Controlled Substances, into Part VI, Precursors to the Manufacture of Methamphetamine of Chapter 329, Hawaii Revised Statutes, HRS; 2) repeal Part VII; 3) permit records and information required to be kept by manufacturers, wholesalers, or retailers, of the listed substances to be disclosed to not only State and Federal agencies but to county agencies; and 4) permit the Department of Public Safety to add to the list of controlled substances by promulgating rules pursuant to Chapter 91, HRS.

Your Committee finds that Part VI and Part VII of the HRS are identical except for the listed precursor chemicals contained in each part. This duplication adds unnecessary language to the Hawaii Revised Statutes and makes implementation of the regulations relating to precursor chemicals needlessly cumbersome. Your Committee wishes to make clear that the consolidation of Parts VI and VII is not for any substantive effect in the implementation or interpretation of the law, but rather to simply streamline the statutes.

Your Committee further finds that the list of controlled substances is interrelated to offenses under the Penal Code for the possession, sale and use of controlled substances, and convictions for those offenses result in imprisonment. Your Committee finds it inappropriate to subject a person to imprisonment based on rules promulgated by the Department of Public Safety and not by legislative action. Therefore, it is the intent of your Committee that the Department be prevented from adding to the list of controlled substances by rule making.

Your Committee has amended the bill by deleting item (23), "Phenylacetic acid", because it is a duplication of item (3) of the list of substances.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 361, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 891 Judiciary on H.B. No. 788

The purpose of this bill is to require personal representatives to mail written notice to creditors of an estate, notifying them to present their claims either within 60 days of the mailing or within 4 months of the publication of notice. The bill also provides that a personal representative is not liable to a creditor for failure to give notice and that the current limitation on presentation of claims does not apply to compensation and reimbursement of the personal representative, or the representative's attorney or accountant.

The bill brings Hawaii's probate law into compliance with Constitutional requirements. The United States Supreme Court in Tulsa Professional Collection Services v. Pope, 108 S. Ct. 1340, 99 L.Ed.2d 565 (1988) held that published

notice alone to creditors of a probate estate who are known or reasonably ascertainable violates the Due Process Clause of the Fourteenth Amendment, and that notice by mail, or some other means certain to ensure actual notice, must be used.

Your Committee has amended the bill to further the intent of the bill and to conform to constitutional requirements. Specifically, your Committee has made the following amendments:

- 1) Deleted the words "personal representative" on page 2, line 14, to avoid confusion;
- 2) Revised lines 5 and 6 on page 2 to read, "The personal representative shall undertake reasonable review of the decedent's records to ascertain the decedent's creditors", to clarify the extent to which a personal representative must search for creditors;
- 3) Reorganized lines 4 to 16 of page 3 to present a clearer understanding of the time limits involved; and
- 4) Deleted the amendments in lines 8 to 10, page 4, to retain the original language of the statute because the amendments are unnecessary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 788, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 788, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 892 Judiciary on H.B. No. 1090

The purpose of this bill is to raise the jurisdictional dollar limits of the District Court from \$10,000 to \$25,000, as well as to change the maximum amount in controversy in which the District Court has exclusive jurisdiction from \$5,000 to \$10,000.

Your Committee received testimony in support of the bill from the Judiciary and the Hawaii State Bar Association.

Your Committee finds that an increase in the jurisdictional limits of the District Court is in keeping with inflation and the attendant devaluation of the dollar. The higher jurisdictional amount will also increase judicial efficiency by decreasing the civil case load of the Circuit Courts.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1090 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 893 Judiciary on H.B. No. 1343

The purpose of the bill is to include the drugs "Aminorex" and "Methcathinone" in the definition of "stimulants" as controlled substances.

Your Committee finds a need to classify Aminorex and Methcathinone as stimulants because of their effect on the central nervous system.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1343 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 894 Judiciary on H.B. No. 1344

The purpose of the bill is to include the drug "Carisoprodol" in the definition of "depressants" as a controlled substance.

Your Committee finds that tighter controls on dispensing and record keeping relative to carisoprodol is needed because of its effect on the central nervous system and potential abuse.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1344 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 895 Judiciary on H.B. No. 1589

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy claims for legislative relief, judgments against the State, settlements and miscellaneous claims.

The Department of Attorney General submitted testimony indicating that since the measure was first introduced, six additional cases were concluded or settled, and the Department recommended payment of the additional claims.

Your Committee has amended the bill by:

- (1) Including an appropriation of \$34,272.50 for the settlement of the claim of Mary Caseres.
- (2) Including an appropriation of \$39,928.63 for the settlement of the claim of George Clark.
- (3) Including an appropriation of \$40,000.00 for the amount of settlement for John K. Moniz, et al. v. State of Hawaii, et al., Civil No. 90-241K, Third Circuit.
- (4) Including an appropriation of \$46,063.29 for the amount of settlement for Darrel A. Smith v. Charles Toguchi, et al., Civil No. 91-559 HMF, U.S.D.C.
- (5) Including an appropriation of \$150,000.00 for the amount of settlement for Kenneth B. Smith, et al. v. Charlene T. Goo, et al., Civil No. 88-083(K), Third Circuit.
- (6) Deleting the claims and appropriations for Rowena Akana v. Board of Trustees of the Office of Hawaiian Affairs, et al., Civil No. 92-0685-02, First Circuit; and William E.H. Tagupa v. Office of Hawaiian Affairs, et al., Civil No. 88-616, First Circuit; to afford the Ways and Means Committee the opportunity to consider whether the payment of those claims would be more appropriate if derived from special funds of the Office of Hawaiian Affairs, in whole or in part, rather than from State general funds.
- (7) Including an appropriation of \$125,000.00 to satisfy, if necessary, an adverse judgment in Douglas A. Hirano v. Glenn Kakuda, Civil No. 92-15854 & 92-16398, Ninth Circuit Court of Appeals.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1589, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1589, 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 Grauly.

SCRep. 896 Housing on H.B. No. 1603

The purpose of this bill is to allow the Hawaii Community Development Authority (HCDA) to collect administrative penalties for violation of any provisions of Section 206E, Hawaii Revised Statutes, or rules promulgated by the HCDA, including land use and zoning violations.

While the HCDA is authorized to pursue criminal prosecution of anyone violating these regulations, HCDA is not empowered to enforce these regulations through an administrative procedure. Your Committee believes that HCDA's mandate to oversee the redevelopment of Kakaako and regulate all projects within the area through land use and zoning regulations should include the authority to enforce administratively those regulations.

Your Committee heard testimony in support of this measure by HCDA.

Your Committee on Housing is in accord with the intent and purpose of H.B. 1603, 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.

LCRep. 897 Executive Appointments on Gov. Msg. Nos. 196, 203, 204, 212, 213, 219, 221, 222, 223, 224, 225 and 226

Recommending that the Senate advise and consent to the nominations of the following:

HENRY N.J. LEE to the State Boxing Commission of Hawaii, term to expire June 30, 1993 (Gov. Msg. No. 196);

HENRY N.J. LEE and CATHERINE L. YOZA to the State Boxing Commission of Hawaii, terms to expire June 30, 1997 (Gov. Msg. No. 196);

WALLACE ADVIENTO and PAULINE N. NAMUO to the Board of Electricians and Plumbers, terms to expire June 30, 1997 (Gov. Msg. No. 203);

ROBWIN J.Y. CHOW to the Elevator Mechanics Licensing Board, term to expire June 30, 1997 (Gov. Msg. No. 204);

ROBERT K. OHIGASHI to the Motor Vehicle Industry Licensing Board, term to expire June 30, 1996 (Gov. Msg. No. 212);

FRANKLIN T. KUDO and WAYNE RICHARDSON III to the Motor Vehicle Industry Licensing Board, terms to expire June 30, 1997 (Gov. Msg. No. 212);

KEVIN ALAN DOYLE to the Motor Vehicle Repair Industry Board, term to expire June 30, 1997 (Gov. Msg. No. 213);

MARY Y. MATAYOSHI to the Board of Public Broadcasting, term to expire June 30, 1999 (Gov. Msg. No. 219);

BARBARA DEW and STANLEY M. KURIYAMA to the Real Estate Commission, terms to expire June 30, 1997 (Gov. Msg. No. 221);

TIM LUI-KWAN to the Board of Registration, Island of Hawaii, term to expire June 30, 1997 (Gov. Msg. No. 222);

RICHARD M. KIBE to the Commission on Transportation, term to expire June 30, 1996 (Gov. Msg. No. 223);

JAN M.L.Y. AMI and NORMAN K. TSUJI to the Commission on Transportation, terms to expire June 30, 1997 (Gov. Msg. No. 223);

LANI LIU EWART to the Commission to Promote Uniform Legislation, term to expire June 30, 1997 (Gov. Msg. No. 224);

IAN KAGIMOTO to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, term to expire June 30, 1996 (Gov. Msg. No. 225);

JERRY A. MORGAN to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, term to expire June 30, 1997 (Gov. Msg. No. 225); and

ROBERT T. CHUCK to the Board of Certification of Operating Personnel in Water Treatment Plants, term to expire June 30, 1997 (Gov. Msg. No. 226).

Signed by all members of the Committee.

SCRep. 898 Judiciary on H.B. No. 924

The purpose of this bill is to provide for an appropriation for the continued development and implementation of a statewide computerized Juvenile Justice Information System (JJIS). This information system would collect, analyze, and disseminate juvenile offender information to assist juvenile justice agencies.

Testimony in support of this bill was received from the State Attorney General's Juvenile Justice Information Committee, the Judiciary, the County of Hawaii Prosecuting Attorney and Police Department, the County of Maui Prosecuting Attorney, the County of Kauai Police Department and Prosecuting Attorney, the Honolulu City and County Police Department, and the Board of Senior Family Court Judges.

Your Committee finds that a statewide juvenile justice information system is essential for processing juveniles expeditiously and efficiently and for improving coordination among agencies responsible for the treatment and rehabilitation of juvenile offenders.

Your Committee has amended the bill by changing the appropriation sums for each year of the 1993-1995 biennium from \$1 to the amounts as requested by the JJIS.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 924, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 924, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 899 Judiciary on H.B. No. 925

The purpose of this bill is (1) to create a committee to make a study of status offenders and report its findings to the Legislature, and (2) to establish and appropriate funds for four additional positions in the Department of Attorney General, including two attorneys, one paralegal, and one legal stenographer, to prosecute status offenders who require a court hearing.

Testimony in support of the bill was given by the Prosecuting Attorney of the City and County of Honolulu, the Judiciary, the Department of the Attorney General, the Office of the Public Defender, and the Department of Human Services.

Your Committee finds there is a critical need to recognize the philosophical distinction between the juvenile who has committed a crime and a truant or runaway. Disposition of status offender cases under the present system involves essentially all elements of the criminal justice system. Your Committee finds this adversarial proceeding to be inappropriate and recognizes the need for a viable alternative. A study of the situation resulting from the enactment of this bill would meet that need.

Your Committee has amended the bill by requiring that the committee be composed of residents from every county and to clarify that the Office of Youth Services shall have general oversight and supervision of the committee staff. Other nonsubstantive technical changes were made for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 925, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 925, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 900 Judiciary on H.B. No. 1061

The purpose of this bill is to extend the exemption from prosecution for parking violations to witnesses summoned or subpoenaed to appear in family court or district court.

Your Committee received testimony in favor of the bill from the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that current law, as set forth in section 621-8(b), Hawaii Revised Statutes, provides an exemption for witnesses summoned or subpoenaed in circuit court only. Your Committee further finds that all such witnesses attending to court duties should be afforded the same fairness and consistency.

Your Committee has amended the bill to narrow the scope of the application of the exemption to exempt only violations for expired meters because to allow the exemption for other parking violations (such as parking near fire hydrants) may impede departmental functions vital to public safety.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1061, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 901 Judiciary on H.B. No. 1678

The purpose of the bill is to change the registration requirements for those who dispense any controlled substance in this State, or who wish to ship, mail or otherwise deliver controlled substances from a location out of this state.

Your Committee finds that it is appropriate to allow the Department of Public Safety to set registration requirements by rule. The intention is to enable the State to more closely parallel Federal standards.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1678 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 902 Housing on H.B. No. 300

The purpose of this bill is to preserve low-income housing projects financed by the United States Department of Housing and Urban Development by authorizing the Housing Finance and Development Corporation (HFDC) to issue bonds for the purchase of these projects. The measure further permits the transfer of title to these projects to non-profit organizations and to the Hawaii Housing Authority (HHA), specifically directing the HFDC to give preference to non-profit organizations over the HHA.

Your Committee heard favorable testimony on the bill from the HHA.

Your Committee has amended this bill to clarify that title may be transferred to non-profit organizations or to the HHA upon payment of all interest and principal. In addition, your Committee has inserted the word "qualified" in reference to non-profit organizations.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 300, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 300, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 903 Science, Technology and Economic Development on H.B. No. 118

The purpose of this bill is to allow the capital costs and associated operating expenses of a statewide expanded 911 (E-911) system to be recovered initially through a telephone line surcharge and thereafter through rate making.

Your Committee finds that the E-911 service allows for identification of the telephone number and address of a caller through a computer-display to the operator, which is critical to providing emergency assistance in the event that the caller cannot identify their location. Your Committee further finds that E-911 service is presently available only on Oahu and the County of Hawaii, which means that emergency response services are not available on an equal basis for Kauai and Maui where only the basic 911 system is available.

Testimony regarding this measure was presented by the Public Utilities Commission, the Consumer Advocate, GTE Hawaiian Tel, the Kauai County Council and the Maui County Chief of Police.

Your Committee considered the various issues related to paying for the statewide implementation of E-911 and has amended this bill by:

- (1) Providing that capital costs and associated operating expenses for the first two years may be recovered through a telephone line surcharge, or the next rate case, whichever occurs first;
- (2) Requiring that any public utility imposing a surcharge reflect such as a separate line item on all customer billing statements; and
- (3) Making technical non-substantive amendments for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 118, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 904 Science, Technology and Economic Development on H.B. No. 658

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Zion Securities Corporation with financing the construction of an expanded wastewater collection system in Laie.

Your Committee finds that Zion Securities Corporation, a business arm of the Church of Jesus Christ of Latter-Day Saints, is working with the Laie Community Association on a Laie master plan to develop improved infrastructure to meet the growing needs of the community. Your Committee further finds that this expanded wastewater collection system will alleviate problems regarding dumping of effluent and allow for the wastewater to be reclaimed as irrigation water.

Testimony in support of this measure was submitted by the Laie Community Association, Zion Securities Corporation, and residents of Laie.

Your Committee has amended this bill by:

- (1) Inserting language regarding legislative findings and determination to conform with proper drafting style; and
- (2) Inserting a lapsing provision for authorization to issue bonds.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 658, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 658, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 905 Science, Technology and Economic Development on H.B. No. 734

The purpose of this bill is to establish the Hawaii Economic Development Council in the Office of the Auditor for administrative purposes.

Your Committee finds that the Hawaii Economic Development Council would provide the Legislature with improved information for policy making based on changing economic conditions, and advise the Legislature on economic trends, goals, and policy objectives. Your Committee further finds that the Council would be an independent source of information and advice for the Legislature.

Testimony in support of this measure was submitted by the Office of the Auditor.

Your Committee has amended the bill by making technical changes for proper statutory drafting and by placing the Council within Chapter 23 because it is within the Auditor's office for administrative purposes.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 734, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 734, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 906 Science, Technology and Economic Development on H.B. No. 874

The purpose of this bill is to extend to 1995 the authorization to issue special purpose revenue bonds to assist Elexs Ltd., or its successor corporation.

Your Committee finds that Elexs Ltd., a Hawaii corporation, plans to manufacture small, energy-efficient commuter electric vehicles. Your Committee further finds that the establishment of this manufacturing enterprise will diversify our State's economy by providing high technology training and jobs for our residents.

Testimony in support of this measure was submitted by the Electric Vehicle Association of Hawaii and general counsel for Elexs Ltd.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 874, 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. 907 Science, Technology and Economic Development on H.B. No. 951

The purpose of this bill is to make technical amendments to Act 278, Session Laws of Hawaii 1991, to allow the issuance of special purpose revenue bonds to assist an industrial enterprise, ETV Hawaii/Elephant Television, Inc.

Your Committee finds that ETV Hawaii/Elephant Television, Inc. is establishing a facility on Maui to provide television and motion picture production training to students throughout Hawaii. Your Committee further finds that these technical amendments are necessary so that the bonds may be issued as soon as possible.

Testimony in support of this measure was submitted by ETV Hawaii/Elephant Television.

Your Committee has amended this bill by: (1) inserting a provision allowing a nonprofit corporation established by or under the auspices of ETV Hawaii/Elephant Television, Inc. to qualify for assistance; and (2) making non-substantive changes to reflect proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 951, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 951, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 908 Science, Technology and Economic Development on H.B. No. 1127

The purpose of this bill is to extend to 1994 the authority for a public utility to exceed rates approved by the public utilities commission in order to use non-fossil fuels when supplies of heavy fuel oil are not available.

Your Committee finds that Act 130, Session Laws of Hawaii 1992, provided a temporary rate mechanism for public utilities which were forced to find alternative energy sources due to the unavailability of heavy fuel oil. Your Committee further finds that this one-year extension of the temporary mechanism is being provided with the understanding that a permanent solution to the problem will be found.

Testimony regarding this measure was submitted by the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, the Consumer Advocate, Hawaiian Electric Company, and C. Brewer and Company.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1127, 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. 909 Science, Technology and Economic Development on H.B. No. 1327

The purpose of this bill is to authorize the issuance by the Department of Budget and Finance of special purpose revenue bonds for Encogen Kawaihae, L.P.

Your Committee finds that Encogen Kawaihae, L.P., is a Delaware limited partnership presently engaged in the development of a power plant project which will sell electric energy to the Hawaii Electric Light Company, Inc. (HELCO), an electric utility serving the public. Your Committee further finds that HELCO customers on the Big Island continue to experience electrical energy shortages due to an inadequate supply of electrical energy, and assistance for the development of an additional energy generation project would be very beneficial to Big Island residents.

Testimony in support of this measure was submitted by Encogen Hawaii, L.P.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1327, 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. 910 Science, Technology and Economic Development on H.B. No. 1330

The purpose of this bill is to extend the revolving loan program for small business ventures on Molokai until June 30, 1995 and to require the Department of Business, Economic Development, and Tourism to develop an action plan to publicize the program and assist the community in using the program.

Your Committee finds that the island of Molokai continues to have a high unemployment rate and depressed economy. Your Committee further finds that this revolving loan program may be the only source of financing available to entrepreneurs on Molokai, and therefore it is imperative that the Department actively publicize its existence.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, and the Molokai Board of Realtors.

Your Committee has amended this bill by making nonsubstantive changes to conform with proper drafting style, and by deleting the requirement to proceed by Chapter 91 for developing the action plan, because: Chapter 91 is for rulemaking; it would take many months to go by the formalities of Chapter 91; and this fund is to be repealed in 1995. Your Committee has inserted a provisions for the Department of Business, Economic Development, and Tourism to report to the Legislature on the plan prior to the 1994 Session.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1330, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1330, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 911 Science, Technology and Economic Development on H.B. No. 1376

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Kauai Electric Division of the Citizens Utilities Company in providing electricity to the residents of Kauai and lowering the capital costs associated with restoring the necessary electrical infrastructure.

Your Committee finds that the devastation caused by Hurricane Iniki has left the island of Kauai with a weakened and fragile energy production capacity that is barely sufficient for its needs. Your Committee further finds that special purpose revenue bond financing offers a lower cost alternative to financing the needed capital improvement projects.

Testimony in support of this bill was submitted by the Department of Business, Economic Development, and Tourism, Kauai Electric, and Hawaiian Electric Company, Inc.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1376 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 912 Science, Technology and Economic Development on H.B. No. 1600

The purpose of this bill is to require the review and written opinion by a registered, professional engineer of the design of solar energy and heat pump systems for installation on new and existing multiunit buildings in order to qualify for an income tax credit.

Your Committee finds that the present statutory language is an impediment to claiming an income tax credit for installation of these systems in a multiunit residential complex. Your Committee further finds that the intent of the legislation is to assure that these energy conservation systems are well-designed and of adequate size to justify the tax credit, and not to penalize designers for non-performance due to circumstances beyond their control.

Your Committee received testimony in support of this bill from the Department of Taxation, Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, and Interstate Energy Savers, Inc.

Your Committee has amended this bill by deleting the reference to "registered" engineers and inserting the word "licensed" in its place, since the registration of engineers was replaced by licensing under Act 210, Session Laws of Hawaii 1989.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1600, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 913 Science, Technology and Economic Development on H.B. No. 1601

The purpose of this bill is to add a definition of "townhouse" to Chapter 196 so that townhouse owners would not be prevented from installing or using residential solar energy devices.

Your Committee finds that any rule prohibiting the installation of residential solar energy devices is at odds with State policy which encourages the development and installation of energy conservation devices. Your Committee further finds that other residential dwellings are accorded exclusion from such prohibitions and townhouse owners should be encouraged to install and use solar energy devices.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1601 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 914 Science, Technology and Economic Development on H.B. No. 1602

The purpose of this bill is to repeal Chapter 208, Hawaii Revised Statutes, which establishes economic redevelopment programs for depressed areas.

Your Committee finds that Chapter 208 was adopted in 1961 in response to a federal relief program to assist "depressed areas" designated by the State. Your Committee further finds that the federal program has been discontinued and other existing state programs are available to meet the needs of economically distressed areas.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1602 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 915 Science, Technology and Economic Development on H.B. No. 1799

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist Hawaiian Entrepreneurs.

Your Committee finds that Hawaiian Entrepreneurs seeks to purchase thermal fluid output for the operation of wholesale and retail cold storage facilities from the cogeneration facility owned by Hui 'Enekinia Hawaii, a native Hawaiian-owned enterprise. Your Committee further finds that this enterprise will diversify the Big Island economy through the establishment of an alternative energy technology.

Your Committee received testimony in support of this bill from members of the Hawaii County Council and Hui 'Enekinia Hawaii.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1799, 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. 916 Science, Technology and Economic Development on H.B. No. 1800

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist Hui 'Enekinia Hawaii.

Your Committee finds that Hui 'Enekinia Hawaii seeks to design, construct, and operate an electric cogeneration facility as part of a forty-acre industrial park situated adjacent to Kawaihae Harbor. Your Committee further finds that this facility will benefit Big Island residents by mitigating the electric energy shortage as well as supporting native Hawaiian-owned enterprises.

Your Committee received testimony in support of this bill from the Hawaii County Council and the general counsel for Hui 'Enekinia Hawaii.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1800, 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. 917 Science, Technology and Economic Development on H.B. No. 1882

The purpose of this bill is to enable the Consumer Advocate to hire technical assistants who shall be exempt from civil service laws.

Your Committee finds that the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs frequently becomes involved in cases where detailed knowledge about a particular industry is critical. However, in many instances, established state job classifications do not match the regulatory and industry backgrounds of persons with the requisite expertise to work on these cases. Your Committee further finds that the hiring flexibility proposed by the bill will significantly aid the Division in its efforts to promptly and efficiently handle its caseload to the benefit of consumers and the regulatory process.

Testimony in support of this measure was submitted by the Consumer Advocate and Hawaiian Electric Company, Inc.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1882, 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. 918 Science, Technology and Economic Development on H.B. No. 1942

The purpose of this bill is to authorize the issuance of special purpose revenues bonds by the Department of Budget and Finance to assist ELECTRACAR, HAWAII INC.

Your Committee finds that ELECTRACAR, HAWAII INC., a Hawaii corporation, plans to operate an electric vehicle assembly plant which will convert existing internal combustion engines to electric, as well as assemble new electric cars and related infrastructure equipment. Your Committee further finds that the establishment of this plant will diversify our State's economy by providing additional high technology training and jobs for our residents.

Testimony in support of this measure was submitted by the Electric Vehicle Association of Hawaii and ELECTRACAR, HAWAII INC.

Your Committee has amended this bill by:

- (1) Deleting the name "Electric Car Hawaii" and replacing it with "ELECTRACAR, HAWAII INC." to accurately reflect the corporation's name; and
- (2) Making a technical change to reflect proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1942, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1942, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 919 Public Safety and Corrections on H.B. No. 1597

The purpose of this bill is amend chapter 353, Hawaii Revised Statutes, by adding a new section which provides for orders of payment of child support, and to amend section 353-22, Hawaii Revised Statutes, to include child support payments as subject to garnishment. The measure will facilitate payment of child support from the inmates' trust accounts maintained by the Director of Public Safety.

The Attorney General submitted testimony in support of this bill.

Your Committee finds that this bill rectifies a current problem whereby prison inmates, through the current garnishment prohibition of section 353-22, HRS, can avoid their legal obligations to support their children. The measure acknowledges that prison inmates receive small amounts of money and limits the inmates' payments accordingly.

Your Committee has amended the bill by raising the allowable portion of an inmate trust account to be garnished from thirty to forty per cent.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of H.B. No. 1597, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1597, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 920 Public Safety and Corrections on H.B. No. 1688

The purpose of this bill is to amend subsection (c), Section 353-8, Hawaii Revised Statutes, to provide a separate notification requirement specific to parole violators. For those violators who are recommitted to prison for less than thirty days or who are placed on a work furlough or similar program, county prosecutors and police chiefs must be notified in writing on the next working day after such recommitment or placement.

Your Committee heard favorable testimony on the measure from the Director of Public Safety and the Office of the Honolulu Prosecutor.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of H.B. No. 1688, 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. 921 Public Safety and Corrections on H.B. No. 1690

The purpose of this bill is to clarify Chapter 353, Hawaii Revised Statutes, by adding a definition of "committed person" to include those committed to the custody of the director of public safety for imprisonment.

The director of public safety provided testimony favoring the measure, noting that it will give the department needed flexibility in providing appropriate options for inmates and controlling overcrowding.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of H.B. No. 1690, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 922 Public Safety and Corrections on H.B. No. 1771

The purpose of this bill is to redirect monies presently withheld from an inmate's proceeds and wages to the Correctional Industries Revolving Fund. Currently, up to twenty per cent of an inmate's proceeds and wages are deducted as payment for costs incident to employment and deposited in the General Fund.

The redirection of these monies to the Correctional Industries Revolving Fund will enable the Department of Public Safety to expand employment programs and to cover incidental expenses associated with private sector ventures.

Testimony in support of the measure was received from the Department of Public Safety.

Your Committee strongly supports this measure, and as an indication of its intent to expand the prison industries program has amended the bill to provide for a one-time \$ appropriation to recover monies previously paid to the general fund from wages earned by inmates in private sector ventures.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of H.B. No. 1771, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1771, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 923 Public Safety and Corrections on H.B. No. 2045

The purpose of this bill is to grant authority to the Director of the Department of Public Safety to order the release of certain pretrial inmates when community correctional centers reach capacity. The measure further provides that no person who has been denied bail, whose bail is set at more than \$10,000, or who is being held for a serious crime involving violence against a person as defined in section 804-3, Hawaii Revised Statutes, shall be released pursuant to this section.

Your Committee heard testimony from the Department of Public Safety and from the Office of the Honolulu Prosecutor.

Your Committee believes that by granting the director this authority, prison space for violent and serious offenders will increase and the safety of the community will be ensured.

Your Committee has amended the bill by: (1) providing that inmates be released to department of public safety programs, rather than on recognizance; (2) lowering the bail threshold from \$10,000 to \$5,000; (3) authorizing the director of public safety to impose any of the conditions of release available to the court pursuant to section 804-7.1, HRS; (4) providing for reports to the legislature on the progress of the program and recommendations for legislative action; and (5) providing for a 1995 repeal date.

Your Committee on Public Safety and Corrections is in accord with the intent and purpose of H.B. No. 2045, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2045, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 924 Ways and Means on H.B. No. 1693

The purpose of this bill is to improve the collection of general excise and transient accommodations taxes by requiring taxpayers to report changes in gross income to the department of taxation.

This bill extends the requirement under the income tax law to the excise tax law and the transient accommodations tax law for a taxpayer to report any changes, corrections, adjustments, and recomputations of gross income, gross proceeds of sale, gross rental, or gross rental proceeds for federal income tax purposes in the form of an amended state tax return, accompanied by a copy of the document issued by the Internal Revenue Service. This bill also allows for a one-year statutory period from the time the department of taxation is notified of the change to make additional assessments or refunds.

Your Committee notes that this bill is identical to S.B. No. 1456 which was reported out of your Committee on February 19, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1693 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 925 Ways and Means on H.B. No. 1692

The purpose of this bill is to require taxpayers to report to the department of taxation any changes in gross income to the taxpayer's taxable income for federal purposes in the form of an amended return. The amended return shall include a copy of the notice from the Internal Revenue Service stating the change.

This bill retains the ninety-day reporting requirement but repeals the requirement of reporting the changes on the taxpayer's next annual income tax return.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1692 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 926 Ways and Means on H.B. No. 2052

The purpose of this bill is to allow the department of transportation to issue special facility revenue bonds for special facility projects.

Your Committee finds that this bill provides the department of transportation with the authority to refund outstanding high interest special facility revenue bonds and replace these bonds with special facility revenue bonds set at lower interest rates. This bill provides the department with the flexibility to adjust the interest rate payable on harbor project special facility revenue bonds.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2052 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Kanno.

SCRep. 927 Ways and Means on H.B. No. 1460

The purpose of this bill is to establish a tax administration fund consisting of not more than \$500,000, to assist the department of taxation in defraying expenses for paying employees' overtime, hiring emergency and temporary personnel, filling vacant civil service positions, and conducting out-of-state audits of taxpayers.

Specifically, this bill authorizes the department of taxation to use the moneys in the special fund when the balance of outstanding delinquent taxes during any fiscal year reaches 3.5 per cent of the total tax collections reported by the department for the prior fiscal year.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1460, 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. 928 Ways and Means on H.B. No. 635

The purpose of this bill is to require general excise taxpayers doing business in more than one taxation district to submit all returns to the office of the first district (Honolulu).

Prior to the 1990 regular session, taxpayers doing business in more than one district were required to submit all general excise tax returns to the first district. The legislature changed the law by Act 184, Session Laws of Hawaii 1990, to require that all returns be submitted to the district office in which the acts to be taxed occurred. Act 184 authorized counties to enact an additional half per cent general excise tax, and the change in the returns provision was intended to more easily apportion this added half per cent to the counties that adopted it. However, no county authorized the added tax by the October 1992 deadline, so the issue became moot. Additionally, the county-by-county allocation and reporting system proved confusing and cumbersome to taxpayers. This Act would restore the requirement that returns involving multiple district taxable uses be filed in the first district, and would streamline the filing procedures.

Your Committee previously approved S.B. No. 576, which was the companion to this measure.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 635 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 929 Ways and Means on H.B. No. 1895

The purpose of this bill is to allow the surviving spouse of a noncontributory member of the employees' retirement system who dies an ordinary death in service and who was otherwise eligible for retirement the choice of electing, under option B, a reduced death benefit allowance payable to the beneficiary for the life of the beneficiary as if the member had retired the day prior to death.

Upon the selection of option B, the deceased member will be deemed "retired" for health fund purposes and the surviving spouse would qualify for health fund benefits. Under existing law, the surviving spouse of a contributory member already has this choice and can thus qualify for health fund benefits.

Your Committee notes that this bill is identical to S.B. No. 1682 which was reported out of your Committee on March 5, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1895 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 930 Ways and Means on H.B. No. 2003

The purpose of this bill is to require checks drawn from demand deposit accounts in the state treasury to be signed by the director of finance and countersigned by the director of finance's representative rather than the comptroller.

Your Committee has amended this bill by substituting the contents of S.B. No. 1679, S.D. 1, which are substantially similar in substance but also add a provision requiring that the director of finance's representative be bonded.

Specifically, this bill, as amended, requires the director of finance's representative to post a bond in an unspecified amount, executed by the director's representative as principal, and a surety company authorized to conduct business in the State as a surety.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2003, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 931 Science, Technology and Economic Development on S.C.R. No. 81

The purpose of this Concurrent Resolution, as received, was to direct the Legislative Reference Bureau to study GTE Hawaiian Telephone Company to determine whether current telecommunications services are serving the public interest.

Your Committee finds that the telecommunications industry in Hawaii has been targeted as an industry which can diversify and internationalize our economic base. Therefore, it is imperative that expanded telecommunication services be available to meet consumer demand. Your Committee further finds that GTE Hawaiian Tel has recently undergone organizational changes which should be reviewed to ascertain whether the savings incurred are at a cost of decreased services to consumers.

Testimony regarding this measure was submitted by the Public Utilities Commission (PUC), the Consumer Advocate, GTE Hawaiian Tel, and the International Brotherhood of Electrical Workers (IBEW)- Local Union 1357. The IBEW strongly urged passage of this measure. The PUC and the Consumer Advocate indicated that the more appropriate mechanism for this review would be through the regulatory powers of the PUC which is presently investigating the GTE Hawaiian Tel reorganization and will be opening a docket in the near future to examine other issues delineated in this Concurrent Resolution.

Your Committee, therefore, has amended the title and substance of this Concurrent Resolution by:

- (1) Changing the title to read "Requesting the Public Utilities Commission to investigate alternative mechanisms for the delivery of telecommunications services in Hawaii";
- (2) Deleting items (1), (2), (5), (6), and (7) in the first BE IT FURTHER RESOLVED paragraph; and
- (3) Deleting all references to the Legislative Reference Bureau.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.C.R. No. 81, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.C.R. No. 81, S.D. 1.

Signed by all members of the Committee.

SCRep. 932 Science, Technology and Economic Development on S.R. No. 66

The purpose of this Resolution, as received, was to direct the Legislative Reference Bureau to study GTE Hawaiian Telephone Company to determine whether current telecommunications services are serving the public interest.

Your Committee finds that the telecommunications industry in Hawaii has been targeted as an industry which can diversify and internationalize our economic base. Therefore, it is imperative that expanded telecommunication services be available to meet consumer demand. Your Committee further finds that GTE Hawaiian Tel has recently undergone organizational changes which should be reviewed to ascertain whether the savings incurred are at a cost of decreased services to consumers.

Testimony regarding this measure was submitted by the Public Utilities Commission (PUC), the Consumer Advocate, GTE Hawaiian Tel, and the International Brotherhood of Electrical Workers (IBEW)- Local Union 1357. The IBEW strongly urged passage of this measure. The PUC and the Consumer Advocate indicated that the more appropriate mechanism for this review would be through the regulatory powers of the PUC which is presently investigating the GTE Hawaiian Tel reorganization and will be opening a docket in the near future to examine other issues delineated in this Resolution.

Your Committee, therefore, has amended the title and substance of this Resolution by:

- (1) Changing the title to read "Requesting the Public Utilities Commission to investigate alternative mechanisms for the delivery of telecommunications services in Hawaii";
- (2) Deleting items (1), (2), (5), (6), and (7) in the first BE IT FURTHER RESOLVED paragraph; and
- (3) Deleting all references to the Legislative Reference Bureau.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.R. No. 66, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 66 S.D. 1.

Signed by all members of the Committee.

SCRep. 933 Agriculture on H.B. No. 251

The purpose of this bill is to strengthen, broaden, and liberalize Hawaii's laws relating to the right to farm.

Specifically, the bill:

- (1) Provides for recovery of attorneys' fees and expenses by successful defendants in frivolous nuisance suits;
- (2) Provides that implementation of changes or adoption of new technology shall not constitute commencement of a new farming operation; and
- (3) Expands the definition of farming operation to include roadside marketing, use of chemicals, ground and aerial seed spraying, operation of machinery and irrigation pumps, and natural effects such as noise, odors, dust, and fumes arising out of or associated with farming.

Urban expansion has historically been accompanied by suits alleging farming operations to be nuisances and seeking to shut them down in favor of development. In response to this phenomenon, and in recognition of agriculture's critical importance to Hawaii's economy and character, the Legislature passed the Hawaii Right To Farm Act to limit circumstances under which farming operations may be deemed a nuisance.

Now the farming industry, especially the livestock industry on Oahu, is again facing the problem of urban encroachment. This bill broadens the protections afforded to farmers by the Right to Farm Act without unduly limiting or curtailing the right of developers to engage in lawful activities.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 251, 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. 934 Agriculture on H.B. No. 1208

The purpose of this bill is to appropriate \$1 for the Department of Business, Economic Development, and Tourism to continue biomass research for energy and alternate uses.

Your Committee finds that the State's almost total dependency on petroleum as an energy source requires the State to explore alternate forms of energy.

Furthermore, with the reduction of sugarcane acreage in the State, tree plantation biomass could become a serious contender for crop replacement if proven to be technically and economically feasible.

Your Committee has amended the bill by: (1) adding a preamble; (2) changing the amount appropriated from \$1 to \$248,220; and (3) making the Governor's Agriculture Coordinating Committee the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1208, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1208, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 935 Planning, Land and Water Use Management on H.B. No. 687

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for the dredging of the Ala Wai Canal.

The canal is a two mile, man-made waterway that serves as the major drainage system for the Waikiki district of Honolulu and a conduit for surface water runoff from the Makiki, Manoa, St. Louis Heights, Palolo, Moiliili, and Kapahulu areas as well as parts of Kaimuki and Diamond Head.

As the repository of significant amounts of natural and urban-related debris, sediment, and litter, the canal is one of the most polluted bodies of water in the State. Edward K. Noda and Associates, Inc. recently completed a comprehensive study regarding the clean-up and maintenance of the Ala Wai Canal for the Department of Land and Natural Resources by virtue of funds appropriated by the Legislature in 1990. One of the recommendations for maintaining and improving the water quality of the canal included regular dredging.

The last major dredging of the Ala Wai Canal was completed in 1978. Based on the history of maintenance dredging and an analysis of the rate of sedimentation within the canal, the study recommended a maintenance plan that included major dredging of at least 100,000 cubic yards every ten years. Your Committee finds that the lack of dredging during the last fifteen years has caused an excessive buildup of debris, sediment, and pollutants. Dredging of the canal will greatly improve the water quality and provide an acceptable venue for water-based recreational activities.

While fully supporting the appropriation of funds to dredge the canal, your Committee is concerned about the cost involved with this project. Your Committee requests that the Department of Land and Natural Resources review all available information and specifications of the 1978 Ala Wai Canal dredging project and the Noda study to determine whether any of the information from previous projects may be useful in reducing the cost of the current undertaking.

Your Committee has amended this bill by including funds for the planning and design of the canal dredging in the appropriation.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 687, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 687, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 936 Planning, Land and Water Use Management on H.B. No. 694

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for the drilling of test borings from underground sources near the Ala Wai Canal to determine the quantity and quality of water available from these sources.

The canal is a two mile, man-made waterway that serves as the major draining system for the Waikiki district of Honolulu and a conduit for surface water runoff from the Makiki, Manoa, St. Louis Heights, Palolo, Moiliili, and Kapahulu areas, as well as parts of Kaimuki and Diamond Head.

Department of Health analyses of water quality samples from the Ala Wai Canal show levels of nutrient-related parameters and bacteria that routinely exceed State water quality standards. Edward K. Noda and Associates, Inc. recently completed a comprehensive study regarding the clean-up and maintenance of the Ala Wai Canal for the Department of Land and Natural Resources by virtue of funds appropriated by the Legislature in 1990. One of the recommendations for maintaining and improving the water quality of the canal included flushing the canal with large quantities of sea water to reduce the nutrient supply of algae.

Your Committee finds that this bill will provide funds to determine the availability and feasibility of an underground water source that would improve water flow, reduce algae growth, and minimize decomposition of organic matter in the canal.

Your Committee recognizes that nonpoint source pollution is a serious problem affecting the water quality of the canal, and finds that these contaminants are a source of great concern to elected officials, the Department of Health, area residents, and sports enthusiasts who use the canal. The Noda study focuses specifically on various measures designed to control and mitigate nonpoint source pollution. Your Committee requests that the Department of Land and Natural Resources review the study and consider all other information available on the mitigation of nonpoint source pollution when developing plans for the clean-up and maintenance of the Ala Wai Canal to prevent and control, to the extent possible, the further introduction and increase of nonpoint source pollutants.

Your Committee has amended this bill by increasing the appropriation from \$1 to \$2 for purposes of continued discussion.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 694, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 694, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 937 Planning, Land and Water Use Management on H.B. No. 1123

The purpose of this bill is to increase the limit on personal and commercial loan amounts under the State Disaster Loan Program.

The bill proposes to increase loan limits from \$50,000 to \$75,000 for commercial loans and from \$25,000 to \$35,000 for personal loans.

Chapter 209, Hawaii Revised Statutes, authorizes the State to provide assistance to victims of a state-declared natural disaster by constructing public housing, making adjustments to unemployment benefits, and providing personal and commercial loans to disaster victims. In the wake of Hurricane Iniki, your Committee believes there is a need to increase current loan limits to better assist disaster victims in rebuilding their businesses and meeting necessary expenses.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1123, 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. 938 Planning, Land and Water Use Management on H.B. No. 1124

The purpose of this bill is to appropriate funds for recovery costs associated with Hurricane Iniki.

Specifically, this bill:

- (1) Reimburses the County of Kauai for real property taxes remitted, refunded, or forgiven under Chapter 234, Hawaii Revised Statutes (HRS);
- (2) Increases the moneys in the State Disaster Revolving Loan Fund; and
- (3) Provides a grant-in-aid to the County of Kauai for tourism promotion.

Six months after Hurricane Iniki, the County of Kauai is continuing the struggle to recover from the devastation and loss caused by the storm. Your Committee finds that the appropriations provided in this bill will assist the County of Kauai and its residents in meeting the challenge of rebuilding their lives and revitalizing the economy.

Your Committee has amended this bill by increasing each of the appropriations from \$1 to \$2 for the purpose of continuing discussion on the final amounts to be appropriated.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1124, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1124, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 939 Planning, Land and Water Use Management on H.B. No. 1126

The purpose of this bill is to authorize the issuance of general obligation bonds and appropriate funds for Hurricane Iniki-related damages.

The projects to be funded include a solid waste transfer station in Koloa to handle the growing volume of solid waste being generated in the Koloa/Poipu area and emergency housing to alleviate a critical housing shortage that was exacerbated by Hurricane Iniki. With the destruction of over 1,300 residences last September, Kauai County officials estimate that approximately 800 to 2,000 residences house two or more families and about 700 to 800 people live in the parks and on the beach.

Your Committee finds that both of these projects are urgently needed to assist the County of Kauai in recovering from the devastation of Hurricane Iniki and ensure the health, safety, and welfare of island residents.

Your Committee has amended this bill by increasing the appropriation from \$1 to \$2 for purposes of continuing discussion on the final amounts to be appropriated.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1126, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1126, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 940 Planning, Land and Water Use Management on H.B. No. 1153

The purpose of this bill is to create a special fund for Kauai disaster relief and rehabilitation.

Under this bill, one-half of the general excise tax revenue increase generated by Hurricane Iniki-related construction activity in the State would be appropriated for deposit into the Kauai-Hurricane Iniki Special Fund. The amount of the deposit would be determined pursuant to a formula which assumes that the increase in tax revenue would be roughly equivalent to four percent of the sum of insurance claims and federal moneys paid after Iniki.

Your Committee is concerned about the efficacy of the formula in accurately determining the amount of revenue generated by Hurricane Iniki-related construction activity. Therefore, your Committee has amended this bill by deleting the formula and providing for funding through direct legislative appropriations and private contributions.

In addition, your Committee has added the award of grants for the repair of state facilities in Kauai County and the reimbursement of expenses that are not covered by the Federal Emergency Management Agency or insurance reimbursements to the category of first priority expenditures from the special fund.

The bill, as received, provided for the administration of the special fund by a five member Board of Directors selected by the Governor. Your Committee has amended the bill to allow the Governor to appoint three members of the Board, the Mayor of the County of Kauai to appoint one member, and the Kauai County Council to appoint one member. This amendment will ensure input from representatives of those most affected by Iniki.

Finally, your Committee has amended the bill by appropriating funds from the State Risk Management Revolving Fund to rebuild state buildings and facilities completely destroyed by Iniki. Damage to state buildings and facilities is covered by a statewide property insurance policy purchased by the Department of Accounting and General Services Risk Management Program. Accordingly, repairs for facilities damaged by Iniki will be funded by insurance settlements, expected to be about \$5,400,000. This bill provides the mechanism for the deposit of these insurance proceeds into the Risk Management Revolving Fund. An additional amendment allows the Department of Accounting and General Services to delegate the rebuilding of state buildings and facilities to other state agencies when the Comptroller determines that it is advantageous to do so.

Your Committee has also made several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1153, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 941 Planning, Land and Water Use Management on H.B. No. 1405

The purpose of this bill is to require the Legislative Reference Bureau to conduct a study of Chapter 234, Hawaii Revised Statutes (HRS), relating to Tax Relief for Natural Disaster Losses.

The bill requires the Bureau to:

- (1) Review the reason for the enactment and legislative history of Chapter 234, HRS;
- (2) Review, compare, and set forth the federal, state and county tax, loan, and other benefits available in 1993 and when Chapter 234, HRS, was enacted; and
- (3) Make recommendations on whether Chapter 234, HRS, should be repealed or amended.

Chapter 234, HRS, was enacted in 1961 before Federal Emergency Management Agency and various other grant, loan, and other relief provisions were enacted or available. Your Committee finds that the study will answer questions about the continued viability of Chapter 234, HRS.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1405, 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. 942 Planning, Land and Water Use Management on H.B. No. 2049

The purpose of this bill is to reappropriate \$1,600,000 in unused funds to the Department of Taxation for its use in administering the provisions of the Tax Relief for Natural Disaster Losses Law.

An appropriation of \$1,600,000 was made to the Department pursuant to Act 300, Session Laws of Hawaii 1992, and will lapse into the general fund on June 30, 1993.

Hurricane Iniki has clearly devastated the State, most notably on Kauai, where property losses are estimated in the hundreds of millions of dollars. Preliminary figures indicate that about 14,700 homes on Kauai and 550 on Oahu were damaged or destroyed, and roughly 2,500 businesses were damaged statewide.

Your Committee finds that the proposed appropriation will help the Department handle the more than 15,000 claims for tax relief expected to be submitted.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2049 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 943 (Joint) Planning, Land and Water Use Management and Consumer Protection on H.B. No. 1154

The purpose of this bill is to exempt from the general excise tax amounts received under property and casualty insurance policies for inventory damaged or destroyed in a natural disaster.

Your Committees find that, since the payments received by insureds cover inventory upon which the general excise tax has already been paid, it is not fair to tax the insurance proceeds themselves. Your Committees believe this bill will provide significant assistance to businesses affected by Hurricane Iniki.

Your Committees have amended the bill by correcting a spelling error at page 5, line 3 of the House draft.

Your Committees on Planning, Land and Water Use Management and Consumer Protection are in accord with the intent and purpose of H.B. No. 1154, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1154, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 944 (Joint) Housing and Human Services on H.B. No. 2022

The purpose of this bill is to transfer the administration of the Homeless Families Assistance Act and homeless shelter stipends from the Department of Human Services to the Hawaii Housing Authority. The bill also makes technical changes to clarify, broaden and strengthen homeless programs.

Your Committees heard testimony from the Hawaii Housing Authority that it is already administering both the Homeless Families Assistance Act and the homeless shelter programs. This measure amends the law to reflect this.

Your Committees have amended this bill by incorporating an amendment to Act 279, Session Laws of Hawaii, 1992, extending the length of the Hale Kokua Homeless Pilot Project from two to five years. Further amendments made to Act 279 include limiting tenant participation in the project to those homeless who are employed; giving priority to families presently in transitional shelters and who have been homeless in the state the longest; and requiring interim and final reports to the legislature.

Your Committees on Housing and Human Services are in accord with the intent and purpose of H.B. No. 2022, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2022, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Blair, Mizuguchi and Tungpalan.

SCRep. 945 Housing on H.B. No. 1897

The purpose of this bill is to amend several incorrect citations in Chapter 201E, Hawaii Revised Statutes, and, among other things, to redirect the efforts of the Housing Finance and Development Corporation (HFDC) toward rental housing, to develop an affordable housing education program, and to extend Act 15, Session Laws of Hawaii, 1988, (Act 15) for one year.

Your Committee strongly believes that any permanent solution to Hawaii's affordable housing crisis must provide an appropriate balance among three concerns, which may, in the short term, be in conflict: (1) the State's abiding interest

in increasing the supply of reasonably-priced housing statewide; (2) the individual counties' interest in maintaining control over those aspects of housing development for which, at some future date, they may be held liable; and (3) the interest of Hawaii's citizens in the availability of safe, well-constructed, affordable housing.

Your Committee feels that Act 15, while it served a necessary function at the time it was implemented, should be sunsetted. Chapter 201E, HRS, is the appropriate permanent vehicle for the development of affordable housing, thereby restoring to the counties the right to inspect and approve projects constructed within their respective jurisdictions.

Accordingly, your Committee has amended this bill by deleting the one year extension of Act 15, thereby permitting Act 15 to sunset as scheduled. However, because there are a number of projects either currently under construction or for which binding contracts have been executed, your Committee has listed specific projects and phases of multiple-phase projects which will be permitted to proceed under Act 15 provisions despite its repeal. All other projects and phases of multiple-phase projects must comply with Chapter 201E, Hawaii Revised Statutes.

Because Act 15 will sunset on April 20, 1993, your Committee has provided that the effective date of this bill, upon approval, shall be retroactive to April 20, 1993.

With respect to housing projects currently subject to the provisions of Act 15, your Committee believes that it is inequitable for the counties to be forced to assume liability resulting from developments over which they were not able to exercise control. Therefore, your Committee has amended this bill to provide for indemnification to the individual counties for injuries or damages arising as a result of the application of Act 15 provisions to housing projects and their attendant public facilities. Indemnification is not provided where the injury or damage is due to negligent maintenance or routine maintenance by the county of any Act 15 public facility.

Your Committee feels that this measure, as amended, is directed toward a comprehensive, fair and permanent balance between the State and the individual counties in the development of affordable housing.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1897, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1897, 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 Tungpalan.

SCRep. 946 Education, Labor and Employment on H.B. No. 1372

The purpose of this bill is to allow retirement and Workers' Compensation benefits for police officers who are injured or killed while performing off-duty police work.

During the 1989 Legislative Session, Chapter 52 of the Hawaii Revised Statutes was recodified as Chapter 52D. However, the provision covering "off-duty police officers; benefits for personal injuries" was inadvertently deleted from the recodification.

Your Committee finds that police officers, by nature of the job, are required to perform police work even when officially off-duty. Thus, they should be afforded the benefits provided by this measure.

The State of Hawaii Organization of Police Officers testified in support of this measure.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1372 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 947 Education, Labor and Employment on H.B. No. 1459

The purpose of this bill is to expand membership of the Board of Trustees of the Employees' Retirement System to more accurately reflect the System's constituency.

Current membership consists of two general employees and one teacher elected by the membership, three citizens appointed by the Governor, one of whom is a financial expert, and the Director of Finance.

This bill adds one retirant elected by the membership and one retirant appointed by the Governor. In addition, retirants are granted the right to vote for all of the elected members.

Your Committee finds that the System's extensive roster of retiree-beneficiaries warrants inclusion of a retirant on the Board to represent their interests.

Your Committee has amended this bill by deleting the appointed retirant and providing for a quorum of five members to do business.

In addition, your Committee has added an appropriation to facilitate the Board's restructuring, and made some nonsubstantive changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1459, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1459, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 948 Education, Labor and Employment on H.B. No. 1660

The purpose of this bill is to decriminalize the penalty imposed on employers for failing to file required injury reports under the Workers' Compensation law.

Current law provides for a penalty of up to \$1,000 or imprisonment for ninety days, or both. This bill provides instead an administrative fine of up to \$1,000 assessed by the Director of Labor and Industrial Relations.

Your Committee finds that administrative penalties are more in keeping with the intent of the statute.

Your Committee has amended this bill by raising the maximum fine to \$10,000 to be consistent with other statutes that provide administrative rather than criminal penalties for reporting violations.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1660, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 949 Education, Labor and Employment on H.B. No. 1626

The purpose of this bill is to eliminate the age factor in determining ordinary disability retirement under the Employees' Retirement System.

Under current law, a member of the System who is fifty-five years or older and retires for ordinary disability receives a service retirement allowance rather than the allowance on ordinary disability. However, a U.S. Supreme Court decision resulted in federal law prohibiting discrimination against older workers in employee benefit plans. This measure, by providing for an ordinary disability allowance regardless of age, will conform Employees' Retirement System law with federal requirements.

Your Committee finds that there is no cost associated with this measure.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1626, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 950 Education, Labor and Employment on H.B. No. 1659

The purpose of this bill is to strengthen and clarify the law relating to family leave.

Specifically, the bill provides for employee notification of the provisions of Chapter 398, Hawaii Revised Statutes; employer record keeping; complaint filing; investigation and conciliation; appeals and hearings; civil actions; remedies; penalties; compliance review; and rulemaking.

In addition the bill clarifies the definitions of "child," "employee," and "parent," the exclusion of employers with less than one hundred employees, and enforcement of the chapter.

Chapter 398 was enacted pursuant to Act 328, Session Laws of Hawaii 1991, to grant employees of large employers the right to take time off from work without pay while attending to essential family matters, and is slated for initial application commencing January 1, 1994.

Your Committee finds that the intent of this bill is for the most part already addressed by the current provisions of Chapter 398. Therefore, your Committee has amended this bill by deleting all but the Director of Labor and Industrial Relations' rulemaking authority.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1659, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1659, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 951 Education, Labor and Employment on H.B. No. 1662

The purpose of this bill is to decriminalize the penalty for failure on the part of an attorney or health care provider to report receipt of fees or other consideration for services provided with respect to a claim for Workers' Compensation.

Current law provides for a penalty of up to \$10,000 or imprisonment for up to one year, or both. This bill authorizes the Director of Labor and Industrial Relations to impose administrative fines not to exceed \$10,000, and repeals the criminal sanction.

Your Committee finds that administrative fines provide a strong incentive to obey the law and are more in keeping with the intent of the statute.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1662, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 952 Education, Labor and Employment on H.B. No. 1738

The purpose of this bill is to establish a literacy and lifelong learning program to be administered by the State Librarian.

Your Committee finds that the importance of learning communication skills in this era of information technology cannot be undervalued, and illiterate individuals are now more disadvantaged than ever due to our society's growing dependence on information technology. Your Committee further finds that the coordination of literacy programs is necessary to avoid duplication of efforts and ensure that programs are available on a statewide basis. Your Committee agrees that the state library system is an appropriate mechanism through which such coordination can take place, and agrees that the Private-Public Partners for Literacy Trust Fund established by Section 581-1, Hawaii Revised Statutes, should be transferred to the Department of Education and Section 581-1 should be repealed. Your Committee intends that the State Librarian and the Superintendent of Education develop literacy programs in concert with the mandates of Chapters 301 and 312, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the State Librarian, Board of Education, the Department of Education, and the Governor's Office of Children and Youth.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1738, 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. 953 Education, Labor and Employment on H.B. No. 1739

The purpose of this bill is to establish a fee for enhanced service program within the state library system and a special fund for the deposit of all fees received for such services.

Your Committee finds that one of the most important aspects of any education program is a good library system. Your Committee further finds that due to the State's uncertain financial condition, the time may be right to establish a fee for enhanced library services program. However, it is your Committee's intent that rules be adopted to ensure that a mechanism exists for the delivery of enhanced services to individuals who request such services but cannot afford the fees set by the State Librarian.

Your Committee has amended this bill by:

1. Changing the term "enhanced service" to "enhanced services" to clarify that this program may include multiple services;
2. Changing the effective date to July 1, 1993; and
3. Making technical amendments for the purposes of proper drafting style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1739, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1739, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 954 Education, Labor and Employment on H.B. No. 1904

The purpose of this bill is to make rental income derived by employee benefit plans from real property investments subject to the general excise tax after December 31, 1993.

Rental income derived pursuant to contracts executed prior to January 1, 1994 that do not allow tax or tax increases to be passed on will not be subject to the tax until the contracts are renegotiated, renewed, or extended.

This bill has an effective date of January 1, 1994.

Present law exempts employee benefit plan income derived from contributions, dividends, interest, and "other income." As a consequence, employee benefit plans have invested in real property and been gaining tax exempt rental income under the "other income" provision.

Your Committee finds that it was not the intent of the law to exempt rental income. Your Committee also finds that this measure is consistent with other recent measures that make rental income derived by insurance companies and financial institutions subject to the general excise tax.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1904, 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. 955 Education, Labor and Employment on H.B. No. 2042

The purpose of this bill is to establish the Hawaii State Library Foundation Trust Fund to be administered by the Hawaii State Library Foundation.

Your Committee finds that the private trust fund proposed by this measure is a public/private initiative intended to establish support in perpetuity for the state libraries and develop private sources of funding to match state revenues appropriated for library programs. Your Committee further finds that if the Foundation is not established or if state funds are not matched by private contributions, the state funds appropriated shall lapse to the credit of the state general fund.

Testimony in support of this measure was submitted by the State Librarian, the Board of Education, and the Governor's Office of Children and Youth.

Your Committee has amended this bill by making technical changes to reflect proper statutory language and drafting style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 2042, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2042, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 956 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 625

The purpose of this bill is to create an Aloha Hall of Merit to honor individuals who are nationally or internationally renowned and who exemplify the Aloha Spirit.

The bill also establishes an Aloha Hall of Merit Induction Committee to review and recommend nominees for induction into the Hall of Merit.

Testimony in support of the bill was received from the Department of Business, Economic Development, and Tourism, the Office of International Relations, the Hawaii Hotel Association, and the Chamber of Commerce of Hawaii.

Your Committee finds that establishing an Aloha Hall of Merit would honor the accomplishments of those people who, whether residents of Hawaii or not, embody the true spirit of Aloha that makes Hawaii so special.

Your Committee has amended the bill by making technical amendments that have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 625, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 625, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 957 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1082

The purpose of this bill is to allow the counties to prepare biennial budgets, provided that accounting and financial records continue to be maintained on a fiscal year basis.

Your Committee received testimony in support of the bill from the Department of the Budget of the City and County of Honolulu and the Hawaii County Council.

Your Committee finds that providing the counties with a biennial budget option would facilitate enhanced long term fiscal planning.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1082 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 958 (Majority) Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1146

The purpose of this bill is to make the Governor's Office of International Relations (OIR) permanent.

Specifically, the bill repeals the sunset date of Act 101, Session Laws of Hawaii 1992, which establishes the OIR and provides for its existence until June 30, 1995.

The OIR testified in support of the measure.

Your Committee finds that the OIR possesses significant potential to enhance the State's ability to develop valuable international relations. However, the OIR has been hampered in its efforts due to its statutory limitations. To address these limitations, your Committee has amended the bill by deleting its substance and substituting provisions that:

- (1) Require the OIR to provide public officials with in-depth briefings prior to meetings with international representatives or international trips;
- (2) Authorize the OIR to nurture and develop relationships with non-State agencies on the national and international level to procure non-State sources of funding for international activities in the State;
- (3) Require the OIR to advise and assist all state agencies that have program responsibilities affected by international trade, businesses, and investments; and
- (4) Extend the sunset date of Act 101, Session Laws of Hawaii 1992, until July 1997.

Your Committee finds that the OIR and its resources are under-utilized and that by directing the OIR to: (1) actively educate public officials on protocol and current affairs as required; (2) pursue alternative funding sources for international activities in the State; and (3) advise other state agencies on the ramifications of international events on their program responsibilities, the OIR will be better able to accomplish the purposes for which it was created.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1146, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 959 (Majority) Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1296

The purpose of this bill is to require state and county agencies to give preference in awarding public work contracts to contractors who have filed and paid state taxes for five years, if the contract is worth \$5 million or less, and ten years if the contract is worth more than \$5 million, as long as their bids are no more than four percent higher than other contractors.

Your Committee finds that contractors who have contributed to the State's economy and paid state taxes on a continuing basis should be accorded the preference proposed by this measure. Your Committee also finds, however, that the five and ten year payment (waiting) periods may be prohibitive as to out of state contractors who might otherwise bring their businesses here.

Your Committee has amended the bill by lowering the time requirements to two successive years for contracts at or under \$5,000,000, and four years for contracts over \$5,000,000. Your Committee has also increased the percentage by which a preferred contractor's bid may exceed other bids from four to five percent and made several technical amendments that have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1296, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1296, H.D. 1, 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. 960 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1505

The purpose of this bill is to extend the deadline set forth in Act 314, Session Laws of Hawaii 1991 (Act 314), from January 1, 1994, to December 31, 1994.

Act 314 authorized the Department of Land and Natural Resources (DLNR) to negotiate and enter into long-term leases on state lands until January 1, 1994 with the residents of Kalapana who are of Hawaiian ancestry and who were dispossessed or displaced from their homes as a result of the recent volcanic eruptions on the island of Hawaii.

Your Committee received testimony supporting the passage of this bill from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee has amended the bill by making technical amendments that have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1505, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1505, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 961 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1990

The purpose of this bill is to provide more diverse representation on the Office of Hawaiian Affairs' (OHA) Board of Trustees.

Specifically, the bill enables qualified residents of Lanai to represent Molokai and qualified residents of Niihau to represent Kauai on OHA's Board of Trustees.

Testimony in support of the bill was received from the Lieutenant Governor and OHA.

Your Committee finds that Section 13D-1, Hawaii Revised Statutes, precludes residents of Lanai and Niihau from running for representative seats on OHA's Board of Trustees. Your Committee believes that the proposed amendments will correct this anomaly and enhance representation on the Board of Trustees.

Your Committee has made technical amendments that have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1990, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1990, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 962 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2017

The purpose of this bill is to make various improvements to the funds and accounts provisions of the Hawaiian Homes Commission Act.

Specifically, the bill:

- (1) Removes the \$15,000 ceiling for home repairs and additions to homes for loans made from the Hawaiian Home General Loan Fund;
- (2) Correctly identifies the Hawaiian Home Operating Fund, the Hawaiian Home Administration Account, the Hawaiian Home Receipts Fund, the Hawaiian Home Trust Fund, and the Native Hawaiian Rehabilitation Fund as "trust funds" instead of "special funds;" and
- (3) Clarifies that, except for gifts, bequests, and other moneys given for designated purposes, the funds in the Hawaiian Homes Trust Fund shall be available for transfer to other trust funds under the jurisdiction of the Hawaiian Homes Commission.

Your Committee finds that:

- (1) The \$15,000 limit is unrealistic in light of rising prices for labor and materials for home repairs and renovations;
- (2) A trust fund is a fund in which designated persons or classes of persons have a vested beneficial interest or equitable ownership. Therefore, references to the five special funds as trust funds are appropriate, since all five can only be used for the benefit of native Hawaiians; and
- (3) Gifts, bequests, and other moneys given to the fund for designated purposes should not be transferred out of the fund in contravention of their intended uses.

Your Committee has amended the bill by making several technical, nonsubstantive amendments.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2017, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 963 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2019

The purpose of this bill is to require that the value of permanent improvements made on lands pursuant to developer agreements entered into by the Department of Hawaiian Home Lands (DHHL) be based on fair market value or depreciated value, whichever is less.

Testimony in support of the bill was received from the DHHL and the State Council of Hawaiian Homestead Associations.

Your Committee finds that Section 220.5 of the Hawaiian Homes Commission Act, 1920, as amended, authorizes DHHL to enter into developer agreements to develop Hawaiian home lands for homestead, commercial, and multi-purpose projects. This section also requires that lands under a project developer agreement are subject to withdrawal by DHHL at any time during the term of the agreement with reasonable notice, in which event the developer is entitled to a reduction of rents in proportion to the value of the land withdrawn as well as payment of the proportionate value of any permanent improvements on the withdrawn land. Section 220.5, however, does not describe the manner in which the permanent improvements are to be valued.

Your Committee believes that the amendments proposed by this bill will clarify existing ambiguity in the law to the benefit of the department and developers alike.

Your Committee has amended the bill by making numerous technical, nonsubstantive amendments.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2019, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 964 Human Services on H.B. No. 526

The purpose of this bill is to regulate persons engaged in the profession of social work.

This bill adds a new chapter to the Hawaii Revised Statutes to:

- (1) Require persons engaging in social work as defined in this Chapter to be licensed;
- (2) Establish a State Board of Social Work Examiners (Board) empowered to issue, renew, revoke, and suspend social worker licenses to qualified applicants;
- (3) Provide for disciplinary sanctions by the Board; and
- (4) Mandate the confidentiality of client information except under certain limited circumstances.

Your Committee believes that the creation of licensure requirements and other regulatory controls for Hawaii's social workers will improve the quality of services delivered to the public and provide consumers with recourse for unethical or harmful practice.

In addition, your Committee finds that licensing of social workers will enable them to receive insurance and Medicaid reimbursements that will allow for the provision of and accessibility to health care services to underserved populations of the State.

After much consideration, your Committee has amended the bill by:

- (1) Deleting the definitions of "clinical social work practice" and "public member";
- (2) Deleting the definition of social work practice and using the definition of "social worker" as defined by the National Association of Social Workers;
- (3) Allowing the Hawaii Chapter of the National Association of Social Workers to nominate the members of the Board appointed by the Governor;
- (4) Removing the requirement that the Board represent all levels of licensure;
- (5) Deleting provisions of licensure for "licensed bachelor social workers" and "licensed clinical social worker";
- (6) Changing the designation of "licensed master social worker" to "licensed social worker";
- (7) Providing reciprocity for licensees from another state or territory that imposes education and experience qualifications similar to the American Association of State Boards of Social Work Examiners;
- (8) Deleting the requirement that an applicant for licensure apply to the Board for examination at least thirty days prior to the date of the examination;
- (9) Deleting provisions for exempting current practitioners from examination requirements that:
 - (a) Give the Board discretion in determining the level of licensure to be granted; and
 - (b) Requires applicants desiring to engage in clinical social work practice to have a doctorate or master's degree in social work or social welfare from a school of social work accredited by the Council on Social Work Education;
- (10) Amending the reasons for revoking, suspending, or limiting a license to include:
 - (a) Professional misconduct or gross carelessness or manifest incapacity in the practice of social work;
 - (b) Violation of the chapter;
 - (c) Any unethical practice of social worker as defined by the Board; and
 - (d) Any practice inconsistent with the licensing sanctions of Chapter 436B, the Uniform Professional and Vocational Licensing Act;
- (11) Providing for disciplinary proceedings to be pursuant to State administrative procedure and requirements of the Uniform Professional and Vocational Licensing Act;
- (12) Clarifying that the address of all licensees to be published annually by the Board shall be the licensee's business address; and

- (13) Making several technical, nonsubstantive amendments for the purposes of clarify and style, and to correct drafting errors.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 526, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 526, H.D. 2, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 965 Human Services on H.B. No. 790

The purpose of this bill is to amend the Uniform Probate Code.

Specifically, the bill increases the value from a net of \$5,000 to a gross of \$20,000 of personal property that can be collected by the family or beneficiaries of a decedent without court action, excluding motor vehicles registered in the decedent's name.

Your Committee finds that this bill will simplify the settlement of decedent's estates, save beneficiaries the costs and delays of complicated probate proceedings, and lessen the administrative burden of the circuit courts in handling small estates.

Your Committee has amended this bill to conform to proper statutory drafting style which does not affect the substance of the bill.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 790, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 790, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 966 Human Services on H.B. No. 1017

The purpose of this bill is to appropriate funds for a grant-in-aid to the City and County of Honolulu to continue the Honolulu Police Department's Project Outreach for a one-year period.

This project provides assistance to police officers in dealing with the problems of the homeless through an outreach response team who would train police officers to:

- (1) Recognize the problems of mental illness, substance abuse, physical and mental disability, and physical abuse;
- (2) Provide the appropriate response to these problems; and
- (3) Become familiar with the services available in the community to assist individuals in need.

Currently, many homeless individuals suffer from various chronic disabilities such as physical and mental illness or substance abuse. Police officers often do not have proper training or resources to recognize and provide services to these individuals. Your Committee finds that the services offered by Project Outreach allows homeless individuals with chronic illnesses or disabilities to be dealt with in an appropriate manner by experienced human services and health professionals, and helps divert these individuals from the costly and stressful criminal justice system.

Your Committee has amended this bill by reducing the appropriation from \$150,000 to \$92,666.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No 1017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1017, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 967 Human Services on H.B. No. 1322

The purpose of this bill is to establish multidisciplinary teams for critical child abuse or neglect cases.

Currently, the State has five multidisciplinary teams, one for the City and County of Honolulu, one each for the counties of Maui and Kauai, and two for the County of Hawaii. Your Committee has been informed that funding has recently become available to set up a sixth team to service the islands of Molokai and Lanai.

Although the multidisciplinary team approach has been a part of Hawaii's child protection scheme since 1969, your Committee finds that the multidisciplinary team is neither mandated by statute nor given any direct role in the child protection process. Currently, the teams' function is an auxiliary service to provide consultation on cases deemed appropriate for teaming by the Department of Human Services and the Child Protective Services. Your Committee finds that multidisciplinary teams provide valuable services that are necessary to prevent further abuse and that offer the best possible treatment of victims and their families. Your Committee believes the issue of child abuse and neglect is so compelling that legislative action is required.

Your Committee has amended this bill by:

- (1) Requiring that multidisciplinary teams be established for each county in the State;
- (2) Requiring the Department of Human Services to refer a child abuse and neglect case for review by the multidisciplinary team for any of the following reasons:
 - (a) The child is between the ages of zero and three;
 - (b) The child has been hospitalized either medically or psychiatrically;
 - (c) The death of a child has occurred due to possible abuse or neglect;
 - (d) Permanency planning is being considered;
 - (e) The child is in a home where serious abuse, including sex abuse, has occurred and the perpetrator is still in the home; or
 - (f) There is conflicting information regarding the alleged incident of abuse or neglect; and
- (3) Authorizing the Department of Human Services to make referrals in situations other than those described above when a determination is made that serious abuse may occur or the likelihood of repeated abuse exists.

Your Committee on Human Services is in accord with the intent and purpose of H.B. 1322, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1322, 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 Hagino.

SCRep. 968 Human Services on H.B. No. 1338

The purpose of this bill is to bring the State law related to the treatment of status offenders and juvenile law violators into compliance with the federal Juvenile Justice Delinquency Prevention Act (JJDP) of 1974.

Your Committee finds that Hawaii's compliance with the federal law is contingent on making changes to State law and procedures governing the treatment of juveniles. The issues that need to be addressed include the deinstitutionalization of status offenders and nonoffenders from secure detention facilities, the removal of juveniles from adult jails and lockups, the separation of juveniles from adult criminals when confined in facilities where they can have regular contact, and the monitoring of compliance with these mandates.

According to testimony submitted by the Office of Youth Services in support of this measure, Hawaii is currently in noncompliance with the mandate requiring the removal of juveniles from jails and lockups, and as a result, nearly \$1,000,000 in federal funds for programs to keep juveniles out of secure detention facilities and the juvenile justice system are being withheld from the State. In order to resume receipt of JJDP funds, legislation must be enacted to prohibit the detention of children accused of adjudicated of committing non-criminal offenses and limiting the use of jails and lockups for juveniles accused of a crime.

Your Committee has amended this bill by replacing the words "court appearance" with the word "hearing" to conform the proposed language to current statutes. In addition, technical, nonsubstantive amendments have been made for purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1338, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1338, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 969 Human Services on H.B. No. 2024

The purpose of this bill is to establish a State Advisory Council on Rehabilitation and a Statewide Council on Independent Living to replace the Board of Vocational Rehabilitation within the Department of Human Services (DHS).

In 1992, the Congress amended the Rehabilitation Act of 1973 to require that states establish a Rehabilitation Advisory Council and a Statewide Independent Living Council. These councils replace the Board of Vocational Rehabilitation which does not meet the requirements of the new federal law.

The councils established under this bill will provide advice to the DHS on the performance of its responsibilities under the federal law, assist in preparing the state and strategic plans, conduct necessary public hearings and forums, and evaluate the performance of the Department relative to its plans. Your Committee finds that through these councils, the federal government is encouraging the active involvement of persons with disabilities in the formulation of policies and procedures directly affecting them.

Your Committee has amended this bill to conform to federal law by providing that the State Advisory Council on Rehabilitation shall establish a working relationship between the DHS and the councils. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2024, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2024, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 970 Tourism, Recreation and Transportation on H.B. No. 16

The purpose of this bill is to increase the delinquent transfer of ownership fee from five dollars to fifty dollars.

Your Committee finds that in the City and County of Honolulu alone, approximately twenty percent of the total number of transferred motor vehicles were delinquently registered. Your Committee recognizes that the delinquent transfer of motor vehicle ownership often causes great inconvenience, expense, and aggravation to the seller of a motor vehicle.

Your Committee believes that a larger delinquent fee should be assessed to deter future incidents of delinquent transfer and to promote more responsible behavior from motor vehicles buyers.

Your Committee received testimony in support of this bill from the City and County of Honolulu's Director of Finance.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 16 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 971 Tourism, Recreation and Transportation on H.B. No. 656

The purpose of this bill is to appropriate funds for tourism promotion and marketing.

Your Committee finds that tourism promotion is vital to the health of our visitor industry and to economy of the State as a whole. Your Committee further recognizes the importance of ensuring that Hawaii maintains its strength as an attractive and desirable world class visitor destination.

Testimony in support of this bill was received from the Department of Business, Economic Development, and Tourism, the Hawaii Hotel Association, the Hawaii Building and Construction Trades Council, AFL-CIO, and ITT Sheraton Hotels, Hawaii-Japan Division.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 656, 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. 972 Tourism, Recreation and Transportation on H.B. No. 789

The purpose of this bill is to amend section 291C-161, Hawaii Revised Statutes, to clarify that the court may require a person to attend a driver retraining course as an additional penalty for violation of the Statewide Traffic Code.

Your Committee finds that district court judges have imposed driver education as a sentencing alternative for traffic offenses; however, under current law, a driver education penalty is not expressly provided. This housekeeping measure eliminates any confusion or doubt by clearly authorizing the court to impose driver retraining instruction as an additional penalty.

Your Committee received testimony in support of this bill from the Department of Transportation, the Judiciary, and the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee has amended this bill to conform to proper statutory drafting style which does not affect the substance of the bill.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 789, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 789, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 973 Tourism, Recreation and Transportation on H.B. No. 1047

The purpose of this bill is to extend the existence of the Convention Center Authority from June 30, 1994 to June 30, 1998.

Your Committee finds that this bill will enable the Convention Center Authority to continue to work toward the development of a world class convention center in Hawaii, and in anticipation of legislative authorization to proceed with the project, to see the project through to its completion.

Your Committee received testimony in support of this bill from the Convention Center Authority, the Hawaii Hotel Association, the Hawaii Convention Park Council, and the Chamber of Commerce of Hawaii.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1047, 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. 974 Judiciary on H.B. No. 568

The purpose of this bill is to create a rebuttable presumption against an award of custody to a parent who has a history of being an abusive spouse or parent.

Your Committee received testimony relative to the bill from the Judiciary, the Honolulu City Prosecutor, the Public Defender, the Commission on the Status of Women, the Family Peace Center, the Domestic Violence Hotline, Parents and Children Together and an interested citizen.

Your Committee finds that courts should consider evidence of family violence in determining the best interests of the child and the abused parent when establishing custody and visitation rights.

Your Committee has amended the bill to delete the presumption aspects and the requirement that family violence be proven. As amended, the bill provides that if there is evidence of family violence, the court shall arrange custody and visitation rights so as to best protect the child and the abused parent from further harm.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 568, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 568, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 975 Judiciary on H.B. No. 1117

The purpose of this bill is to extend the sunset date of the law authorizing the forfeiture of property seized in connection with criminal activity from July 1, 1993 to July 1, 1996.

Testimony relative to this measure was submitted by the Attorney General, the Prosecuting Attorney, and the Police Department of the City and County of Honolulu and the counties of Hawaii, Kauai and Maui and the Public Defender.

In 1988, the Hawaii State Legislature enacted the Hawaii Omnibus Criminal Forfeiture Act (Act) with the proviso that the Act would be repealed on July 1, 1990. In 1990, the Legislature extended this repeal date to July 1, 1993, to continue monitoring the fair implementation of the administrative forfeiture procedure.

Your Committee finds that the Act is a powerful weapon in the war against drugs. And although the Act has been fairly enforced and administered, it is still powerful in nature and demands oversight by the Legislature.

Your Committee has amended the bill to extend the sunset date to July 1, 1995 rather than 1996 and to require a sunset evaluation report by the Legislative Auditor.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1117, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1117, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 976 Judiciary on H.B. No. 1591

The purpose of this bill is to:

- (1) Clarify when an applicant with a deferred acceptance of guilty plea or nolo contendere plea can request expungement, and to
- (2) allow the return of an applicant's photographs and fingerprints when the applicant has no convictions either prior or subsequent to the matter expunged.

Testimony in support of this measure was submitted by the Attorney General.

Your Committee finds the current statute is silent relative to when expungement is available for those who entered pleas of deferred acceptance of guilty or nolo contendere. The bill also promotes better utilization of administrative resources by eliminating the requirement that fingerprint cards and photographs must be returned to applicants whose records include convictions subsequent to the matter for which they have applied for expungement. This measure also provides that an applicant for an expungement order may be treated as not having been arrested when the expungement certificate is issued, as well as limits the definition of an arrest record to existing photographs and fingerprint cards.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1591, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 977 Judiciary on H.B. No. 1668

The purposes of this bill are to:

- (1) Clarify the issuance and recordation process of certificates for two or more registered owners with regards to the conveyance of a fee simple interest in registered land;
- (2) Clarify the recordation process for certificates regarding interests in registered land less than a fee simple estate;
- (3) Specify when a new certificate of title shall be entered;
- (4) Mandate that a court judgment affecting title may be recorded but court judgments entered in lieu of directing a conveyance as well as any instrument that gives effect to the judgment must be recorded; and
- (5) Clarify the recordation process for a certificate of merger as well as identify what shall be contained in the certificate of merger.

Testimony relative to this measure was submitted by the Department of Land and Natural Resources, the Escrow Association of Hawaii, and the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1668, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 978 Education, Labor and Employment on H.B. No. 1250

The purpose of this bill is to include private school officials within the scope of persons protected against terroristic threatening in the first degree.

Your Committee finds that this measure is consistent with the public policy of providing a safe learning and working environment in both public and private schools. Your Committee further finds that this measure is intended to serve as a deterrent to such behaviors in any school within our State.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee has amended this bill by making technical nonsubstantive changes for the purposes of proper drafting style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1250, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1250, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 979 Education, Labor and Employment on H.B. No. 1534

The purpose of this bill is to allow teachers to accept incentive packages provided by local communities to retain teachers in schools with high teacher turnover.

Your Committee finds that many of our rural schools serve as training grounds for young teachers who then transfer to urban schools. Your Committee further finds that these rural communities should be allowed to offer incentive packages to retain teachers which would enhance the stability of the teacher workforce and improve the quality of education offered at their schools.

Testimony in support of this measure was submitted by the Department of Education, the Office of Hawaiian Affairs, and the Hawaii State Teachers Association.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1534, 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. 980 Education, Labor and Employment on H.B. No. 1641

The purpose of this bill is to allow the Department of Education and private schools to refuse to issue, or to revoke, a teaching certificate or other certification if an individual's criminal background poses a threat to children, and to exempt such actions from the provisions of Chapter 91, Hawaii Revised Statutes.

Your Committee finds that the Department of Education is currently prohibited from disseminating criminal history information to its schools' hiring authorities and required to follow Chapter 91 procedures regarding the termination of an employee for criminal conduct. Your Committee further finds that this bill implements the overriding interest in protecting the health, safety, and well-being of children and ensuring that schools are suitably staffed.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1641 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 981 Education, Labor and Employment on H.B. No. 1661

The purpose of this bill is to clarify that the court can render a judgment to enforce a penalty under the Workers' Compensation law.

Current law specifies only that the court can render judgments on compensation.

Your Committee finds that this bill is necessary to ensure proper enforcement of Workers' Compensation penalties.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1661, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1661, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 982 Education, Labor and Employment on H.B. No. 1741

The purpose of this bill is to facilitate hiring of professional and scientific and excluded managerial employees for public service.

Under current law, all new professional and scientific and excluded managerial employees are hired at the first step of the salary range for the position, except where recruitment is not practical at the first step or in the case of shortages in a class or group of positions.

This bill authorizes the Director of Personnel Services to announce professional and scientific and excluded managerial position vacancies at a range of rates rather than the first step. The range will include the first step and may incorporate additional steps or rates up to the midpoint of the current salary range for the position. The Director will establish eligibility criteria, and appointing authorities may evaluate an applicant's experience to determine at what point entry will be made. No person hired pursuant to this authority will enter civil service at a higher level than a public employee of similar experience had on September 1, 1993, the effective date of this measure.

Your Committee finds that current hiring laws were designed to reflect a general preference among the work force to remain with one employer. However, needs and expectations have changed, and devoting a career with one employer is no longer the preference of most professionals. If the State is to attract qualified personnel, it must offer incentives more in line with expectations.

Your Committee also finds that the Hawaii Revised Statutes contains precedent for granting the option to hire above the entry step (the Department of Education to aid its effort to recruit qualified teachers).

This bill will enable the State to recruit competitively with the private sector in areas in which it has for years been handicapped by obsolete entry-level requirements.

Your Committee has amended this bill by providing for repeal of the substantive amendments to Section 77-9, Hawaii Revised Statutes, on July 1, 1997, and by making several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1741, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1741, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 983 Education, Labor and Employment on H.B. No. 1796

The purpose of this bill is to extend the life of the Hawaii Young Scholars pilot program from two years to five years.

Your Committee finds that this program will provide continuous early education activities that involve parents, teachers, and peers in a cooperative effort to enhance each student's educational progress. Your Committee further finds that the program will help nurture an interest in higher education and, in concert with other departmental programs, assist disadvantaged students in obtaining higher education degrees.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1796, 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. 984 Education, Labor and Employment on H.B. No. 1896

The purpose of this bill is to continue the investment yield rate for actuarial valuations of the State Employees' Retirement System at eight percent for fiscal years ending June 30, 1993 and June 30, 1994.

Actuarial valuations are prepared annually to determine employer contributions required to fund the System. Since the current investment yield rate of eight percent expired on June 30, 1992, this measure is necessary to maintain the rate at the same level, as recommended by the actuary and the System's Board of Trustees.

Testimony in support of this bill was submitted by the Department of Budget and Finance.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1896, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 985 Education, Labor and Employment on H.B. No. 2012

The purpose of this bill is to allow the Department of Education to set the price of school lunches in proportion to the cost of preparing them.

Your Committee finds that the school lunch program has operated for many years without an increase in the price charged to students who purchase this meal. Your Committee further finds that the proposal to allow the Department to set lunch prices in proportion to actual cost will provide additional support for the program from those who choose to make use of it.

Your Committee received testimony in support of this measure from the Department of Education which proposed that price be set at one-third of the cost of preparation, rounded up to the nearest quarter.

Your Committee has amended this bill by:

- (1) Decreasing from twenty-five cents to five cents, the amount that the Department may round up to in determining the cost of the lunch; and
- (2) Making technical nonsubstantive changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 2012, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2012, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 986 Education, Labor and Employment on H.B. No. 1610

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (2) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (2) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1610, 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. 987 Education, Labor and Employment on H.B. No. 1611

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (3) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (3) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1611, 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. 988 Education, Labor and Employment on H.B. No. 1663

The purpose of this bill is to enable the Director of Labor and Industrial Relations to determine and collect Workers' Compensation Special Compensation Fund assessments owed by self-insured employers.

Under current law, these assessments are made and collected by the Director of Commerce and Consumer Affairs for deposit into the Special Compensation Fund in the Department of Labor and Industrial Relations. This bill will streamline the process.

Your Committee has amended this bill by making some technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1663, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 989 Education, Labor and Employment on H.B. No. 1666

The purpose of this bill is to allow the Department of Labor and Industrial Relations to recover overpaid unemployment benefits from a claimant's benefit entitlement in another state or under a federal unemployment program.

Under current law, overpayment may be satisfied by deductions from a claimant's future Hawaii benefit entitlement. The Omnibus Reconciliation Act of 1985, however, authorizes states to recover overpayments of state and federal benefits through interstate arrangements and by offset between programs.

This bill is consistent with federal objectives and will allow the State to participate in the recoupment program. It will also enhance the solvency of the Unemployment Insurance Trust Fund and the integrity of the Program.

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

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1666, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Holt.

SCRep. 990 Planning, Land and Water Use Management on H.B. No. 220

The purpose of this bill is to remove the statutorily mandated annual appropriation of \$250,000 to the Firefighter's Contingency Fund and provide a mechanism for maintaining the fund through general appropriations.

Wildfires are recognized by government agencies, community organizations, and concerned individuals as one of the leading factors in the deterioration of Hawaii's native habitat. In addition to its detrimental effect on our island watersheds and precious ecosystems, wildland fires pose an increasing threat to public safety and property.

During the summer of 1991, a fire on Molokai burned over eight percent of the island. The Department of Land and Natural Resources, after exhausting the funds from the Firefighter's Contingency Fund, was forced to transfer funds from its other programs in order to help pay for firefighting expenses in excess of \$500,000.

Your Committee finds that the availability of adequate resources to fight fires is essential to ensuring public safety and protecting the environment. This bill provides for appropriations to the Firefighter's Contingency Fund at levels commensurate with realistic fire suppression costs.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 220 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 991 Planning, Land and Water Use Management on H.B. No. 321

The purpose of this bill is to protect and reaffirm the public interest in access to coastal and inland recreational areas under Chapter 115, Hawaii Revised Statutes, and to make clear that access to Hawaii's shores and mountains is an important public interest that may not be unduly restricted.

The City and County of Honolulu Department of Parks and Recreation submitted testimony stating that rules and regulations currently provide for adequate review by the City before parks and rights-of-way are closed. Your Committee also received testimony from several concerned citizens who indicated that shoreline access trails are being closed by the City at the insistence of area neighborhood boards receiving complaints from residents living near access areas. Your Committee understands that a neighborhood board's primary function is to serve the needs of its community, but in doing so, it may sometimes overlook the interests or welfare of the residents of the county at large. Your Committee believes, however, that its own duty is to protect the interests of all the people of this State.

Your Committee is concerned about the preservation of the concept of home rule and is reluctant to mandate a process that usurps county authority. However, your Committee recognizes that Chapter 115, Hawaii Revised Statutes, was enacted to guarantee the people of Hawaii access to the State's coastal and inland recreational areas. Therefore, your Committee has amended this bill to provide a compromise that will permit a county to restrict a public right-of-way through a resolution or ordinance. Under this proposal, the county would establish criteria to determine restrictions deemed to be in the public interest.

It is your Committee's intent that the counties will not abuse their home rule authority by allowing a public access right-of-way to be restricted merely because residents in a particular area desire a closure or restriction. It is also your Committee's intent that the counties establish criteria that would address the public interest of the county population in its entirety. Your Committee hopes the counties will restrict access to coastal and mountain areas only when there are legitimate public health, welfare, and safety concerns, and only when there is substantial evidence to support resident concerns.

Many times, people do not realize that Hawaii's beaches and mountains belong to everyone, and these beaches and mountains cannot be used unless access to them is allowed. Your Committee believes that coastal areas and mountains must remain accessible for all generations to enjoy.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 321, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 992 Planning, Land and Water Use Management on H.B. No. 888

The purpose of this bill is to move statutory language relating to the appraisal of private property from Section 171-17, Hawaii Revised Statutes (HRS), governing the disposal and management of State lands, to Section 171-30, HRS, relating to the acquisition of private land by the State.

In addition, this bill restricts public distribution of real property appraisal reports performed for the State until after the property has been acquired or the State abandons its efforts to acquire the property.

Your Committee finds that this bill conforms State law with the Department of Land and Natural Resources' current practice of making available appraisal reports of private property being acquired for a public purpose only after the acquisition is completed or abandoned. Further, your Committee determines that moving the appraisal provisions to Section 171-30, HRS, is appropriate for purposes of clarity and conformance with statutory drafting methods.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 888, 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. 993 Planning, Land and Water Use Management on H.B. No. 1120

The purpose of this bill is to amend Chapter 128, Hawaii Revised Statutes, to authorize the Governor to co-sign or participate with political subdivisions or other public or private agencies in civil defense matters.

During the recovery process following the impact of Hurricane Iniki on September 11, 1992, it became apparent to civil defense authorities that certain federal disaster relief programs, including loans available to political subdivisions of the State, required the cooperation, co-signature, or participation of the State in order for the political subdivisions to receive disaster relief funds.

Under current law, the State is not authorized to co-sign or participate with the respective political subdivisions for these purposes. Your Committee finds that the additional authority granted to the Governor under this measure will ensure that county governments will be able to timely obtain available resources for disaster relief where participation of the State is required.

Your Committee has amended the bill by making stylistic changes that have no substantive effects.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1120, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1120, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 994 Planning, Land and Water Use Management on H.B. No. 1121

The purpose of this bill is to amend Chapter 234, Hawaii Revised Statutes (HRS), relating to the Tax Relief for Natural Disaster Losses law.

Specifically, this bill:

- (1) Requires the Natural Disaster Claims Commission to:
 - (a) Determine the total loss for the purpose of a claim for tax relief by totalling the market value of all real and personal property damaged or destroyed by the natural disaster; and
 - (b) Deduct from the total loss figure the amount of any federal or state grant or loan received by a claimant as a result of the natural disaster as well as the amount by which the claimant's real property was underinsured; and

- (2) Requires the Director of Taxation or the County Director of Finance to apply a claimant's remission or refund first to real property taxes and then to general excise taxes due.

This bill attempts to clarify the method by which total loss arising from a natural disaster is determined. Your Committee finds, however, that in deleting provisions relating to the value to be used (before or after the disaster), the bill lacks any point of reference to assess loss. In addition, according to testimony submitted by the Department of Taxation, the proposed language is inconsistent with Internal Revenue Code Section 165. Therefore, your Committee has amended this bill by retaining all current statutory language for determining total loss.

Your Committee has further amended the bill by deleting the provision requiring the Commission to deduct from total loss the amount by which a claimant's real property is underinsured. Your Committee believes that this provision would virtually eliminate any kind of tax relief for most property owners, and finds that its inclusion would penalize claimants who, through no fault of their own, may not have the information or knowledge necessary to determine the fair market value of their property and insure it adequately.

Your Committee has also made some technical amendments that have no substantive effect.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1121, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1121, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 995 Planning, Land and Water Use Management on H.B. No. 1607

The purpose of this bill is to authorize the Department of Business, Economic Development and Tourism (DBEDT) to transfer an aggregate of \$2,000,000 from the revolving funds for the Hawaii Large Fishing Vessel, Small Fishing Vessel, Hawaii Capital, and Innovation Development Loan Programs to the State Disaster Loan Revolving Fund.

The DBEDT testified in strong support of this measure, stating that as of December 31, 1992, the net amount in the loan revolving funds from which the transfer would be made was \$9,059,887. The State Disaster Loan Revolving fund, which provides commercial and personal loans, has a balance of \$531,689, and the DBEDT has already received more than 1,300 loan applications with an expected payout of more than \$1,000,000.

Transfers to the State Disaster Loan Revolving Fund would be made only upon declaration of a State disaster and with the approval of the Governor, and DBEDT is required to report all transfers to the Legislature within ten days.

Your Committee finds that allowing DBEDT to transfer funds into the State Disaster Loan Revolving Fund will allow more efficient use of available resources and ensure immediate assistance to businesses and individuals with disaster relief and rehabilitation needs.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1607, 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. 996 Planning, Land and Water Use Management on H.B. No. 1671

The purpose of this bill is to:

- (1) Prohibit the release of non-native fish and other aquatic organisms into State waters;
- (2) Prohibit the intentional taking, breaking, or damaging of coral;
- (3) Restrict commercial aquarium fish collectors from using thrownets or traps to catch aquarium fish;
- (4) Prohibit noncommercial aquarium fish collectors from taking more than five fish or aquatic organisms per person per day; and
- (5) Provide penalties for the release of non-native fish or aquatic life into State waters or for taking or damaging stony coral.

Your Committee finds that, due to the recent increase in the number of aquarium fish and other aquatic life released into the wild, several alien species have become established in State waters, thereby adversely affecting our delicate ecosystem. This bill will enable the Department of Land and Natural Resources to confiscate non-native species and help prevent their release into State waters, and complement the Department of Agriculture's existing program dealing with alien or illegal species. Your Committee further finds that by prohibiting the intentional breaking or damaging of coral, our precious ocean and marine environment will be protected.

Your Committee has amended Section 2 of the bill by clarifying that the five fish or aquatic life specimen limit of Section 188-29, Hawaii Revised Statutes, is mandatory rather than permissive. Other nonsubstantive technical amendments have been made for the purposes of consistency and style.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1671, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1671, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 997 Planning, Land and Water Use Management on H.B. No. 1677

The purpose of this bill is to clarify the various fees assessed by the Bureau of Conveyances and authorize the Department of Land and Natural Resources to adopt rules in response to changes in the industry and the economy.

The Bureau of Conveyances is responsible for recording over 300,000 documents annually and collecting over \$2 million per year in service fees alone. Your Committee finds that this bill will strengthen the operations of the Bureau of Conveyances and ensure the welfare of the consuming public.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1677, 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. 998 Planning, Land and Water Use Management on H.B. No. 1906

The purpose of this bill is to increase the conveyance tax from five cents to ten cents per hundred dollars of consideration for the transfer of real property, and to allocate twenty-five percent of the conveyance tax revenues collected to the Rental Housing Trust Fund and twenty-five percent to the Natural Area Reserve Fund.

In addition, this bill proposes several other amendments to improve the administration of the conveyance tax by:

- (1) Providing that any overpayment of conveyance taxes imposed shall be credited within three years after the filing of a conveyance tax certificate;
- (2) Prohibiting commencement of a court proceeding without an assessment for the collection of taxes before the expiration of the three year period;
- (3) Allowing for the assessment or levying of the conveyance tax at any time if a false or fraudulent certificate was filed with the intent to evade taxes or if a certificate was not filed;
- (4) Clarifying that the actual and full consideration paid includes any promise, act, forbearance, property interest, value, gain, advantage, benefit, or profit, as well as money; and
- (5) Adding the following conveyance tax exemptions:
 - (a) The threat of eminent domain, the point at which most conveyances to government occur;
 - (b) Partition deeds that result in equal value to the co-owners and no change in the proportionate interest of the co-owners' exemption;
 - (c) Conveyances involving divorced couples ordered by the court to dispose of property; and
 - (d) Transfers involving certain testamentary trusts and grantor revocable living trusts.

The State Natural Area Reserves System was established in 1970 to preserve in perpetuity certain State land and water areas that support communities of Hawaii's natural flora and fauna as well as geological sites. To complement the nineteen areas of State land encompassing nearly 110,000 acres in the Natural Area Reserves System, the Legislature established the Natural Area Partnership and Forest Stewardship programs in 1991 to provide incentives for private landowners to protect important natural resources on their lands. Your Committee finds that natural area management and restoration programs are often complex, requiring a long-term perspective and commitment to achieve visible results. Your Committee believes that a permanent, dedicated source of funding is necessary to provide the continuity and resources required to successfully implement these programs.

The Rental Housing Trust Fund was created by the Legislature last session to help address the acute shortage of safe, decent, and affordable rental housing units in the State of Hawaii. While your Committee believes that it is in the public interest to provide a continuous source of funding for the Rental Housing Trust Fund, the resolution of our housing crisis should not be made dependent on a specific tax such as the conveyance tax, but should rest upon the broad tax base of the general fund. For this reason, your Committee has amended the bill to delete the conveyance tax as a source of funding for the Rental Housing Trust Fund.

Your Committee has also made a number of nonsubstantive amendments for the purposes of clarity, consistency and style.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1906, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1906, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 999 (Joint) Planning, Land and Water Use Management and Science, Technology and Economic Development on H.B. No. 1473

The purpose of this bill is to distribute utility restoration and repair costs incurred as a result of a state-declared emergency among utility service ratepayers on a statewide basis.

Under this bill, any utility that would have to increase rates applicable to the ratepayers on a particular island by more than fifteen percent due to damage to the utility's facilities and associated restoration and repair costs resulting from a state-declared emergency, would be eligible to apply to the Public Utilities Commission (PUC) for recovery of these costs through a monthly surcharge assessed on a statewide basis. In addition, this bill would:

- (1) Limit the surcharge to not more than fifteen percent of the average ratepayer's regular assessment;
- (2) Allow the PUC to exclude from assessment ratepayers on an island with rates substantially higher than other islands;
- (3) Require a utility meeting the surcharge criteria to apply for PUC approval of the assessment;
- (4) Require the PUC to ensure that the amounts collected by the utility through the surcharge will not exceed its net restoration and repair costs;
- (5) Provide a ten year time limit on assessment of the surcharge; and
- (6) Authorize the PUC to revise the surcharge to reflect changes in actual restoration and repair costs or outside sources of recovery.

Your Committees recognize that state-declared emergencies such as Hurricane Iniki can devastate the operations and facilities of utilities that provide vital services to the State. In the aftermath of disasters such as Iniki, these utilities face immense costs to restore and repair their damaged facilities and must recover the costs from their customers through substantial rate increases.

Your Committees find that assessing net restoration and repair costs solely upon utility customers directly served by the utility facilities damaged in a disaster imposes an extreme financial burden on persons who may have already suffered significant physical, mental, emotional, and financial hardship as a result of the disaster. Your Committees determine that to alleviate this hardship, it is necessary that the costs of restoring and repairing utilities be shared and borne by the entire community. After much consideration, your Committees conclude that this measure provides the most viable and equitable alternative for funding the reconstruction of utility facilities damaged by Hurricane Iniki.

Your Committees have amended the bill by replacing the term "island" in several places on page 4 of the bill with "utility service territory". Your Committees find that some utilities do not cover entire islands; therefore, the term "utility service territory" more accurately describes the area served.

In addition, your Committees have further amended this bill by providing that outside sources of recovery include, but are not limited to, shareholder contributions. Your Committees believe that it is fair and appropriate for shareholders to bear some of the burden of restoring and repairing facilities, especially when persons who do not receive any direct benefit from the utility will be assessed.

Finally, your Committees have amended this bill by making several technical, nonsubstantive amendment for purposes of style and clarity.

Your Committees on Planning, Land and Water Use Management and Science, Technology and Economic Development are in accord with the intent and purpose of H.B. No. 1473, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1473, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1000 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 182

The purpose of this bill is to establish a temporary task force within the Department of Land and Natural Resources to develop a cultural landscape scheme.

More specifically, this bill requires the task force to develop criteria, specify appropriate activities, and develop procedures for the designation of cultural landscape districts.

This bill also specifies the composition of the task force and requires the task force to report its findings and recommendations to the Legislature prior to the Regular Session of 1994. Finally, this bill provides that the task force shall cease to exist as of June 30, 1994.

Your Committee finds that the preservation of cultural landscapes, as opposed to individual sites, has emerged as a matter of growing public concern in recent years. The task force created by this bill will serve to examine pertinent issues and pursue preservation approaches that will benefit the people of Hawaii.

Your Committee received testimony in support of this bill from the Chairperson of the Board of Land and Natural Resources, who indicated that the Department's Historic Preservation Division is familiar with the federal criteria and process for designating cultural landscapes.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 182, 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. 1001 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 192

The purpose of this bill is to ensure that the University of Hawaii has adequate funding to reimburse the Research Corporation of the University of Hawaii for yearly management fees.

Your Committee recognizes the importance of providing the opportunity for innovative research projects that may enhance the University of Hawaii's reputation and standing in the academic community. This bill will enable money for projects already funded and contracted for with the Research Corporation of the University of Hawaii to be paid in a timely manner, ensuring that the federal share of any matching grants will not be lost.

Testimony in support of this bill was presented by the Vice President of Research and Graduate Education of the University of Hawaii and the Executive Director of the Research Corporation of the University of Hawaii.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 192, 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. 1002 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 830

The purpose of this bill is to appropriate funds for the construction of temporary, portable facilities for the Hale Kuamo'o Hawaiian Language Center and the Hawaiian Studies Department at the University of Hawaii-Hilo.

Your Committee finds that the construction of temporary, portable facilities is necessary to alleviate severe overcrowding and to allow Hawaiian Studies education and research to continue to benefit Hawaiians and the community at-large.

Your Committee has amended this bill by providing for funding via general obligation bonds and by establishing a special account to hold private contributions received for construction of the project building and for operational expenses of the Hale Kuamo'o Hawaiian Language Center and the Hawaiian Studies Department at the University of Hawaii-Hilo.

Your Committee has further amended this bill by making technical changes that have no substantive effect.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 830, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 830, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1003 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 1147

The purpose of this bill is to enable the State Foundation on Culture and the Arts to award fellowships to qualified individual artists.

Specifically, this bill establishes qualifying standards for individual artist fellowships, specifies requirements for artists receiving individual artist fellowships, and delegates the duty of establishing the individual artist fellowship program to the State Foundation on Culture and the Arts.

Your Committee finds that individual artist fellowships will serve to recognize the talents of local artists, encourage creative endeavors, enable artists to further their artistic goals, and affirm the significant contributions of artists to the enrichment of our cultural heritage.

The State Foundation on Culture and the Arts supports the intent of this bill.

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

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1147, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1147, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1004 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 1363

The purpose of this bill is to establish and fund medical training programs in rural and medically under-served areas of the State.

More specifically, this bill establishes: a family practice residency program at the University of Hawaii School of Medicine; a two-year demonstration project to provide training for health care graduates and students; and a family practice ambulatory health center at the "old" Hilo hospital site.

Your Committee finds that there is a serious lack of medical services in rural areas of the State and the neighbor islands and that on-site training programs are an appropriate means of addressing this problem.

Your Committee received testimony in support of this measure from Hilo Hospital, the Hawaii Medical Association, the Hawaii Federation of Physicians & Dentists, the Hawaii Academy of Family Physicians, the Hawaii County Medical Society, Kahuku Hospital, the Physician Center at Mililani, Wahiawa General Hospital, the Japanese Chamber of Commerce & Industry of Hawaii, and numerous health care professionals.

Although the Department of Health and the University of Hawaii support the intent of this bill, they cannot support any additional appropriations at this time, due to the State's current fiscal restraints.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1363, 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. 1005 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 1364

The purpose of this bill is to establish a revolving fund for the Conference Center Program in the College of Continuing Education and Community Service of the University of Hawaii, Hilo campus.

The Conference Center Program promotes educational, scientific, and artistic pursuits through the planning and implementation of conferences, workshops, seminars, courses, and other educational activities consistent with articulated college, university, and University of Hawaii system purposes, missions, and goals.

Your Committee received testimony in support of this measure from the Senior Vice President and Chancellor of the University of Hawaii, and the Associate Executive Director of the University of Hawaii Professional Assembly.

Your Committee has amended this bill by making a technical amendment that has no substantive effect.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1364, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1006 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 1703

The purpose of this bill is to bring the loan eligibility provisions of the State Higher Education Loan Fund in line with the federal Perkins Loan Program, upon which the State program is based.

Your Committee finds that this bill will allow the University of Hawaii to respond to the needs of non-traditional students, many of whom are unable to attend college on a full-time basis. In addition, this bill will relieve the University from having to seek amendment of Section 304-92, Hawaii Revised Statutes, each time the federal government alters its lending limits.

Testimony in support of this measure was presented by the Vice President for Student Affairs at the University of Hawaii.

Your Committee has made a technical amendment that has no substantive effect.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1703, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1703, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1007 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 1765

The purpose of this bill is to provide tuition waivers for qualified persons of Hawaiian ancestry in the University of Hawaii system, with the intent of encouraging Hawaiians to pursue studies in the fields of education or the Hawaiian language.

Your Committee received testimony in support of this bill from the Vice President for Student Affairs at the University of Hawaii and the Office of Hawaiian Affairs.

Upon due consideration, your Committee has amended this bill by deleting its provisions and inserting amendments to section 304-17, Hawaii Revised Statutes, to increase the University of Hawaii's allotment of tuition waivers at all campuses, and to specifically designate Hawaiians and other underrepresented minorities as recipients of tuition waivers. As amended, this bill also provides for tuition waivers for students enrolled in Hawaiian language courses and courses taught in the Hawaiian language.

Your Committee believes that minority groups, especially Hawaiians, are significantly underrepresented among students enrolled in the State's university system. Quite often, it is the unavailability of financial resources that prevents these individuals from enrolling. Your Committee finds that this bill, as amended, is more comprehensive and will enable more Hawaiians and other minorities to pursue higher education.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1765, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1765, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1008 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 1891

The purpose of this bill is to amend sections 314-3 and 314-13, Hawaii Revised Statutes, to shorten the terms for members of the Board of Public Broadcasting and to broaden the funding base of the Hawaii Public Broadcasting Authority.

Your Committee finds that this bill will increase the Hawaii Public Broadcasting Authority's ability to raise funds to support local program production and other program services of Hawaii Public Television.

Your Committee received testimony from the Executive Director and General Manager of the Hawaii Public Broadcasting Authority, requesting that this bill be revised to read the same as S.B. No. 1711, S.D. 2, a measure similar in intent to this bill.

Accordingly, your Committee has amended this bill to include the provisions of S.B. No. 1711, S.D. 2, which require the Board of Public Broadcasting to prepare an annual report to the Legislature, identifying the amount and source of all revenues deposited into the revolving fund. In addition, this bill, as amended, utilizes slightly different wording regarding the use of the public broadcasting revolving fund. Your Committee agrees with the Hawaii Public Broadcasting Authority that the reporting requirement is reasonable and the clarification on fund use is preferable.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1891, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1891, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1009 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 1930

The purpose of this bill is to clarify that funds from the University of Hawaii alumni revolving fund may be expended for all costs associated with conducting alumni affairs activities and programs for the university system, without regard to statutory competitive bidding requirements.

Your Committee finds that section 304-8.97, Hawaii Revised Statutes, as currently drafted, does not permit the University of Hawaii to fully utilize the alumni revolving fund for its intended purposes. This bill specifies the intended broader purposes of the fund and provides the University of Hawaii with greater purchasing flexibility.

Your Committee has amended this bill by making a technical amendment that has no substantive effect.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1930, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1010 (Joint) Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management on H.B. No. 1370

The purpose of this bill is to establish the Mount Olomana State Monument to preserve Mount Olomana as a historic site.

This bill also appropriates funds to allow the Department of Land and Natural Resources to acquire lands necessary to properly preserve the site.

Your Committees find that Mount Olomana is an important cultural landmark that requires immediate protection before its beauty and integrity are irreparably damaged by expansion and development. This bill will ensure the preservation of Mount Olomana as a natural and perpetually open area, and will protect its scenic beauty for future generations.

Asahi Kanko, USA, Inc., the owner of land subject to the provisions of this bill, acknowledged public sentiment in favor of preserving Mount Olomana, and expressed its willingness to sell its property to the State at a fair price.

Your Committees have amended this bill by making a few technical changes that have no substantive effect.

Your Committees on Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management are in accord with the intent and purpose of H.B. No. 1370, H.D. 2, as amended herein, and recommend

that it pass Second Reading in the form attached hereto as H.B. No. 1370, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1011 (Joint) Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management on H.B. No. 2015

The purpose of this bill is to establish the Kaho'olawe Island Reserve.

Your Committees find that a new management regime is needed to effectively manage the unique activities and challenges associated with the restoration, preservation, and appropriate use of Kaho'olawe.

Kaho'olawe is suffering from extensive erosion and a host of ecological problems. Decades of bombing have marred the island with potentially dangerous ordnance, and years of neglect have threatened both native and endangered flora and fauna, and archaeological and other cultural and historical sites. This bill will provide a means to heal Kaho'olawe and to allow for the revitalization of Hawaiian customs, beliefs, and practices.

In order to expedite funding approval, your Committees urge the Committee on Ways and Means to delete the \$137,500 appropriation provision in this bill and include it in the executive budget.

Your Committees have amended this bill by making technical amendments that have no substantive effect.

Your Committees on Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management are in accord with the intent and purpose of H.B. No. 2015, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2015, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1012 Agriculture on H.B. No. 1424

The purpose of this bill is to appropriate funds for research on the control of pests that threaten Hawaii's agricultural industries.

Specifically, funds are provided:

- (1) For foreign exploration for biological control agents to combat and eradicate the yellow sugarcane aphid and webworm;
- (2) To conduct animal behavior research on aphids to determine the components of grasses that repel pests from crops;
- (3) For research on the yellow sugarcane aphid and webworm;
- (4) For the administration, coordination, and research on various fruit fly control and eradication projects; and
- (5) For research on pineapple pest problems.

Supporting testimony was submitted by the Hawaii Farm Bureau Federation. The Department of Agriculture testified in support of the intent of the bill but indicated that it could not support appropriations not included in the Executive Budget proposal for fiscal biennium 1993-1995. Your Committee also received written comments from the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources and the Hawaii Cattlemen's Council, Inc.

Upon further consideration, your Committee has amended the bill by deleting the proposed appropriation for foreign exploration for biological control agents to combat and eradicate the yellow sugarcane aphid and webworm, and the proposed appropriation for various fruit fly control and eradication projects. Your Committee has also amended the bill by inserting a total of \$441,000 for the remaining projects and making the Governor's Agriculture Coordinating Committee the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1424, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1424, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1013 Agriculture on H.B. No. 1585

The purpose of this bill is to bring the State's Poultry Inspection laws, Chapter 161, Hawaii Revised Statutes (HRS), into conformance with the federal Poultry Products Inspection Act (PPIA).

Testimony in support of the bill was received from the Department of Agriculture.

Your Committee finds that federal law requires that the Hawaii Meat and Poultry Inspection Program conform to standards at least equal to those established under the PPIA. Failure to do so would result in the cessation of federal funds and the federal takeover of poultry processing industries in the State.

Your Committee has amended the bill by making technical amendments which have no substantive effect.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1585, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1585, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1014 Consumer Protection on H.B. No. 966

The purpose of this bill is to create the criminal offense of fraudulent encoding of a credit card.

Recently, criminal elements have gained the capability of changing the magnetic encoding on a credit card. Due to this advancement in technology, a person can obtain any card, change the code to match a usable code, and use the card without being detected. The potential loss to our State's commerce can be tremendous.

Your Committee finds that fraudulent encoding of credit cards is potentially dangerous to Hawaii's economy because large sums of money, goods, or services may be taken by a single fraudulent card before the activity is discovered. Your Committee feels Hawaii may be more vulnerable to this type of activity due to its tourist based economy, which creates a greater probability that a criminal may move out of the State before the credit card fraud is discovered. This bill is intended to deter this type of activity.

Your Committee has amended this bill to include in the crime any attempt or conspiracy to make any type of change to the encoding on a credit card. The intent is to make clear to the criminal elements that a person commits this offense at the point of attempt or conspiracy, notwithstanding that the Penal Code provides for inchoate offenses under Chapter 705, Hawaii Revised Statutes.

Your Committee has also amended this bill to include in the crime the knowing use or possession of a fraudulently encoded credit card. The intent is to make every aspect of this offense a crime.

Your Committee has made technical, nonsubstantive amendments to this bill to conform subsection and paragraph designations to the Penal Code style.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 966, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 966, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1015 Consumer Protection on H.B. No. 1156

The purpose of this bill is to allow the State to make short-term investments in deposit accounts and repurchase agreements with federally insured financial services loan companies and to permit insurance companies and insurance agents to make deposits in financial services loan companies.

Your Committee feels deposits made in financial services loan companies are sound because deposits are protected by the Federal Deposit Insurance Corporation.

Your Committee received testimony in support of this bill from the Hawaii Financial Services Association, Inc. The Department of Commerce and Consumer Affairs testified that it had no objections to this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1156 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1016 Consumer Protection on H.B. No. 1630

The purpose of this bill is to authorize the Department of Commerce and Consumer Affairs to issue citations for unlicensed activity regulated under Chapter 436B, Hawaii Revised Statutes (HRS).

Chapter 436B, HRS, regulates the licensing of professions and vocations. This bill would allow the Regulated Industries Complaints Office to effectively deal with unlicensed activity under its jurisdiction.

Under current procedures, when there is a report of unlicensed activity, a complaint has to be initiated, an investigation conducted, and finally, a civil action may be instituted. Your Committee finds that this citation procedure would provide a quicker procedure to deal with unlicensed activity by allowing an investigator to cite an unlicensed person on the spot and by providing for administrative review of the case.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee has made several amendments to diction and punctuation for purposes of correct statutory drafting which do not affect the substance of the bill. Your Committee has also added a provision to delete Section 444-11(2), HRS, since this requirement is unnecessary.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1630, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1630, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1017 Consumer Protection on H.B. No. 1631

The purpose of this bill is to authorize the Department of Commerce and Consumer Affairs' investigators to have broader service of process powers.

Currently, investigators are only authorized to serve administrative subpoenas. This bill would expand investigators' service of process powers by allowing them to serve other documents pertaining to departmental civil and administrative cases.

Your Committee feels this bill would allow the Department of Commerce and Consumer Affairs to better utilize its resources.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee has made technical amendments to conform to proper statutory drafting which do not affect the substance of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1631, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1018 Consumer Protection on H.B. No. 1636

The purpose of this bill is to authorize an investigator of motor vehicle mechanics and repair dealers to issue citations to an unregistered motor vehicle mechanic or repair dealer.

The number of unlicensed motor vehicle mechanics and repair dealers is on the increase, and this bill would allow the Motor Vehicle Repair Industry Board to effectively deal with this unlicensed activity.

Your Committee received testimony in support of this bill from the Motor Vehicle Repair Industry Board.

Your Committee has amended this bill by correcting a statutory citation at Page 2, line 3: "section 26-9" is changed to "section 26-9(o)." Your Committee has also made technical amendments for proper statutory drafting which does not affect the substance of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1636, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1636, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1019 Consumer Protection on H.B. No. 1639

The purpose of this bill is to clarify language in section 485-12, Hawaii Revised Statutes.

Section 485-12, Hawaii Revised Statutes, is unclear as to whether or not Hawaii domiciled issuers and broker dealers are being treated equally with out-of-state issuers and broker dealers. This measure would eliminate potential discrimination against out-of-state issuers and broker dealers.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1639, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1020 Consumer Protection on H.B. No. 1667

The purpose of this bill is to include age as an exception to the discrimination in real estate transaction law as it pertains to housing for older persons.

Your Committee finds that Act 171, Session Laws of Hawaii 1992, inadvertently deleted "age" in the amendment to section 513-4(h), Hawaii Revised Statutes. That section specifies the exemptions from the chapter. Without the addition of age, there is absurd results since elderly housing projects are necessarily meant for older persons and therefore is intended to discriminate in favor of the elderly. The Conference Report mentions that the bill "adds age as a protected group in a real estate transaction while still recognizing the special situation of housing designed for older persons."

Your Committee received testimony in support of this bill from the Hawaii Civil Rights Commission and from the law firm of Dwyer Imanaka Schraff & Kudo.

Your Committee has made a technical amendment at line 13 which does not affect the substance of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1667, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1667, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1021 Consumer Protection on H.B. No. 1730

The purpose of this bill is to amend Hawaii's insurance laws to enable the Insurance Division of the Department of Commerce and Consumer Affairs to meet the accreditation standards of the National Association of Insurance Commissioners.

Your Committee feels that the performance of the State's Insurance Division should meet accreditation standards, especially at a time when our insurance industry is struggling.

Your Committee finds that the requirements contained in this bill are necessary for Hawaii to achieve accreditation by the National Association of Insurance Commissioners by the deadline set for January 1994. The standards relate to examination of insurers for purposes of determining insurer solvency. The standards provide enhanced regulatory scrutiny and safeguards to better protect consumers from the financial hardship and trauma of insurer insolvency.

Your Committee has amended this bill by deleting sections dealing with the Insurance Examiners Revolving Fund.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1730, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1730, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1022 Consumer Protection on H.B. No. 1885

The purpose of this bill is to authorize the Department of Commerce and Consumer Affairs (Department) to:

1. Use moneys in the Department's funds to defray administrative costs;
2. Appoint program specialists to assist the professional and vocational licensing division;
3. Change any license renewal date by rules adopted pursuant to chapter 91, Hawaii Revised Statutes (HRS); and
4. Establish advisory committees.

Your Committee finds that this bill would allow the Department to achieve a greater degree of self-sufficiency and flexibility.

Your Committee has amended this bill by requiring the Department to submit an annual report to the Legislature which would describe the Department's nonpayroll expenses and to change the effective date to July 1, 1994 of the amendments to Section 26-9(o), HRS.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1885, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1885, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1023 Health on H.B. No. 434

The purpose of this bill is to provide funds to enable emergency medical service personnel who are certified and regulated pursuant to Chapter 453, Hawaii Revised Statutes, to administer early defibrillation to victims of cardiac arrest.

Your Committee finds that use of automatic external defibrillators is an effective medical intervention in cardiac arrest cases and should be part of all emergency service systems. This bill would enable the Department of Health to establish a training program for certified personnel.

Recognizing that emergency services are often provided by non-medical personnel, your Committee has amended this bill to enable all emergency service personnel to obtain the training, not just those certified by the Board of Medical Examiners pursuant to Chapter 453.

Your Committee has further amended this bill by requiring the Department to establish the early defibrillation program on a permanent basis, and by making several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 434, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 434, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1024 Health on H.B. No. 883

The purpose of this bill is to extend the Community-Based Teenage Health Clinic Demonstration Project to June 30, 1995.

The Project, established by Act 162, Session Laws of Hawaii 1990, is scheduled to end on June 30, 1993.

The Community-Based Teenage Health Clinic Demonstration Project, known as "YO," is operating as an outreach function of the Waikiki Health Center and Hale Kipa. The Project's objective is to improve health care of street youths in Waikiki, and since its inception it has assisted approximately 500 individuals through 6,500 encounters.

Many runaway or disoriented adolescents find Waikiki an amenable place to congregate and hide. Your Committee finds that the Demonstration Project has proven its ability to reach these young people and provide basic primary and preventive health care and treatment and ancillary social services.

Your Committee has amended this bill by changing the Project's repeal date to June 30, 1996. Your Committee previously approved a three-year extension when it considered S.B. No. 1149.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 883, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 883, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1025 Health on H.B. No. 2030

The purpose of this bill is to authorize the health care facilities in the Division of Community Hospitals to issue their own revenue bonds.

The bonds would be paid out of a hospital's total revenues, and proceeds would be used for high priced items such as renovation or to purchase expensive equipment such as CAT scanners or MRI machines. Currently, this kind of major funding takes several years to secure.

Your Committee finds that revenue bond authority will be an appropriate and efficient means for the State's public hospitals to obtain needed funding without placing additional demands on the State Treasury.

Your Committee has amended this bill by making some technical changes that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2030, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2030, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1026 (Joint) Health and Judiciary on H.B. No. 1445

The purpose of this bill is to enhance the State's drug abuse treatment and prevention efforts through establishment of the Drug Abuse Treatment and Prevention Special Fund in the Department of Health.

The Fund will receive thirty percent of proceeds from the sale of property forfeited for drug related offenses, and an additional \$50 from each defendant convicted of certain Penal Code offenses. The Director of Health will expend this money on drug abuse treatment and prevention programs.

Your Committees find that drug abuse prevention and treatment programs are an integral part of Hawaii's efforts to protect and enhance the public health and are an effective means of prosecuting the war on drugs. This bill diverts some of the wealth gained by offenders to the public purpose and is an appropriate means of enabling the State to continue and expand its efforts on behalf of the general public.

Your Committees have amended this bill by deleting the specific percentage of forfeiture proceeds to be deposited into the Special Fund in order to encourage further discussion.

Your Committees have also amended this bill by deleting the proposed new fine and instead providing that the first \$50 of any fine levied under Chapters 705, 707, 708, 709, 710, 711, or 712 of the Penal Code shall be deposited into the new Special Fund. In this manner there will be only one fine, and the court will have the option of requiring community service if the convicted defendant is indigent.

Your Committees have also made some technical changes that have no substantive effective.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 1445, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1445, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1027 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Human Services on H.B. No. 1119

The purpose of this bill is to conform sections 103-50 and 103-50.5, Hawaii Revised Statutes, relating to the expenditure of public money and public contracts, with the federal Americans with Disabilities Act Accessibility Guidelines and increase the number of members of the Architectural Access Committee from three to five members.

The bill also appropriates \$103,000 for fiscal year 1993-1994, and \$94,000 for fiscal year 1994-1995, to effectuate the purposes of the bill.

Testimony in support of this bill was submitted by the Commission on Persons with Disabilities and the Protection and Advocacy Agency of Hawaii.

Your Committees believe that the bill will bring State law into conformance with the federal Americans With Disabilities Act and provide disabled citizens with equal access to public buildings.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Human Services are in accord with the intent and purpose of H.B. No 1119, 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. 1028 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2027

The purpose of this bill is to establish an Environmental Health Program Enhancement and Education Fund for two years to pay for environmental program enhancement and public education.

Moneys generated by the collection of fees from various regulatory activities under Sections 321-11.5, 321-15, 342F-14, 466J-4, and 466J-5, Hawaii Revised Statutes, would be deposited into the fund to pay for the proposed activities.

Although your Committee did not conduct a public hearing on the bill, it did hear and accept public comment on the Senate version of the same bill.

Your Committee finds that the establishment of the fund will enable environmental programs to provide vital education and training opportunities to staff, so as to enhance both their general competency and their effectiveness in public outreach activities.

Your Committee has amended the bill by extending the life of the fund to four years and by making stylistic changes that have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2027, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2027, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1029 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2040

The purpose of this bill is to amend the laws relating to hazardous waste by requiring persons who produce, transport, or store hazardous waste to directly notify the Department of Health (DOH) annually of the disposition of the hazardous waste in their possession.

Although your Committee did not conduct a public hearing on the bill, your Committee did hear public comment on the Senate version of the same bill.

Your Committee finds that the State's hazardous waste program is currently considered by the Environmental Protection Agency (EPA) to be on unauthorized status. The program nonetheless relies on the EPA's hazardous waste listings. As the State's hazardous waste program approaches delegated status, the DOH is finding that many of the EPA's database listings contain inaccuracies regarding generator status and activities. By requiring direct hazardous waste status notification to the DOH, the problems associated with such inaccuracies can be easily rectified on the local level.

Furthermore, as the DOH seeks to develop and implement a fee structure to support the hazardous waste program, an accurate database of hazardous waste handlers in Hawaii will be imperative.

Your Committee has amended the bill by making technical and stylistic amendments which have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2040, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2040, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1030 Education, Labor and Employment on H.B. No. 1609

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (1) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (1) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1609, 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. 1031 Education, Labor and Employment on H.B. No. 1612

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (4) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (4) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1612, 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. 1032 Education, Labor and Employment on H.B. No. 1613

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (5) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (5) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1613, 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. 1033 Education, Labor and Employment on H.B. No. 1614

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (6) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (6) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1614, 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. 1034 Education, Labor and Employment on H.B. No. 1615

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (7) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (7) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1615, 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. 1035 Education, Labor and Employment on H.B. No. 1616

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (8) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (8) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1616, 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. 1036 Education, Labor and Employment on H.B. No. 1617

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (9) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (9) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1617, 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. 1037 Education, Labor and Employment on H.B. No. 1618

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (10) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (10) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1618, 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. 1038 Education, Labor and Employment on H.B. No. 1619

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (11) for fiscal biennium 1993-1995.

Pursuant to Section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (11) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1619, 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. 1039 Education, Labor and Employment on H.B. No. 1620

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the Exclusive Representative of Collective Bargaining Unit (13) for fiscal biennium 1993-1995.

Pursuant to Section 89-13(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for Collective Bargaining Unit (13) shall be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1620, 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. 1040 Education, Labor and Employment on H.B. No. 1621

The purpose of this bill is to provide funds for fiscal biennium 1993-1995 to pay for salary adjustments and other cost items for state employees who are not covered by the collective bargaining process.

Pursuant to Section 89C-2, Hawaii Revised Statutes, cost items for excluded employees are directly related to amounts negotiated between the State and the exclusive representatives of the collective bargaining units. Since negotiations are still proceeding, this bill constitutes the vehicle by which excluded employee cost items will be provided when agreement is reached.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1621, 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. 1041 Education, Labor and Employment on H.B. No. 1664

The purpose of this bill is to incorporate a definition of "willful violation" into the statutes relating to occupational safety and health.

Current lack of a precise definition makes it difficult for employers to understand the gravity and nature of these violations and poses problems for Department of Labor and Industrial Relations inspectors when classifying a violation.

Since the penalty for willful violations is now \$70,000, a precise definition is absolutely essential.

Your Committee has amended this bill by clarifying that a willful violation must be a voluntary act or omission as opposed to an accidental act or omission, and by making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1664, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1664, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1042 Health on H.B. No. 1374

The purpose of this bill is to appropriate funds for a dialysis machine to serve the needs of North Hawaii residents.

Your Committee finds that this measure will contribute to the inventory of specialized health services easily accessible to North Hawaii residents. Your Committee supports increased accessibility of important health services in the State wherever feasible.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1374, 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. 1043 Human Services on H.B. No. 1453

The purpose of this bill is to establish the Hawaii Children's Trust Fund.

Your Committee finds that despite Hawaii's reputation as a leader in programs to prevent child abuse and neglect, the number of reported and confirmed incidents of abuse and neglect has more than doubled in the past decade. While this increase in statistics may reflect a higher percentage of cases being reported due to increased community awareness of the problem, your Committee is equally aware that these statistics also indicate that the problem of child abuse and neglect remains one of our most pressing social issues that deserves our closest attention. Your Committee recognizes that without identification and treatment for both abusers and their victims, the cycle of abuse continues, and will be perpetuated in future generations.

Faced with these sobering facts, your Committee strongly believes that it is important to proceed with the establishment of the Hawaii Children's Trust Fund as a permanent source of funding to support an ongoing integrated public/private approach for the prevention of child abuse and neglect.

Your Committee has amended this bill by:

- (1) Deleting references to the trust fund "steering committee" and replacing it with the trust fund "advisory committee";
- (2) Deleting provisions that the trust fund be placed in the State treasury and that the State be liable for the fund's operation or solvency;
- (3) Clarifying the responsibilities and membership of the trust fund advisory board and the trust fund coalition;
- (4) Deleting the Child Abuse and Neglect Secondary Prevention Advisory Committee from Section 321-38, Hawaii Revised Statutes, and establishing the Hawaii Children's Trust Fund Advisory Committee; and
- (5) Making several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1453, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1453, 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 Hagino and Mizuguchi.

SCRep. 1044 Human Services on H.B. No. 1645

The purpose of this bill is to request an emergency appropriation to continue financial assistance payments to recipients of the Aid to Families with Dependent Children, General Assistance, and Aid to the Aged, Blind and Disabled programs.

Your Committee finds that a critical funding emergency exists and these payment programs will experience a shortfall in state funding before the end of the fiscal year. According to testimony submitted by the Department of Human Services, this shortfall is due primarily to: (1) an increase in caseload, (2) an increase in the unemployment rate, (3) an annual increase in the standard of assistance, averaging approximately three to five percent each year, and (4) a decrease in the federal financial participation rate.

Your Committee further finds that if this emergency appropriation is not provided, the Department will be forced to discontinue payment to qualified individuals and families at the end of March 1993.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1645, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino and Mizuguchi.

SCRep. 1045 Human Services on H.B. No. 2023

The purpose of this bill is to request an emergency appropriation for the State Medical Assistance (Medicaid) program.

Your Committee finds that a critical funding emergency exists and the Medicaid program will experience a shortfall in state funding before the end of the fiscal year. According to testimony submitted by the Department of Human Services, this shortfall is due primarily to: (1) an increase in the Medicaid recipient population, (2) higher utilization of health care services, (3) adoption of federal services mandates, (4) Medicaid eligibility expansions, (5) a reduction of federal Medicaid matching funds, (6) payment rates reconsideration, and (7) double digit health care inflation rates.

Your Committee further finds that if this emergency appropriation is not provided by the Legislature, the Department will be forced to discontinue payments to provide health care services to Medicaid recipients on April 15, 1993.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2023, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino and Mizuguchi.

SCRep. 1046 (Joint) Health and Human Services on H.B. No. 241

The purpose of this bill is to establish the adult residential care home respite care special fund.

Under this bill, the special fund would be administered by the Department of Health to develop respite care services for residential care home operators and maintain a pool of persons qualified to provide such services.

Your Committees find that adult residential care home operators provide essential services to the elderly, disabled, and mentally ill by creating stable and safe conditions for those who may not be able to properly care for themselves. The services provided by these care home operators require them to be on duty twenty-four hours a day, seven days a week, making them highly susceptible to stress, fatigue, and burnout. Your Committees believe that by providing respite care bonuses, adult residential care home operators will be able to receive well-deserved periodic relief from their work and remain fit to continue their services in an efficient and caring manner.

Instead of creating a special fund, your Committees have determined that it would be more appropriate to provide a general fund appropriation of \$224,500 for fiscal year 1993-1994 for adult residential care home operator respite bonuses. Your Committees intend for the respite bonuses to be issued to operators of Type I homes and would be calculated as follows:

Divide the Level III reimbursement rate of \$874 per month by an average of 30 days per month and multiply by 4, the number of days of respite care to be provided.

Under this formula, the four-day bonus to the operator would be \$116 per resident. Multiplied by 1,800, the reported number of State supported residents in Type I care homes, the total cost for respite care services would be \$208,800.

In addition, the appropriation includes \$16,000 for one clerk-typist position (SR-9) to perform administrative duties associated with the respite bonus, including the verification of resident occupancy and issuance of checks to operators.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.B. No. 241, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 241, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Kobayashi, A., Mizuguchi, Solomon and Hagino.

SCRep. 1047 (Joint) Planning, Land and Water Use Management and Agriculture on H.B. No. 1449

The purpose of this bill is to appropriate funds to the University of Hawaii for the control of melastome plant pests.

Melastomes are a family of plants that generally produce very attractive flowers and foliage. Introduced to Hawaii as ornamental plants, melastomes are weedy plants that develop very rapidly, outcompeting most other plants in the area.

Very few insects attack these plants, and each plant can produce thousands of minute seeds that are eaten by birds and scattered widely.

Two species, miconia and cane tibouchina, pose a serious threat to the conservation and management of Hawaii's forests and watersheds. Miconia is a large tree that is already well established in the Hana area of Maui and the Onomea area on the Big Island. Cane tibouchina is extremely aggressive and threatens forests, watersheds, irrigation ditches, and rangeland.

In 1992, the state and federal governments, together with the private sector, identified management and research needs and developed a statewide proposal for the control of melastome plant pests. The 1992 Legislature appropriated \$50,800 for the first year's funding of the proposal. As part of the implementation of the proposal, the Department of Agriculture will be conducting explorations in Central and South America beginning in May or June 1993 in search of biological agents to control cane tibouchina, miconia, and other melastome plant pests. The Department will also be printing materials to educate the public about these pests. The funds appropriated in this bill will be used to continue the melastome management and research program initiated last year.

Your Committees find that a well developed, long-term, statewide management plan is required to stop the spread of these destructive melastome introductions, and minimize, if not reverse, their negative impact on Hawaii's pristine forest and conservation areas.

Your Committees on Planning, Land and Water Use Management and Agriculture are in accord with the intent and purpose of H.B. No. 1449, 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. 1048 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2026

The purpose of this bill is to amend the State's air pollution laws contained in Chapter 342B, Hawaii Revised Statutes (HRS).

Specifically, the bill:

- (1) Amends the definition of "covered source" to allow the Director of Health to determine standards governing what constitutes a "covered source";
- (2) Amends the definition of "modification" to include sources other than major sources of pollution; and
- (3) Shortens the amount of time allowed for a person to request a public hearing and for public comment under Chapter 342B, HRS, from sixty to forty-five days.

Your Committee finds that although the provisions of the bill have merit, the State's Clean Air Act is in need of more substantial alteration in order to maintain and protect the State's air quality.

Therefore, your Committee has amended the bill by:

- (1) Adding a new section that exempts odors emanating from agricultural operations from Chapter 342B, HRS;
- (2) Adding a section that amends the definition of "regulated air pollutant" by adding nitrogen oxides;
- (3) Adding a section requiring the Department of Health to make information and data on emissions regulated under Chapter 342B, HRS, available to the public during normal office hours;
- (4) Deleting the proposed forty-five day time period and the existing sixty day time period to provide public comment to ensure that the bill be discussed in conference committee;
- (5) Adding a section that amends Section 342B-29(c), HRS, by inserting provisions that assess a fee of not less than \$100 per ton on emissions by covered sources in excess of 8000 tons per year;
- (6) Adding a section that adds a subsection (f) to Section 342B-29, HRS, to establish agricultural burning fees;
- (7) Adding a section that clarifies the civil and criminal penalty provisions of Chapter 342B, HRS; and
- (8) Repealing the definition of "modification"; provided that the repeal shall be effective only after a definition of the same term, which conforms with certain guidelines, is adopted by the Department of Health; and
- (9) Adding a section that repeals Section 342B-34, HRS, exempting agricultural burning from the chapter.

Your Committee believes that the proposed amendments will protect Hawaii's air quality.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2026, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2026, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1049 Judiciary on H.B. No. 62

The purpose of this bill is to establish the offense of unlawful entry upon the premises of a facility utilized as a sex abuse, child abuse, or spouse abuse shelter. It prohibits any person to knowingly enter or unlawfully remain upon the premises of a facility after reasonable warning, or request to leave by a facility staff member. This measure makes a violation a misdemeanor.

Your Committee received testimony from the Department of the Prosecuting Attorney, of the City and County of Honolulu, Child & Family Service, The Commission on the Status of Women and a concerned citizen.

Your Committee finds that shelters were established to provide safe places for victims of family violence and sexual assault. Since the locations of these places are often known and abusers often angry, individuals seeking shelter and the shelter staff are at risk.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 62, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1050 Judiciary on H.B. No. 201

The purpose of this bill is to amend Section 612-15, Hawaii Revised Statutes, by changing the trial jury service year to a calendar year as well as changing the method of storing trial juror names and qualification forms.

Your Committee finds that the subject matter of the bill has been dealt with in another measure.

Your Committee has amended the bill to allow the District Courts to impanel a jury and to exempt jurors from certain parking violations while they are on jury duty in District Court DUI cases.

Your Committee finds that the backlog of criminal cases in Circuit Court has been increasing at an alarming rate. Act 253, which allowed District Courts to hear trials by jury for DUI cases, is one step toward alleviating that backlog. Your Committee finds that to allow the District Court to impanel a jury is a necessity if it is to hear trial by jury cases, and to exempt District Court jurors from parking tickets would serve the uniform application of the law considering Circuit Court jurors are currently exempt.

Your Committee has also included a provision in the bill to exempt a person from jury duty if that person is burdened with serious undue hardship because of the distance between the person's residence to the place of jury service.

Your Committee finds that a person's responsibility to fulfill one's civic duty by being a member of a jury is an important responsibility. Your Committee finds that most people, including rural residents, are willing to fulfill that duty, except when hardship is caused. Traveling great distances may be an undue hardship for some people.

It is the intent of your Committee that travel distance to court should not be the sole reason for exempting a person because of undue hardship, but when the person has affirmed that circumstances coupled with the distance cause undue hardship, the court should give that factor appropriate weight. Furthermore, the determination should be made in a way that does not subject the individual to the very travel that is part of the hardship.

Your Committee has further amended the bill to prohibit the use of voter registration lists to compile a master list for jurors. Your Committee finds that the use of voter lists to obtain names for jury duty is a deterrent to voter registration.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 201, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1051 Judiciary on H.B. No. 569

The purpose of the bill is to allow the court to excuse a party from mediation in a divorce proceeding.

Your Committee received testimony from the Judiciary.

Your Committee finds that the element of good faith necessary for the mediation program may not exist in cases involving spouse abuse.

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. 569, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 569, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1052 Judiciary on H.B. No. 576

The purpose of this bill is to appropriate funds for the completion of a study on the economic impact of divorce on spouses in Hawaii.

The bill designates the Hawaii Supreme Court Permanent Committee on Gender and Other Fairness to complete and submit the final study to the Legislature before the 1994 legislative session.

Your Committee received testimony in support of the bill from the Judiciary, "Changing Me", and a number of interested educators and attorneys.

Your Committee finds that divorce inflicts a disproportionately high economic burden on women and recognizes the need for documentation of the economic consequences of divorce.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 576, 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. 1053 Judiciary on H.B. No. 782

The purpose of the bill is to allow grandparents of a child to petition the family court for reasonable visitation rights.

Your Committee finds that grandparents play a significant role in the lives of minor children and should be allowed reasonable visitation rights so long as it is in the best interests of the child.

Your Committee has amended the bill to broaden the scope of the bill concerning the extent to which a grandparent may petition for visitation rights by:

- 1) Permitting a petition to be filed regardless of the existence of any other court order or agreement;
- 2) Eliminating the requirement that the parents of the child be deceased, divorced or residing separate and apart;

However, your Committee is also concerned that the rights and interests of the parents or custodians not be jeopardized, and that the court have full and complete information before determining the best interests of the child. Therefore, your Committee has amended the language in the bill providing notice to persons having custody or an interest in the child and affording them an opportunity to be heard. The court may proceed with the hearing if it determines that interested persons received actual notice of the petition and of the time and place of the hearing.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 782, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 782, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1054 Judiciary on H.B. No. 783

The purpose of the bill is to permit the applicability of deferred acceptance of pleas under Chapter 853, Hawaii Revised Statutes, to non-felony assault cases.

Your Committee received testimony relative to the bill from the Prosecuting Attorney and the Police Department of Honolulu and the Public Defender.

Your Committee finds that burglary, felonious theft, and class "B" felony drug offenses are eligible for deferred pleas but that an assault involving any physical pain is not so eligible, even if the assault were part of a mutual affray, and a petty misdemeanor.

Your Committee notes that a deferred plea is only granted in the discretion of the court and only if it appears to the court that the defendant is not likely to again engage in a criminal course of conduct. Further, the degree of bodily injury would clearly be a factor considered by a court before determining whether a deferred plea might be granted.

Your Committee finds that the use of deferred pleas in appropriate cases and under appropriate circumstances has proven to be a beneficial tool in promoting public safety.

Your Committee has amended the bill to clarify the intent to exclude misdemeanor offenses which carry a minimum sentence such as abuse of a family or household member and assault against a police officer.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 783, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 783, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1055 Education, Labor and Employment on H.B. No. 759

The purpose of this bill is to provide a one-time incentive for public employees to take advantage of early retirement.

Specifically, the bill would allow any public employee with twenty-five years as a contributory member of the Employees' Retirement System, or thirty years as a noncontributory member, to take full early retirement, with three additional years of service credit tacked on, regardless of age.

Current retirement age is fifty-five, and those who retire earlier are penalized by a decrease in their monthly retirement allowance.

Your Committee finds that this bill is not intended to give public employees a special benefit but is a means of reducing the public payroll and constitutes an appropriate policy mechanism to redesign and reshape delivery of public services. Your Committee sees a need to downsize government to realistically accommodate the tax base; however, your Committee is also aware of the potential impact downsizing may have on service delivery. This bill will balance downsizing with provision of needed services by enabling reallocation of payroll savings to worthwhile programs that are currently experiencing funding difficulties.

However, your Committee is concerned that the provisions of this bill as received may exceed the parameters established by the bill's title. In consideration of this and other factors, your Committee has generally rewritten Section 2 of this bill as follows:

- (1) Established the retirement bonus as a Session Law in consideration of its one-time nature;
- (2) Extended the window of opportunity to December 31, 1994;
- (3) Provided that no retiree may reenter the System to take advantage of the three year bonus;
- (4) Deleted the provisions relating to Public Employees Health Fund contributions and abolition of positions; and
- (5) Granted the Mayors, the Board of Education, the Board of Regents, and the Chief Justice discretion as to allowing their employees to take the early retirement.

Your Committee has also deleted Section 3 in consideration of the amendments to Section 2 and provided \$60,000 to the Department of Budget and Finance to implement the bonus plan.

It is the intent of your Committee that one-third of the positions eliminated from a department due to this measure should be retained by the department at the department's average salary, one-third returned to general recruitment, and one-third eliminated, and that following retirement of an eligible employee, all remaining moneys appropriated towards that position should revert to the appropriate jurisdiction's general fund. Your Committee will seek to include these provisions in the Executive Budget for fiscal biennium 1993-1995.

Your Committee has also deleted the Auditor's evaluation in favor of inclusion in the Executive Budget.

Your Committee has further amended this bill by making some technical changes that have no substantive effect.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 759, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 759, 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 Holt and Tanaka.

SCRep. 1056 (Joint) Judiciary and Public Safety and Corrections on H.B. No. 1773

The purpose of this bill is to establish a program of regimental discipline implemented by the Department of Public Safety for defendants who are: 1) chosen by the Director of Public Safety; 2) are in good physical condition; 3) have not been previously sentenced to an indeterminate term of imprisonment; and 4) are willing to participate. The court sentences the defendant to the program as a condition of probation or a deferred acceptance of guilty plea. If the defendant does not complete the program, as certified by the Director, it is considered a failure to comply with the condition for deferred acceptance of guilty plea or a violation of probation.

The Department of Public Safety, the Office of the Public Defender and the Government Efficiency Team Private Sector submitted testimonies supporting the bill. Testimony opposing the bill was submitted by the Department of Prosecuting Attorney of the City and County of Honolulu.

Your Committees are vitally concerned with the problem of prison overcrowding. Your Committees find that a viable alternative to incarceration is to establish a regimental discipline program for first time offenders as they are more likely to respond to rehabilitative efforts.

Your Committees have amended the bill by amending the eligibility requirements for a program of regimental discipline to exclude defendants who have been convicted of a class A felony or who are considered violent. Your Committees consider those individuals undeserving and least receptive to a discipline program due to their violent and disruptive natures as evidenced by the seriousness of their criminal behavior.

Your Committees have further amended the bill to require that the length of the program be at least 90 days, and have also clarified the consequences of not completing the program.

Your Committees on Judiciary and Public Safety and Corrections are in accord with the intent and purpose of H.B. No. 1773, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1773, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1057 Education, Labor and Employment on H.B. No. 187

The purpose of this bill is to enable the State or counties to establish leave sharing programs wherein one employee may transfer earned vacation credits to another employee in the same jurisdiction who needs extensive time off to recover from a serious illness or injury.

The State or county would adopt rules relating to eligibility that at a minimum would require a recipient to have depleted his or her own sick or vacation leave credits, or be on the verge of doing so, and have a clean leave-taking record.

The bill is scheduled to be repealed on June 30, 1994.

Your Committee finds that leave sharing is an appropriate and feasible means of enabling worthy public employees to protect their jobs when faced with prolonged illness or injury.

However, your Committee is concerned about potential difficulties arising from substitution of one kind of leave for another, vis a vis vacation leave for sick leave purposes. Therefore, your Committee has amended this bill to enable the sharing of sick leave credits only. Thus, an employee who has a surplus of sick leave accumulated under Section 79-8, Hawaii Revised Statutes, may donate some to another employee in the same jurisdiction.

Although the Department of Personnel Services and the City and County of Honolulu objected to this proposal, your Committee believes that there is an overriding public benefit to be derived from a shared sick leave program and finds that the costs would be minimal. Your Committee further finds that this bill as amended will not exclude employees who do not receive vacation from receiving the benefit contemplated by this measure.

Your Committee has also provided that rules to flesh out a program must be adopted by the State or a county pursuant to Chapter 91, extended the repeal date to June 30, 1999, and made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 187, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 187, 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 Holt and Tanaka.

SCRep. 1058 Education, Labor and Employment on H.B. No. 1737

The purpose of this bill is to amend certain qualification criteria for Unemployment Insurance benefits.

The bill provides that a regular claimant receiving training under the Job Partnership Training Act shall not be denied benefits. For extended benefit claimants, the bill extends eligibility to persons who have wages in the base period of at least one and one-half times their high quarter wages or wages for insured work of at least forty times their most recent weekly benefit amounts, and suspends from March 6, 1993 to January 1, 1995 the eligibility requirements relating to active search for work and purging of a previous misconduct disqualification through subsequent employment.

Under current law, claimants are entitled to benefits while attending vocational training or retraining classes approved by the Director of Labor and Industrial Relations. Your Committee finds that claimants in JPTA training, with the exception of OJT, should be afforded the same benefit.

With regard to eligibility for extended benefits, current law requires a claimant to have at least twenty weeks of work in the base period on which the original claim was filed. This bill, by providing two alternatives, will permit more long-term unemployed claimants to receive additional benefits.

With regard to the moratorium on job seeking and misconduct disqualifications, your Committee is advised that Public Law 102-318 enacted on July 3, 1992 requires suspension of those provisions while a nationwide study is carried out. Failure to do so will result in loss of the federal tax offset credit for employers and the administrative funds needed to operate the State's Unemployment Program.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1737, H.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tanaka.

LCRep. 1059 Legislative Management on H.B. No. 785

The purpose of this bill is to appropriate funds to the Legislative Reference Bureau for publication of replacement volumes of the Hawaii Revised Statutes.

The replacement volumes will contain all laws in the 1985 Replacement Volumes as amended and supplemented by the Legislature from 1986 through 1993, and a replacement index in an edition year to be designated by the Revisor of Statutes.

The Bureau may hire temporary technical and clerical assistants for the project, and money already appropriated for the 1993 supplements will be reappropriated for the replacement volumes. Funding will lapse on June 30, 1996.

Less than 150 sets of the 1985 version remain; therefore, it is essential to produce replacement volumes to ensure public accessibility to the Hawaii Revised Statutes.

Your Committee has amended this bill by providing for the Lieutenant Governor and the Legislative Reference Bureau to explore alternate, less expensive means of printing and distributing the replacement volumes.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 785, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 785, 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 Holt.

LCRep. 1060 Legislative Management on H.B. No. 948

The purpose of this bill is to delete an obsolete reference in the statute that provides the manner in which lobbyists must file their statements with the State Ethics Commission.

Section 97-4, Hawaii Revised Statutes, provides that such statements shall be a public record pursuant to Section 92-51. However, Section 92-51 was repealed pursuant to Act 262, Session Laws of Hawaii 1988. This bill deletes the obsolete reference.

Your Committee notes that lobbyist statements remain public records; this bill in no way disturbs that policy.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 948 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Holt.

SCRep. 1061 Judiciary on H.B. No. 214

The purpose of this bill is to amend section 704-406, Hawaii Revised Statutes, to permit the court to appoint a panel of three qualified examiners to report on whether a defendant, who has been conditionally released, presents a substantial likelihood of becoming fit to proceed in the future. Additionally, this measure allows the court to dismiss the charge against the defendant or to civilly commit the defendant, if the court determines that the defendant will probably remain unfit to proceed.

The Judiciary and the Office of the Public Defender testified in support of this bill.

Your Committee finds that this measure corrects an oversight in section 704-406, Hawaii Revised Statutes. Presently, there is a lack of statutory authority in this section to allow the court to rule on a defendant's fitness to proceed in the future if the defendant has been conditionally released. This bill rectifies that oversight.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 214 S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1062 Judiciary on H.B. No. 921

The purpose of the bill is to raise the dollar amount ranges when amounts are required to be reported on disclosure of financial interest statements.

Your Committee received testimony in support of the bill from the State Ethics Commission.

Your Committee finds that due to inflation and increase in salaries in recent years, the current ceiling of \$150,000 does not serve the purpose of the law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 921 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1063 Judiciary on H.B. No. 922

The purpose of the bill is to eliminate provisions of law requiring the State Ethics Commission to give persons who have filed financial statements an opportunity to request their return.

Your Committee received testimony in support of the bill from the State Ethics Commission.

Your Committee finds that contacting each person who has filed a financial statement after 3 years is an extremely time consuming and expensive task.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 922 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1064 Judiciary on H.B. No. 1068

The purpose of this bill is to specify that a false endorsement is a method of forging a written instrument.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu and the Police Department of the City and County of Honolulu.

Your Committee finds that by including false endorsement within the definition of "forged instrument", this proposed amendment would provide clarity and consistency to definitions regarding forgery and other related offenses within the Hawaii Penal Code. Moreover, this proposed amendment would be consistent with the legislative intent as established in Act 155, SLH 1988, which included false endorsement as a method of committing the offense of forgery to strengthen the existing forgery laws at that time.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1068 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1065 Judiciary on H.B. No. 1075

The purpose of this bill is to amend Section 708-830.5, Hawaii Revised Statutes (HRS), by providing that theft in the first degree shall include theft of services in which the value exceeds \$20,000.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that this measure is necessary to restore legislative intent and provide consistency within Hawaii's penal code.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. NO. 1075 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1066 Judiciary on H.B. No. 1467

The purpose of this bill is to require the Hawaii Paroling Authority to parole a prisoner in the county of commitment unless the prisoner can establish to the satisfaction of the Hawaii Paroling Authority that: 1) the prisoner had a permanent residence and occupation or employment in another county or jurisdiction prior to commitment; 2) the prisoner will reside in a county which has a population over 800,000; or 3) the prisoner will be released for immediate departure from the State.

Testimony was submitted by the Hawaii Paroling Authority and the Office of the Public Defender.

The Department of Public Safety hopes to build additional facilities on the neighbor islands. This bill recognizes the strong opposition that likely will surface if the community must fear that parolees will remain in the vicinity after serving their sentences.

Since the purpose of the bill is to deal primarily with that concern, your Committee has amended the bill to provide that it shall only take effect upon the completion of a State correctional facility with a capacity for 300 or more prisoners in a county in which the population does not exceed eight hundred thousand. Your Committee also amended the bill by replacing "county of commitment" with "county where the offense convicted of occurred and where the person was sentenced" to avoid ambiguity.

It is not your Committee's intent that the Hawaii Paroling Authority be restricted from requiring or imposing as a condition of parole, the participation of the prisoner in a treatment or counseling program in an appropriate county. Nor is it the intent of your Committee to restrict or preclude the Hawaii Paroling Authority from considering victim concerns when determining the parole of a prisoner to a particular county.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1467, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1467, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1067 Judiciary on H.B. No. 1687

The purpose of this bill is to authorize the release of a copy of the presentence report or investigative report to any psychiatrist, psychologist, or mental health practitioner who is treating the defendant or offender pursuant to a parole order for mental health care.

The Hawaii Paroling Authority testified in favor of the measure. Your Committee also received testimony from the Office of the Public Defender.

Your Committee finds that the presentence report contains vital information for the treatment provider to understand the circumstances of the offense, the offender's criminal, social and medical history. It is essential to the treatment planning and casework activities in providing substantive and clinical information regarding the mentally ill offender for preparation of parole release.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1687, 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. 1068 Judiciary on H.B. No. 1717

The purpose of this bill is to amend the penal code section regarding negotiating worthless instruments to update the statutory cross-references to the Uniform Commercial Code contained in this section.

Article 3 of the Uniform Commercial Code was repealed and replaced by Act 118, Session Laws of Hawaii 1991. However, Section 708-857 of the Hawaii penal code, relating to the negotiation of worthless instruments, contains several cross-references to the old version of Article 3. This bill will update these obsolete cross-references.

Your Committee received testimony relative to the bill from representatives of the Retail Merchants of Hawaii and Liberty House

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1717, 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. 1069 Human Services on H.B. No. 120

The purpose of this bill is to amend the eligibility requirements for public assistance applicants by setting the standard of need at the 1992 federal poverty level and eliminating the annual adjustment as changes in the federal poverty level occur until June 30, 1995.

In addition, this bill clarifies the methodology for calculating the amount of financial assistance to eligible households.

Your Committee finds that due to the anticipated shortfall in State revenues, the State must undertake a fiscally responsible approach to addressing the increased caseload and escalating cost of public assistance payment programs. Under this bill, the total value of the financial, medical, and food stamp benefits received by a family would continue to be maintained at or slightly above the federal poverty level.

In determining the standard of need, your Committee supports the amendment in this bill that conforms State law to the federally prescribed method of calculating the dollar amounts to be paid. The Department of Human Services is required to convert the annual federal poverty level to a monthly amount to determine the need standard, then reduce it by 62.5 percent to establish the payment standard in dollars. This bill clarifies the process for rounding down that dollar amount.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 120, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Fukunaga, Hagino and Mizuguchi.

SCRep. 1070 Education, Labor and Employment on H.B. No. 1665

The purpose of this bill is to make Hawaii's occupational safety and health law relating to prohibited discrimination consistent with federal and case law.

Current law specifies circumstances under which refusal to engage in unsafe work is protected and discharge or suspension is illegal. However, while focusing precisely on protecting employees who refuse to engage in unsafe work, the law fails to distinguish between actual danger and minor administrative or technical violations that pose no harm.

Case law evolving since enactment of Hawaii's statutes has not only affirmed an employee's right to refuse unsafe work but has also clarified limitations, remedies, and types of activities that are protected.

This bill modernizes and clarifies Hawaii's occupational health and safety provisions governing discrimination and brings Hawaii law into line with federal law and precedent.

This bill also clarifies the right of an employee to pursue a private cause of action through the courts simultaneous with a proceeding under Chapter 378, Hawaii Revised Statutes. Your Committee wishes to note that this provision is not intended to restrict any rights under current law and does not create a new cause of action.

Your Committee has amended this bill by making several nonsubstantive technical changes for the purpose of clarity and style and to correct drafting errors.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1665, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1665, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 1071 Judiciary on H.B. No. 150

The purpose of this bill is to modify the campaign spending laws to encourage citizen participation in the electoral process.

Among other things, this bill:

- (1) Requires that any loan to a candidate greater than \$2,000 be documented and disclosed, and clarifies the definition of a loan;
- (2) Transfers duties relating to reports on election campaign contributions and expenditures from the Lieutenant Governor to the Campaign Spending Commission;
- (3) Prohibits a candidate, campaign treasurer, or committee from purchasing from its campaign fund more than two tickets for each event held by another candidate instead of for each fund-raiser;
- (4) Repeals the limit of one fund-raiser per election for each candidate;
- (5) Requires any contribution from a person exceeding \$2,000 be deposited with the Hawaii election campaign fund no later than six months after its receipt, rather than be returned to the contributor;
- (6) Increases from \$500 to \$2,000 the level of aggregate contributions or expenditures for which a candidate may file a short-form report for a reporting period;
- (7) Repeals the requirement that all proceedings regarding complaints of campaign finance contributions shall be confidential until a determination of probable cause has been made; and
- (8) Increases the amount of political contributions that any taxpayer and any individual taxpayer is allowed as a deduction in computing taxable income.

The League of Women Voters and Common Cause Hawaii generally supported this bill. The Department of Taxation also commented on this measure, while the Campaign Spending Commission had no official position.

Your Committee finds that voter registration and turn out have diminished in the past few years. Your Committee feels that the lack of voter interest may be attributable to decreased faith and confidence in political candidates, committees, and their activities. Your Committee finds that this measure will greatly aid in rebuilding and strengthening public confidence and improving public perception of political candidates, committees and the overall political system.

Your Committee has amended the bill to provide the following reforms:

- (1) Requiring that any loan to a candidate greater than \$100 be documented and disclosed;
- (2) Limiting contributions by a person to a candidate to \$2,000 for a two year office, \$6,000 for a four year statewide office, and \$4,000 for a four year nonstatewide office, during an election period which consists of the two year period between general election days for 2 year offices, 4 year period between election days for 4 year offices;
- (3) Requiring that loans by a candidate's family, made for campaign purposes to a candidate, be included in the \$50,000 contribution limit to which the candidate is subject;
- (4) Penalizing candidates who knowingly receive and retain funds in excess of the contribution limits by imposing a fine of three times the amount of the excess unless the candidate deposits the excess into the public fund within 45 days of receipt. The fine, if any, and excess is to be deposited into the public fund;
- (5) Distinguishing organizational reports of candidate committees from noncandidate committees and adding a definition for noncandidate committee;
- (6) Adding requirements for a candidate to pay the full filing fee, and to notify the chief election officer and all contributors when the candidate exceeds previously agreed upon expenditure limits. It is the intention of your Committee to promote full disclosure and prevent abuse of the system;
- (7) Deleting the requirement to give notice of intent to hold a fundraiser to conform to other amendments proposed by the bill;

- 8) Clarifying that candidates who fail to be nominated or elected, and elected officials who do not file to become a candidate for reelection are not subject to the provisions of section 11-214;
- 9) Requiring that an advertisement close to election cannot contain the phone number of the state or county office of a candidate who is the holder of an elected office;
- 10) Setting the maximum amount of public funds available to a candidate to be 10% of the total expenditure limit established for each office pursuant to section 11-209, Hawaii Revised Statutes;
- 11) Requiring applications for public funds be made no later than thirty days after the general election.
- 12) Requiring persons who have received contracts from the State aggregating \$250,000 or more to report their contributions;
- 13) Restricting the political activities of a member of the campaign spending commission. Your Committee finds that these restrictions will reduce the public's perception of impropriety; and
- 14) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 150, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 150, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1072 Judiciary on H.B. No. 203

The purpose of the bill is to provide the necessary appropriations and authorizations for the operations, and capital improvements of the Judiciary branch during the 1993-1995 fiscal biennium.

Testimony in support of the bill was submitted by the Judiciary.

Your Committee finds that the combination of a natural disaster and slow economic growth create a major financial challenge in maintaining the State's fiscal integrity.

Your Committee has amended the bill by deleting essentially all its contents and inserting the provisions of S.B. No. 210 relative to the Judiciary budget.

Your Committee has amended the bill further to increase the appropriation for family court operations and to fund the initial phases of capital improvements for the Lanai and Naalehu Districts Courts. The bill was also amended to delete the authorization for the Chief Justice to transfer funds between certain programs.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. NO. 203, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. NO. 203, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1073 Judiciary on H.B. No. 741

The purpose of this bill is to appropriate funds for a comprehensive review of the State Penal Code.

Your Committee received testimony in favor of this bill from the Judiciary, the Office of the State Attorney General, and the Department of Public Safety.

Act 291, Session Laws of Hawaii, 1983, appropriated funds to form a committee on Penal Code revision and reform to do a comprehensive review of the Penal Code and to make recommendations to the Legislature.

During the past several years, numerous amendments have been made to the code on a piecemeal basis. However, there has not been comprehensive review as to the effect these amendments have on the principles and philosophy on which the code is based. Moreover, there are concerns as to the structural and systematic impact these amendments have on the entire criminal justice system, including the courts and the correctional system. Accordingly, your Committee finds that an additional review is needed to address the periodic changes made to the Penal Code within the concept that the Code is not an isolated body of law but, rather, a part of the entire criminal justice system of the State.

Your Committee is concerned that too large an advisory council may slow the review process and therefore it has amended the bill by reducing the membership of the council. In addition, your Committee believes that to maintain equality between the State's interest and the people's interest, the number of members from the defense community should equal the number of members from the law enforcement community with Judiciary members representing the neutral "balance of power".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 741, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 741, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1074 Judiciary on H.B. No. 1564

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes pursuant to chapter 23G, to correct errors, update references, clarify language, and delete obsolete or unnecessary provisions. All amendments are of a purely technical nature and contain no substantive changes to the law.

The reasons for the technical amendments made in the bill are as follows:

Section 1. L 1992, Act 181 amended chapter 9 of the Hawaii Revised Statutes (HRS), regarding the state foundation on culture and the arts, by designating sections 9-1 through 9-5 as Part I (general provisions) and enacting a new part II (foundation grant program), consisting of eight new sections. Newly designated section 9-13 refers to rules adopted pursuant to section 9-2; however, the foundation's authority to adopt rules is contained in section 9-5. The incorrect cross-reference to section 9-2 is deleted and replaced with the correct statutory reference.

Section 2. As in section 1 of this bill, newly designated section 9-15 contains an erroneous cross-reference to section 9-2 as the statutory source of the foundation's rulemaking authority, and is replaced with the correct reference to section 9-5.

Section 3. L 1970, Act 26, amended the election law by allowing circuit courts to compel the attendance of witnesses, punish contempts, and other powers in election contests in section 11-175, HRS. L 1973, c 217 amended that section, inter alia, by replacing the reference to circuit courts with the supreme court, but failed to amend the section title accordingly. The title is amended by deleting the reference to "courts" and substituting "supreme court" in its place to conform the title to the 1973 amendment.

Section 4. Section 26-14.6(f), HRS, which transferred the functions, authority, and obligations exercised by sheriffs and deputy sheriffs to the department of public safety effective July 1, 1990, cross-references every HRS section referring to "sheriff", "sheriffs", "sheriff's deputy", and similar references. However, two of these cross-references, sections 329-55 and 653-6, no longer contain references to sheriffs or deputy sheriffs, and are deleted from the list of cross-references in section 26-14.6.

Section 5. L 1989, c 80 repealed chapter 47, HRS (bonds: county and municipal) and enacted a new chapter 47 (county bonds). Repealed section 47-6 (use of proceeds) made reference to the "redemption or retirement of ... bonds". However, the new section on the same subject matter, section 47-5, incorrectly refers in paragraph (1) to the "redemption of retirement of bonds" (emphasis added). This manifest clerical error in section 47-5(1) is amended by deleting the first occurrence of the word "of" and the insertion of the word "or" in its place.

Section 6. L 1992, c 39, §1 amended HRS section 88-29 by, inter alia, deleting the reference to the secretary of the Employees' Retirement System (ERS), and substituting an administrator in its place; section 2 of L 1992, c 39 permitted the board to appoint the incumbent secretary as administrator. However, the reference to the secretary of the ERS in §88-211(4), HRS, was not similarly changed to administrator. This oversight is corrected by substituting "administrator" for "secretary" in that HRS section.

Section 7. Section 132-12, HRS, allows county fire chiefs to invoke the aid of any court of competent jurisdiction to enforce lawful actions or orders of the fire chief. Prior to its amendment and renumbering by L 1978, c 241, §2(15), however, that section contained several other provisions relating to notices, rehearings, appeals, and the record. See Revised Laws of Hawaii 1955, §184-14, as amended by L 1965, c 96, §127. Because the provisions of that section relating to notices, rehearings, appeals, and the record were deleted by the 1978 amendment, the title to that section is amended accordingly.

Section 8. L 1987, c 336, §7 sought, inter alia, to replace all references in the HRS to "director of planning and economic development", "director of department of planning and economic development", or like terms with "director of business and economic development". L 1990, c 293, §8 subsequently sought to replace all HRS references to "director of business and economic development", "director of the department of business and economic development", or similar terms, with "director of business, economic development, and tourism". However, both acts failed to amend the reference to "director of planning and economic development" in HRS §189G-1, relating to the establishment of the Hawaii aquaculture advisory council and its membership. That HRS section is amended by deleting the obsolete reference and substituting the correct reference in its place.

Section 9. Section 286-116(a), HRS, refers to certificates of self-insurance issued by the "commissioner of motor vehicle insurance" pursuant to sections 431:10C-107 and 431:10G-103. However, the office of the commissioner of motor vehicle insurance became obsolete on May 21, 1980, the effective date of L 1980, c 86. That Act, inter alia, established the director of regulatory agencies as the insurance commissioner and provided that the incumbent commissioner of motor vehicle insurance was to serve as the assistant insurance commissioner until the termination of that person's term of office. (The insurance commissioner is now appointed by the director of commerce and consumer affairs with the approval of the governor pursuant to HRS §431:2-102.) Section 286-116(a) is amended by deleting the obsolete reference to "commissioner of motor vehicle insurance" and inserting the correct reference in its place.

Section 10. L 1992, c 120, §1 amended section 287-36, HRS, regarding the proof of financial responsibility required under the motor vehicle safety responsibility act, but inadvertently omitted the word "to" following the words "bodily injury" in the first sentence of subsection (b). The word "to" is inserted to correct that omission.

Section 11. L 1992, c 120, §3 amended section 287-40, HRS, also relating to motor vehicle safety responsibility, but inadvertently omitted both a semicolon from the section title (following the word "proof"), as well as the words "the death of" following the words "In the event of" in paragraph (2). The revisor of statutes editorially corrected these manifest clerical or typographical errors pursuant to section 23G-15(7), HRS, by substituting a semi-colon in place of the comma

in the title and by inserting the omitted language in brackets in paragraph (2). The re-insertion of the inadvertently omitted language is ratified by deleting the brackets in paragraph (2).

Section 12. The part IX heading of chapter 321, HRS, contains two errors. The first is a misspelling of the word "screening" in the 1992 HRS supplement (although the word is correctly spelled in the 1985 replacement volume). The second is a change in program name brought about by the amendment of section 321-101, HRS, by L 1992, c 312, §1, which changed the "vision and hearing screening program" to the "systematic hearing and vision program". Part IX, which consists only of section 321-101, is amended by amending the title to reflect the change in the name of the program.

Section 13. Section 353-63, HRS refers to the service of members of the Hawaii paroling authority, their compensation, and expenses. A semi-colon is inserted in the title after the word "members" to provide for greater clarity in the description of the contents of that section.

Section 14. Section 373F-2, HRS, regarding the tourism training council, refers to the "state commission on employment and human resources". However, the correct name of that commission, in accordance with §202-1, HRS, is the "advisory commission on employment and human resources" (emphasis added). The section is amended accordingly to achieve clarity and consistency.

Section 15. L 1987, c 347, repealed section 431-318, HRS, regarding taxation of insurers, and enacted a new section on the same subject matter, section 431:7-202, in its place. Section 386-154.5(a), HRS, contains a cross-reference to section 431-318(a), and is amended by deleting that obsolete reference and inserting the new reference to section 431:7-202(a) in its place.

Section 16. Section 394-5, HRS, regarding the administration of human resource development and training programs, contains an incorrect reference to the "state commission on employment and human resources". As in section 14 of this bill, amending section 373F-2, that reference is amended by deleting the word "state" and inserting the word "advisory" in its place to conform the name of the commission to section 202-1, HRS, to achieve clarity and consistency.

Section 17. L 1987, c 377 amended section 394B-2, HRS (the definition section in the chapter regarding dislocated workers), but failed to insert commas following the words "industrial" and "commercial" in the definition of "relocation". Commas are inserted in that definition to correct the omissions.

Section 18. L 1992, c 176, enacted a new article of the insurance code, chapter 431, HRS, and was codified as article 9B (reinsurance intermediary), in which "reinsurance intermediary-broker" is defined in section 431:9B-101. The title to section 431:9B-104, however, refers to "reinsurance intermediary brokers" without any hyphenation. The title to that section is amended to conform to the definition of that term in section 431:9B-101 to achieve consistency.

Section 19. As in section 18 of this bill, the term "reinsurance intermediary-manager" is defined in section 431:9B-101, HRS. The title to section 431:9B-104, however, refers to "reinsurance intermediary; managers". The title of that section is amended to conform to the definition of that term in section 431:9B-101 to achieve consistency.

Section 20. L 1992, c 124, §11 amended section 431:10C-304, HRS (obligation to pay no-fault benefits), but inadvertently omitted a comma following the words "or use of the vehicle", and substituted the word "defendant" in place of the word "dependent" following the words "surviving spouse and any" in paragraph (1)(C). The revisor of statutes editorially corrected these manifest clerical or typographical errors pursuant to section 23G-15(7), HRS, by inserting a comma in the place where it was omitted, and inserting the word "dependent" in brackets in the place omitted in paragraph (1)(C). The re-insertion of the inadvertently omitted language is ratified by deleting the brackets in paragraph (1)(C).

Section 21. L 1989, c 378, pt of §1 enacted the state health insurance program act, codified as chapter 431N. Section 431N-6 of that chapter contains two errors. The sentence immediately following the title to that section contains a reference to "this act", which should more appropriately be to "this chapter" and which is amended accordingly. The second error is contained in paragraph (3) of that section, which incorrectly refers to the "department of labor". That reference is amended to conform to the correct name of the department, "the department of labor and industrial relations", as provided in section 26-20.

Section 22. L 1992, c 202, §87 amended section 448H-4 (meetings of the elevator mechanics licensing board) by, inter alia, deleting the provision of that section specifying how many members of the board constitute a quorum, but failed to delete the corresponding reference to "quorum" in the title of that section. The word "quorum" is deleted from the title to correct that omission.

Section 23. L 1991, c 291, pt of §2 enacted a new chapter regarding petroleum industry information reporting, codified as chapter 486I. Section 486I-5 contains a reference in subsection (a) to "the current legislature session". This error is corrected by deleting "legislature" and substituting the word "legislative" in its place.

Section 24. L 1992, c 290, §1 amended section 580-10 (restraining orders; appointment of master) by amending subsection (d) to include, inter alia, mandatory minimum jail sentences for violations of restraining orders in subparagraphs (A) and (B) of paragraph (1) of that subsection. That subsection, however, contains an erroneous reference in paragraph (1) to "the mandatory sentences under paragraphs (1) and (2)". Subsection (d) is amended by deleting the incorrect reference to "paragraphs (1) and (2)" and substituting "subparagraphs (A) and (B)" in its place.

Section 25. Rule 608 of the Hawaii Rules of Evidence (part of section 626-1 of the HRS), relating to evidence of character and conduct of witnesses, contains two errors in subsection (b). The word "provided" is changed to "proved" in the first sentence of that subsection to correct a manifest clerical error made in the enactment of amendments to subsection (b) in L 1992, c 191, §2(6). The word "proved" (also in the phrase "proved by extrinsic evidence") is

correctly set forth in the second complete sentence of that subsection as amended. The 1992 amendments to subsection (b) also added an incorrect reference to "paragraph (a)"; the word "paragraph" is deleted and "subsection" inserted in its place.

Section 26. L 1989, c 210, inter alia, amended chapter 464, HRS (professional engineers, architects, surveyors, and landscape architects) by replacing the registration of practicing engineers, etc., with licensure. Accordingly, the "board of registration of professional engineers, architects, surveyors, and landscape architects" in section 464-6, HRS, was amended by deleting the words "registration of" from the board's name. See L 1989, c 210, §8. However, section 672-3, HRS, regarding the design professional conciliation panel, still retains the obsolete reference to the "board of registration" in subsection (b). That subsection is amended by deleting the words "of registration" in the name of the board.

Section 27. As in section 26 of this bill, section 672-7, HRS, is amended to correct the obsolete reference to the "board of registration" in subsection (a) by deleting the words "of registration".

Section 28. The prefatory language in L 1992, c 197, §7 purports to amend section 502-25 in its entirety. However, only the title (which is not amended) and subsection (a) are set forth in section 7. The effect of the prefatory language, as currently worded, is to repeal the remainder of section 502-25, i.e., subsection (b) of that section. Both the committee and the revisor regard the prefatory language, as worded, as simply an oversight or clerical error. The prefatory language is therefore amended to provide that section 502-25 is amended "by amending the title and subsection (a)", so that subsection (b) of that section is not repealed.

Section 29. The prefatory language to L 1992, c 198, §1 purports to amend only subsection (a) of section 408-14. However, both the title and subsection (a) of section 408-14 are set forth and amended in section 1. The prefatory language therefore is amended to include the title as an additional provision of section 408-14 to be amended by that 1992 amendment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1564 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1075 Judiciary on H.B. No. 1592

The purpose of this bill is to update the requirements and procedures for issuing Hawaii state identification cards, and to increase the fees collected for issuing the identification cards.

Your Committee received testimony in support of this measure from a representative of the State Attorney General.

Your Committee finds the administrator of the data center to be the knowledgeable person to establish and modify the fee to be charged by the agency for its services.

Your Committee has amended the bill to establish \$10 as the amount of the fee and to authorize the administrator to modify the amount by rule. Your Committee has made other technical changes for the purposes of style, clarity and conformance with recommended drafting technique.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1592, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1592, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1076 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on H.B. No. 2020

The purpose of this bill is to allow homestead lessees to designate their native Hawaiian fathers and mothers to succeed to their leaseholds, and the Commission to designate a native Hawaiian relative of the deceased if a lessee dies without designating a successor.

Your Committees find that under the present law, a homestead lessee's native Hawaiian father and mother are excluded from the list of relatives eligible to be successors to the lease. Your Committees further find that situations have arisen in which parents of lessees have been displaced because they were not eligible to inherit the homestead lease after the death of their children. Your Committees also agree that it is appropriate for the Hawaiian Homes Commission to designate a successor from among the homestead lessee's relatives when the lessee does not designate a successor.

Testimony in support of this measure was submitted by the Hawaiian Homes Commission.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary are in accord with the intent and purpose of H.B. No. 2020, H.D. 1, 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 Senator Tungpalan.

SCRep. 1077 Human Services on H.B. No. 1646

The purpose of this bill is to authorize the Department of Human Services to establish an imprest fund to pay for emergency and extraordinary work-related expenses of the Job Opportunities and Basic Skills (JOBS) program with an imprest fund.

This bill will replace the temporary authority granted to the Department of Human Services by legislative proviso through Section 54 of Act 296, Session Laws of Hawaii 1991.

The Department of Human Services testified in favor of this measure, stating that expenses to be paid through the imprest fund would be those that could not be paid in a timely fashion through other payment methods. Examples of expenses that need to be dealt with expeditiously include health care expenses not covered by Medicaid and the purchase of tools or equipment that would enable a JOBS participant to accept employment.

Your Committee finds that use of the imprest fund to pay for work-related expenses will give the JOBS program flexibility to meet the needs of program participants and their families.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1646 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 Fukunaga, Hagino and Mizuguchi.

SCRep. 1078 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1178

The purpose of this bill is to authorize the issuance of \$50,000,000 in special purpose revenue bonds to assist Waimana Enterprises, Inc. in the establishment of a cogeneration facility on Oahu.

Your Committee finds that it is in the public interest to provide assistance, including financial assistance, to native Hawaiian-owned business. Waimana Enterprises is a native Hawaiian-owned business whose cogeneration facility will benefit the general public in the form of reduced electricity rates for Oahu's ratepayers.

Kawaihae Cogeneration Partners, a partnership of Waimana Enterprises and Diamond Energy, Inc., testified in support of the bill.

Your Committee has amended the bill by deleting Section 2 and the dollar amount of the bond issue, and by inserting provisions that require the savings realized by the applicant in using special purpose revenue bonds instead of other financing mechanisms to be passed on to consumers utilizing the power generated by the cogeneration facility.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1178, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1178, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1079 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1500

The purpose of this bill is to allow native Hawaiians to contract with, and receive grants from, the Department of Hawaiian Home Lands (DHHL) for basic services available under the Hawaiian Homes Commission Act.

Among other things, this measure:

- (1) Requires DHHL to enter into contracts with native Hawaiian beneficiaries, homestead organizations, or other native Hawaiian organizations to enhance beneficiary involvement in the management and maintenance of the Hawaiian Home Lands Trust, and to provide for the purchase, management, and maintenance of supplies, services, and equipment;
- (2) Authorizes DHHL to provide grants to native Hawaiians, homestead associations, or other native Hawaiian organizations;
- (3) Instructs DHHL to give preferential treatment to native Hawaiians regarding contracts, subcontracts, grants, and subgrants; and
- (4) Imposes financial disclosure and auditing requirements on the recipients of DHHL contracts and grants.

Your Committee received testimony in support of this measure from the Hawaiian Home Lands Action Network, the Native Hawaiian Legal Corporation, the Aged Hawaiians, concerned homesteaders, and persons on homestead waiting lists.

The Department of Hawaiian Home Lands also submitted comments on this bill, noting that the Department would support giving preference to native Hawaiian individuals and organizations in the award of contracts for services, provided that:

- (1) The preferential award of contracts would not violate federal and state law (an opinion by the Attorney General found that such a practice conflicts with Title VII of the Civil Rights Act of 1964);
- (2) The costs of services are reasonable; and
- (3) The individual or organization is able to do the work.

Your Committee has amended this bill to reflect the Department of Hawaiian Home Lands' concerns and by making technical, nonsubstantive revisions for the purpose of clarity and style.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1500, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1500, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1080 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1563

The purpose of this bill is to improve the State's water quality.

Specifically, the bill provides for the exploration of cost-effective methods to improve the State's water quality by establishing a pilot water quality surveying and sampling program utilizing volunteers. The proposed pilot program would use Kailua and Waimanalo Bays as its project sites.

Your Committee finds that volunteer water quality monitoring may prove to be an effective and inexpensive way to supplement the somewhat inadequate monitoring program currently administered by the Department of Health. Such volunteer programs have demonstrated their usefulness in other states and should be given the opportunity to do so in Hawaii.

Your Committee has amended the bill by increasing its appropriation to \$65,000 and making numerous technical, nonsubstantive amendments.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1563, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1563, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1081 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1653

The purposes of this bill are to establish:

- (1) The Hawaii Emergency Planning and Community Right-to-Know Act (HEPCRA) in conformance with the federal Emergency Planning and Community Right-to-Know Act, including the creation of the Hawaii State Emergency Response Commission and Local Emergency Planning Committees; and
- (2) The Hawaii Emergency Planning and Community Right-to-Know Act Fund into which will be deposited filing fees, penalties, and fines collected from facilities that store hazardous substances, to finance the development of the HEPCRA Program.

Your Committee finds that the establishment of HEPCRA will help safeguard the residents of the State against the health hazards and other risks associated with the use, storage, distribution, and transportation of hazardous materials.

Your Committee has amended the bill by:

- (1) Inserting additional reporting requirements into section 6 of the proposed chapter to conform the bill with federal requirements;
- (2) Renaming the Hawaii Emergency Planning and Community Right-to-Know Act Fund the Environmental Management Fund; and
- (3) Making numerous technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1653, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1653, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1082 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2010

The purpose of this bill is to provide additional time for beneficiaries under the Hawaiian Home Lands Trust to file and resolve claims as provided for in Chapter 674, Hawaii Revised Statutes.

Specifically, the bill:

- (1) Extends the deadline for filing Chapter 674 claims until August 31, 1995;
- (2) Extends the terms of office of Hawaiian Home Lands Individual Claims Review Panel (Panel) members until December 30, 1997;
- (3) Extends the deadline for filing written notice rejecting legislative action on a claim until October 1, 1997;

- (4) Provides that no action for judicial relief shall be filed prior to October 2, 1997;
- (5) Extends the statute of limitations for commencing actions for Chapter 674 judicial relief until September 30, 1999;
- (6) Requires the panel to include investigative reports in claims records, and protects the confidentiality of the reports until completion of the claims hearing, except as provided under Chapter 92F, Hawaii Revised Statutes, and except, upon the panel's discretion, for disclosure to the parties;
- (7) Protects statements made by witnesses in the course of an investigation from use in legal proceedings;
- (8) Requires the panel to file annual reports prior to each regular legislative session, and a final report prior to the 1997 Regular Session; and
- (9) Appropriates funds to administer Chapter 674.

The 1991 Legislature created the Panel to hear claims by individual beneficiaries of the Hawaiian Home Lands Trust who suffered actual damages as a result of a breach of trust occurring between Statehood and June 30, 1988, and caused by an act or omission of a state employee in the management and disposition of trust resources.

Your Committee finds that there is a need to extend the Panel's existence in order to afford aggrieved beneficiaries a full opportunity to resolve their claims.

Your Committee has amended the bill by making technical, nonsubstantive amendments.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2010, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2010, 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 Fukunaga and Tanaka.

SCRep. 1083 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2014

The purpose of this bill is to provide compensation for past wrongful takings of land from the Hawaiian Home Lands Trust.

Specifically, the bill would:

- (1) Appropriate funds and provide additional means to remedy past wrongful, improper, or unauthorized withdrawals, transfers, takings, or uses of Hawaiian home lands by continuing the claims resolution process;
- (2) Authorize the State to pursue claims against the federal government; and
- (3) Authorize the State to initiate land exchanges to resolve wrongful transfers and grants of Hawaiian home lands to non-governmental entities.

Testimony in support of the bill was received from the Department of Hawaiian Home Lands.

Your Committee finds that since the passage of the Hawaiian Homes Commission Act in 1921, numerous illegal takings of land from the Hawaiian Home Lands Trust have fractured and diminished the corpus of the Trust. Although the State is not responsible for illegal takings occurring prior to statehood, it does acknowledge its trust responsibilities regarding actions taken since statehood.

The provisions of the bill affirm these beliefs and serve as a stepping stone towards making the Trust whole and reestablishing it for the purposes for which it was intended.

Your Committee has amended the bill by inserting provisions that protect the pro rata revenue entitlements of the Office of Hawaiian Affairs from being adversely affected by lands taken from the Public Land Trust, and that require the Office of Hawaiian Affairs to be consulted before any Public Trust Lands are sold by the Department of Land and Natural Resources to the Department of Hawaiian Home Lands.

Your Committee has further amended the bill by:

- (1) Clarifying the land exchange for compensation process;
- (2) Authorizing the Department of Hawaiian Home lands to pursue trust claims against the federal government; and
- (3) Making numerous technical, nonsubstantive amendments.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2014, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2014, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Fukunaga and Tanaka.

SCRep. 1084 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2018

The purpose of this bill is to authorize the Department of Hawaiian Homelands (DHHL), with prior approval of the Governor, to establish up to five additional permanent positions and fill them with civil service exempt personnel.

The bill also states that funding for these positions shall be derived solely from a special fund of the DHHL.

Testimony in support of the bill was received from the DHHL, the State Council of Hawaiian Homestead Associations, and the Hawaiian Home Lands Action Network. All testimony submitted to your Committee indicated the need for additional permanent staffing at the DHHL and requested that the amount of forty permanent positions, which appeared in the original bill, be reinstated.

Your Committee finds that authorizing the permanent hiring of DHHL personnel would help the DHHL administer the Hawaiian Homes Commission Act more effectively by:

- (1) Enabling the DHHL to cope with present and future workload requirements; and
- (2) Avoiding costs associated with the turnover of temporary personnel.

Although your Committee understands the need for additional permanent staffing at the DHHL, your Committee feels that the amount of permanent positions would be more appropriately addressed by the Committee on Ways and Means. Therefore, your Committee has amended the bill by leaving blank the amount of permanent positions to be authorized.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2018, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2018, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1085 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2098

The purpose of this bill is to appropriate funds to educate the general public and public school students about Hawaiian sovereignty.

Your Committee finds that the general public needs to be educated about the historical facts surrounding the development of and ongoing efforts to provide self-determination for the native Hawaiian people. Your Committee further finds that our schools lack curriculum guides to undertake the education of our public school students about the important events and activities surrounding the sovereignty movement.

Testimony in support of this measure was submitted by the Hawaiian Homes Commission, the Native Hawaiian Legal Corporation, the Office of State Planning, the Office of Hawaiian Affairs, the Royal Order of Kamehameha, Hui Na'auao, the Hawaii State Chapter of the Rainbow Coalition, and Dr. Michael Kioni Dudley, Ph.D. All agreed that the funds should be appropriated to the Office of Hawaiian Affairs, with the suggestion that Hui Na'auao receive a contract to develop the education and curriculum programs based on its current efforts in this area.

Your Committee has amended this bill by:

- (1) Deleting the appropriation amount, so as to continue discussion in the Committee on Ways and Means; and
- (2) Inserting a provision requiring that the Office of Hawaiian Affairs develop education programs through a purchase of service contract with Hui Na'auao.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2098, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2098, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1086 (Joint) Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 975

The purpose of this bill is to authorize the counties to enact ordinances that allow them to add unpaid civil fines to a violator's county fees or taxes.

Your Committees received testimony in favor of the bill from the City and County of Honolulu's Department of Land Utilization, the Maui County Council, and the Liliha/Kapalama Neighborhood Board No. 14.

Your Committees find that, although the counties have the power to impose civil fines, the absence of convenient enforcement and collection mechanisms has resulted in the non-collection of these fines.

Your Committees have amended the bill to clarify that the counties may add unpaid, administratively imposed civil fines as well as court ordered civil fines to its fees or taxes. Your Committees have further amended the bill by requiring the counties to report on the impact and effectiveness of the law to the 1995 Legislature and by adding a sunset provision.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary are in accord with the intent and purpose of H.B. No. 975, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 975, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Tungpalan.

SCRep. 1087 Science, Technology and Economic Development on H.B. No. 1606

The purpose of this bill is to specify the powers of the Natural Energy Laboratory of Hawaii Authority (NELHA) to include research, development, and the commercialization of natural energy resources in Hawaii. The bill further specifies the authority's duties to include the operation and maintenance of physical facilities, provision of support services, and promotion and marketing of the facilities and its resources.

Your Committee finds that the recent merger of the Natural Energy Laboratory of Hawaii (NELH) and the Hawaii Ocean Science and Technology (HOST) Park requires that the NELHA be given specific authority for the administration of these facilities located at Keahole Point. Your Committee further finds that these proposed changes are necessary to more accurately define the permitted activities of the NELHA.

Your Committee received testimony in support of this bill from the NELHA which recommended certain amendments.

Your Committee, therefore, has amended this bill by:

- (1) Deleting the reference to "neighboring developments" on page 3, line 14;
- (2) Deleting the language relating to the development of services and support uses such as a visitor center and related activities on page 10, lines 1 to 7;
- (3) Deleting the words "or near" on page 10, line 10; and
- (4) Making technical nonsubstantive amendments for proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1606, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1088 Science, Technology and Economic Development on H.B. No. 1697

The purpose of this bill is to impose a use tax surcharge of one-half percent on imported capital goods used by licensed leasing companies.

Your Committee finds that there exists an inequity in Chapter 238 which provides an incentive for a leasing company to import capital goods rather than purchase them locally. Your Committee further finds that this bill will equalize the amount of taxes paid irrespective of whether the capital goods are purchased locally or imported from outside the State.

Testimony in support of this bill was submitted by the Department of Taxation and the Hawaii Automobile Dealers' Association. Testimony in opposition was submitted by the Car and Truck Renting and Leasing Association (CANTRALA) of Hawaii.

Upon consideration of the testimony, your Committee has amended this bill to provide that an importer or purchaser shall not be subject to the use tax surcharge if they are already paying the use tax as provided by current law.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1697, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1089 Science, Technology and Economic Development on H.B. No. 1888

The purpose of this bill, as received, is to create a revolving fund for payment of expenses incurred by the Consumer Advocate arising from any review, investigation, or proceeding undertaken concerning any public utility, common carrier, or water carrier.

Your Committee finds that the Division of Consumer Advocacy was established to represent the consumer in rate cases before the Public Utilities Commission. Your Committee notes that the Consumer Advocate's workload has been increasing, and the Division's effectiveness will be diminished without additional funding. Your Committee further finds that the various fees and taxes paid by public utilities and common carriers are deposited into the State general fund. The revenues from these fees and taxes are sufficient to support the operations of both the Public Utilities Commission and the Consumer Advocate.

Testimony regarding this measure was submitted by the Public Utilities Commission, the Consumer Advocate, GTE Hawaiian Tel, Hawaiian Electric Company, and the Hawaii Transportation Association. The testimony generally opposed this measure, with recommendations that the fees and taxes be used to directly support the operations of the Public Utilities Commission and the Division of Consumer Advocacy.

Upon further consideration of the recommendations, your Committee has amended this bill by deleting its substance and inserting provisions which:

- (1) Establish a public utilities commission special fund to be administered by the commission and into which shall be deposited all moneys appropriated to and received by the commission and not otherwise deposited into any other special fund; provided that forty percent of moneys received or collected under sections 92-21, 269-28, 269-30, 271-27, 271-36, 271G-19, and 607-5 to 607-9 be credited to the consumer advocacy special fund.
- (2) Establish a consumer advocacy special fund to be administered by the consumer advocate and into which shall be deposited all moneys appropriated to and received by the commission and not otherwise deposited into any other special fund, including forty percent of moneys received or collected under sections 92-21, 269-28, 269-30, 271-27, 271-36, 271G-19, and 607-5 to 607-9.
- (3) Increase the fee imposed under sections 269-30 and 271-36 from one-eighth to one-fourth of one percent of the gross income from the public utilities' or common carriers' business during the preceding year.
- (4) Allow a public utility subject to the fee under section 269-30 to establish a temporary surcharge until the next rate case to recover the increased fee amount. The surcharge is subject to refund if the utility collects more money than it actually pays.
- (5) Make an appropriation of \$500,000 each to the public utilities commission special fund and the consumer advocacy special fund in fiscal year 1993-1994 until sufficient amounts are received from the sources earmarked for the funds.
- (6) Require the Public Utilities Commission to open a docket to examine the telecommunications infrastructure in Hawaii, and to further require the Commission to determine if current telecommunication providers are able to provide integrated services digital networking (ISDN) on a universal basis in Hawaii, and if such services are not universally available within one year, the Commission shall adopt a policy of competition to assure such services are available.
- (7) Provide an effective date of July 1, 1993 for the appropriation sections.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1888, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1888, 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 Mizuguchi.

SCRep. 1090 Science, Technology and Economic Development on H.B. No. 2057

The purpose of this bill is to formally establish by statute the International Business Center of Hawaii within the Department of Business, Economic Development, and Tourism.

Your Committee finds that the International Business Center of Hawaii has established a core of services to assist Hawaii businesses in developing bilateral trade on a global basis. Your Committee further finds that developing export trade for Hawaii businesses supports the goal of diversifying our economy and developing employment opportunities for our residents.

Testimony in support of this bill was submitted by the Department of Business, Economic Development, and Tourism, the International Trade Administration of the United States Department of Commerce, the Office of International Relations, Hawaii Visitors Bureau, Choy Marine Services, Inc., Factor One Funding Resources, J.B. Havre, Inc., and the Export-Import Bank of the United States.

Your Committee on Science, Technology and Economic Development 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. 1091 (Majority) Health on H.B. No. 82

The purpose of this bill is to impose an excise tax of 4.5 cents on each cigarette sold or used by a wholesaler or dealer.

The bill also repeals the excise tax exemption on cigarette and tobacco products sold to the federal government. Taxation of other tobacco products will remain at forty percent of the wholesale price of the article. The increased tax is scheduled to go into effect on July 1, 1993, or roughly ninety days after Congress passes a law requiring military installations to purchase cigarettes locally in a manner similar to alcoholic beverages, whichever is later. The bill also appropriates funds for health education and treatment programs related to smoking.

Testimony in support of this bill was received from several health-related organizations and some private citizens.

Your Committee finds that raising the tax on cigarettes will benefit the general public and public health by discouraging people from taking up or continuing the habit. An increase in the cigarette tax will also provide additional and much needed revenues for the State's General Fund.

Your Committee has amended this bill by specifying that the appropriation to the Department of Health shall be expended on treatment and studies relating to smoking as well as education and prevention programs.

Your Committee has also made several nonsubstantive technical changes, including reformatting of the substance of Section 237-24, Hawaii Revised Statutes, into two sections. Technical changes were made for the purposes of clarity and style and to correct drafting errors, and to render the bill substantially similar to S.B. No. 1729, S.D. 1, as approved by the Committee on Ways and Means.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 82, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 82, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Solomon.
Senator Chang did not concur.

SCRep. 1092 Health on H.B. No. 2032

The purpose of this bill is to extend the autonomous operation of the community hospitals.

The autonomy, granted to Maui Memorial, Hilo, and Kona Hospitals pursuant to Act 223, Session Laws of Hawaii 1990, is scheduled for repeal on June 30, 1993. This bill extends autonomy until June 30, 1996 and allows the Department of Health to additionally formulate policies for the autonomous operation of Kauai Veterans Memorial Hospital, Leahi Hospital, Maluhia, Kula Hospital, and Samuel Mahelona Memorial Hospital.

Your Committee finds that autonomy is a proven means of improving management of the community hospitals, especially in the area of purchasing and personnel management. Exemptions from state competitive bidding requirements have enabled the hospitals to acquire needed medical equipment more expediently, reduce administrative overhead costs, and improve patient care.

Your Committee has amended this bill to correct the reference to Maluhia on page 2, line 6.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2032, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2032, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Solomon.

SCRep. 1093 Health on H.B. No. 2034

The purpose of this bill is to provide statutory authority and exemptions needed to facilitate autonomy of Hawaii's public hospitals.

Specifically, the bill allows transfer of special funds between hospitals to accommodate circumstances such as the increased clientele experienced by Samuel Mahelona Memorial Hospital on Kauai following Hurricane Iniki. Transfers that would create or expand programs would first require legislative approval.

The bill also allows community hospitals to form or join purchasing cooperatives with private hospitals to take advantage of special state price lists, and provides for streamlined refunding of patient credit balances. In addition, the bill allows Maui Memorial, Hilo, and Kona Hospitals to retain their own counsel, and authorizes the Director of Health to purchase up to \$50,000 worth of computers and telecommunication equipment for them without prior approval.

The bill also enables the Director to establish and set compensation for up to fifty civil service positions for Maui Memorial, Hilo, and Kona Hospitals in up to twelve classes representing specialties for which there is no current provision in Chapters 76 and 77, Hawaii Revised Statutes.

Lastly, the bill provides that Maui Memorial, Hilo, and Kona Hospitals may expend up to \$500,000 each for medical diagnostic or therapeutic equipment without prior approval.

Your Committee finds that this bill will facilitate each hospital's autonomy by improving administrative efficiency, reducing unnecessary red tape, and reducing hospital costs.

Regarding the establishment of health care specialty positions, your Committee notes that the Director of Health will be establishing positions of the following kind:

Hospital risk manager;

CAT Scan technician;

MRI technician;

Linear accelerator technician;

Ultra-sound technician;

Clinical nurse specialist; and

Nuclear medicine technician.

Your Committee finds that the classification process for completely new positions sometimes takes up to three years, which is much too long for the fast changes in the hospital community. The Department of Health, however, has assured your Committee that it will proceed with the classification of new positions and upon classification, convert them to civil service. The Exclusive Representative of the appropriate Collective Bargaining Unit is in agreement with this measure with the understanding that exempt positions will be converted to full civil service in an expeditious manner.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2034, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Solomon.

SCRep. 1094 Health on H.B. No. 2071

The purpose of this bill is to authorize issuance of \$1,000,000 in special purpose revenue bonds to assist Pohai Nani Care Center build a nonprofit long-term health care facility as an add-on to its operations.

Your Committee finds that this project is in the public interest and for the public health and general welfare. However, your Committee notes that issuance of revenue bonds is beyond the scope of the title of this bill. Therefore, your Committee has amended this bill by deleting the contents and inserting an appropriation to finance the add-on project, to be expended by the Department of Accounting and General Services in fiscal biennium 1993-1995.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2071, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2071, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Solomon.

SCRep. 1095 (Joint) Science, Technology and Economic Development and Agriculture on H.B. No. 1604

The purpose of this bill is to include agricultural businesses as qualified businesses under the state enterprise zones law.

Your Committees find that the state enterprise zones program was established to encourage private-sector businesses to create jobs in areas with above-average unemployment or below-average income levels. Your Committees further find that the inclusion of agricultural businesses as qualified businesses within designated state enterprise zones is consistent with the original intent of the law.

Your Committees earlier received testimony in support of the Senate companion bill from the Department of Agriculture, Department of Business, Economic Development, and Tourism, Department of Taxation, and the Hawaii Farm Bureau.

Your Committees on Science, Technology and Economic Development and Agriculture are in accord with the intent and purpose of H.B. No. 1604, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1096 (Joint) Education, Labor and Employment and Higher Education, Culture, Arts and History Preservation on H.B. No. 2060

The purpose of this bill is to mandate a transfer of land from the University of Hawaii to the Department of Education to provide for a new district library in Manoa.

Your Committees find that the Manoa Public Library, with only 6,532 square feet under roof and only eighteen parking stalls, is the second smallest of the twenty-two public libraries on the island of Oahu. Notwithstanding, Manoa Public Library currently serves a population of 31,911 and, last year, ranked eighth out of twenty-two, in total circulation.

Your Committees recognize the need to provide a larger library in Manoa to accommodate the growing needs of the community. Your Committees further recognize that a larger space is necessary to adequately house the library's collection and to provide quality services to library patrons.

On the other hand, your Committees understand that as proposed, the new library may jeopardize critical research and teaching facilities at the College of Tropical Agriculture and Human Resources at the University of Hawaii.

Accordingly, your Committees have amended this bill to provide that the new library be located behind the existing Manoa Public Library, in the area currently used by the University of Hawaii as a parking lot for the Institute for Astronomy. Your Committees believe that the construction of a library on this parcel of land will have a lesser adverse impact on University of Hawaii facilities.

Your Committees on Education, Labor and Employment and Higher Education, Culture, Arts and Historic Preservation are in accord with the intent and purpose of H.B. No. 2060, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2060, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Holt, Fernandes Salling, Mizuguchi and Tanaka.

SCRep. 1097 Education, Labor and Employment on H.B. No. 2156

The purpose of this bill, as received, is to facilitate public school system improvements by implementing budgeting and funding reforms, developing accountability and assessment programs, creating personnel incentives, and enhancing school facility improvements.

Your Committee finds that progress has been made in the last several years toward providing autonomy and flexibility to the public school system through the adoption of school/community-based management (SCBM). The amendments proposed by this measure are part of the continuum of education policy reforms that must be made in order to facilitate SCBM becoming a reality.

Your Committee further finds that the establishment of separate allotment procedures and authority for the Department of Education to carry-over funds for the schools are necessary components of SCBM. While this flexibility will assist with the implementation of programs at the school-level, your Committee is also cognizant that, along with this flexibility, statewide standards for accountability and student assessment must be implemented to assure that quality education is available to all students.

Creating incentives for enhancing the commitment of school personnel to the students and the individual schools is also imperative at this time. Therefore, your Committee recognizes that the traditional methods of providing compensation and benefits through collective bargaining must be adjusted, within the scope of the present law.

Finally, the physical environment of our schools and classrooms is a critical factor which impacts student learning and achievement. Therefore, your Committee agrees that innovative financing mechanisms and programs must be created to immediately address the backlog of construction and renovation projects, provide new computer-based teaching technology, as well as ensure the day-to-day maintenance of the classrooms.

Extensive testimony regarding this measure was submitted by the Board of Education, the Department of Education, the Lieutenant Governor, the Department of Budget and Finance, the Department of Taxation, the Hawaii Business Roundtable, the Chamber of Commerce, the Hawaii State PTSA, education staff, parents, and education advocates.

Upon consideration of the various issues presented, and recognizing that discussion will continue on these issues, your Committee has amended this bill by:

- (1) Placing the provisions related to allotment and carry-over of Department of Education funds in Chapter 37 instead of Chapter 296;
- (2) Establishing the Commission on Performance Standards and incorporating related provisions of Act 334, SLH 1991 and Act 295, SLH 1992 in Chapter 296, and assigning responsibility for the development of educational assessment and accountability programs to the Commission;
- (3) Amending section 296-11 to allow schools under school/community-based management to develop independent mechanisms to assess student achievement in lieu of standardized tests;
- (4) Providing that the parties to collective bargaining, through the Department of Education, may include funding for merit and retention pay adjustments for all public school employees;
- (5) Deleting the provisions delineating the factors which may be considered for merit and retention pay adjustments and the provision of equity pay;
- (6) Amending Chapter 89 to allow for collective bargaining of teacher salary schedules and classifications;
- (7) Developing a streamlined program of incentive and innovation grants to be provided through the incentive and innovation grant special fund;
- (8) Deleting the amendments to section 296-2 regarding the term of appointment of the Superintendent of Education;
- (9) Deleting the substance of Section 10 of PART IV. of the bill and replacing it with the provisions of S.B. No. 1604, S.D. 1 relating to educational facilities which: imposes an excise tax surcharge for ten years; earmarks seven percent of general excise tax revenues for ten years; and makes permanent the educational facilities improvement special fund;
- (10) Establishing a classroom cleaning pilot program in which designated schools participating in school/community-based management will be allowed to develop mechanisms to provide for regular, ongoing classroom cleaning;
- (11) Making an appropriation of \$1,000,000 for fiscal year 1993-1994 and \$2,000,000 for fiscal year 1994-1995 for merit and retention pay adjustments provided in Section 8 of this bill;
- (12) Making an appropriation of \$1,000,000 for fiscal year 1993-1994 and \$1,000,000 for fiscal year 1994-1995 for innovation and incentive grants established in Section 9 of this bill; and
- (13) Changing the effective date of this bill to July 1, 1993 for Sections 19 and 20.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 2156, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2156, 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 Holt, Fernandes Salling, Iwase and Tanaka.

SCRep. 1098 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 195

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations of the Office of Hawaiian Affairs (OHA) for the 1993-1995 fiscal biennium.

Although your Committee did not hold a public hearing on this bill, it did hear and receive public comment on the Senate version. Testimony submitted by the Halawa Coalition on the Senate version indicated a need to reduce the Chairperson of the OHA Board of Trustees' autonomous decision making authority to transfer funds between programs as the Chairperson deems necessary. Your Committee agrees that shared decision making would bring about better decisions.

Therefore, your Committee has amended the bill to require the Chairperson of OHA's Board of Trustees to obtain the concurrence of a two-thirds majority of the Board when transferring funds between programs.

Your Committee believes that the amendment will enhance the shared decision making process of the Board and create a nurturing environment for better decisions to proliferate in.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 195, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 195, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Fernandes Salling, Tanaka, Tungpalan and Reed.

SCRep. 1099 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 525

The purpose of this bill is to establish a new chapter in the Hawaii Revised Statutes relating to nonpoint source pollution management and control and to appropriate funds for the implementation of the program.

Your Committee finds that the federal moneys which previously funded the State's existing nonpoint source pollution program have run out and the only federal funds available to continue the program require the State to provide matching funding.

Your Committee believes that the nonpoint source pollution program is necessary to ensure continued monitoring of nonpoint source pollution in the State. Without such monitoring, serious and irreparable harm could severely damage the State's fragile natural environment.

Your Committee has amended the bill by making numerous technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 525, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 525, 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 Fukunaga, Solomon and Tanaka.

SCRep. 1100 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1194

The purpose of this bill, as received, is to establish a six-cents-per-barrel tax on oil imported into the State.

Your Committee finds that the revenues generated by the tax are for deposit in the environmental response revolving fund created pursuant to Section 128D-2, Hawaii Revised Statutes (HRS), and agrees that there is a need for additional resources to support the fund. Your Committee also believes that the tax should be imposed for a limited period and that the fund should be available to support multiple uses.

Testimony submitted to your Committee from Hawaiian Electric Company and its subsidiaries indicated support for the intent of the bill but disagreed with using a fuel tax to support the environmental response revolving fund.

Your Committee has amended the bill by deleting the existing language and substituting therefor:

- (1) An amendment that adds the definitions of "disposal" and "treatment" to Section 128D-1, HRS;
- (2) An amendment to Section 243-4, HRS, that imposes an unspecified tax on the retail sale of gasoline on a per gallon basis in all counties until total tax deposits to the Environmental Response Revolving Fund equal \$30,000,000;
- (3) An amendment to Section 243-6, HRS, providing that the revenues generated by the Environmental Response Tax shall be used for petroleum-related environmental response activities, support for county used oil recycling programs, and to address concerns related to underground storage tanks and the underground storage tank program; and
- (4) Nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1194, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1194, 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 Solomon and Tanaka.

SCRep. 1101 (Joint) Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1797

The purpose of this bill is to allow the Director of Health to ensure the uninterrupted flow of electrical service and other necessary public services to the Hamakua region.

Your Committees find that the bill would enable the Director of Health to issue or approve the transfer of permits or variances for air or water pollution. The ability to do so is necessary to ensure that the Hamakua region would not be adversely affected by the imminent shutdown of the Hamakua Sugar Plantation, which supplies the Hamakua region with a significant portion of its electrical power.

Your Committees believe that the bill as written may grant authority to the Department of Health which it already has. However, with regard to the Department's authority to approve the transfer of permits or variances, your Committees believe that existing law is ambiguous. Therefore, your Committees have amended the bill by inserting language expressly allowing the Director of Health to authorize such transfers.

Your Committees have also inserted a November 1, 1993 repeal date on the provisions of the bill and made several technical changes that have no substantive effect.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development are in accord with the intent and purpose of H.B. No. 1797, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1797, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Solomon, Tanaka, Mizuguchi and George.

SCRep. 1102 (Joint/Majority) Judiciary and Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1992

The purpose of this bill is to facilitate the convening of a Hawaiian Congress to develop an organic document relating to self-determination and self-governance.

Specifically, the bill provides for:

- (1) A referendum election on May 2, 1994, on whether there should be a Hawaiian Constitutional Convention to propose a constitution for the governance of a Hawaiian sovereign nation;
- (2) A special election on September 17, 1994, to select Hawaiian delegates to the Constitutional Convention; provided that the ballots cast on the referendum question are in the affirmative;
- (3) The convening of the Constitutional Convention beginning October 1, 1994, and ending no later than January 1, 1995;
- (4) A ratification election no later than March 1, 1995, on the organic document; and
- (5) Appropriations to carry out these activities.

Your Committees have amended the bill by deleting its contents and inserting provisions requiring a plebiscite of Hawaiian and native Hawaiian citizens to determine whether there shall be Loa'a Ka Pono (to secure what is right) to discuss and decide issues relating to Hawaiian self-governance.

Each group in the State representing Hawaiians or part Hawaiians will provide one or two representatives for a Loa'a Ka Pono Organizing Committee (LOC) that with the assistance and support of the Lieutenant Governor's Office will establish and implement the plebiscite at a date to be determined. Provision is made for statewide representation on the LOC. Once the LOC is certified by the Lieutenant Governor it will begin educating Hawaiians, native Hawaiians, and the general public on the impending plebiscite with the active cooperation of Hawaiian and native Hawaiian organizations.

The question to be decided in the plebiscite will read: "Shall there be Loa'a Ka Pono (to secure what is right) to consider and decide issues relating to self-governance?"

Anyone eligible to vote in Office of Hawaiian Affairs (OHA) elections may vote in the plebiscite, and the LOC and other groups will place strong emphasis on encouraging the largest possible turnout.

If the answer is yes, the LOC will continue education activities expanding into areas such as transition from current government to self-governance, implications relating to various methods of self-governance, and status of kinship and clan organizations within different self-governance models. Again, community groups will be enlisted to actively participate in these efforts.

The LOC will establish and implement an election of delegates to Loa'a Ka Pono from districts apportioned statewide in conformance with guidelines suggested by Article IV of the State Constitution. The Loa'a Ka Pono will be bicameral with one chamber elected and the other determined by the LOC to maximize rural cultural representation. Candidates will have to be eligible for OHA voting, and campaign spending rules will apply. The LOC will set the date of the election.

Upon convening, the Loa'a Ka Pono will establish its own procedures for conducting business and its own agenda. No time limit will be placed on the deliberations, and the Loa'a Ka Pono will not be adjourned until its final product is published and disseminated.

Since the Office of the Lieutenant Governor will be required to provide materials and resources and pay considerable expenses, including neighbor island delegate and LOC member per diem, an appropriation in an amount to be determined by the next Committee is included.

Your Committees recognize and affirm the inherent right of the indigenous Hawaiian people to sovereignty and self-determination and support their efforts to establish a sovereign government with powers, duties, and land, ocean, water, and financial resources as they determine. This bill will aid in redressing the wrongs and inequities resulting from the overthrow of the Hawaiian Kingdom and usurpation of the government, lands, and treasury of the indigenous Hawaiian people.

Additionally, this bill will assist in ameliorating the spiritual, health, social, and economic plight of the indigenous Hawaiian people through empowerment of their self-determined institutions and repossession of their land, ocean, water, and financial resources.

Your Committees on Judiciary and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 1992, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1992, 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 Iwase and Tungpalan.
Senator Reed did not concur.

SCRep. 1103 Science, Technology and Economic Development on H.B. No. 653

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to improve the infrastructure of the Sand Island Industrial Park.

Your Committee finds that the Sand Island Business Association (SIBA) serves as the agent for approximately 113 tenants occupying the 73-acre proposed industrial park. Your Committee further finds that the SIBA has secured private financing to begin construction and intends to use the proceeds from these bonds to refinance the long-term construction loan secured through private financing.

Testimony in support of this measure was submitted by SIBA and testimony in opposition was submitted by the Department of Land and Natural Resources. The Department objected to the SIBA receiving more favorable interest rates through these bonds in addition to the favorable lease rents already negotiated with the Department. Subsequent discussions with the SIBA and the Department revealed that prior to the lease rent negotiations, the Department urged the SIBA to seek private financing and, therefore, it appears contradictory at this juncture to object to SIBA negotiating a favorable lease rent in connection with private financing.

Your Committee has amended this bill by increasing the amount of bond authorization from \$5,000,000 to \$10,000,000.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 653, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 653, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino and Mizuguchi.

SCRep. 1104 (Majority) Tourism, Recreation and Transportation on H.B. No. 173

The purpose of this bill, as received, is to establish a statutory scheme for the regulation of interisland air carriers to the extent permissible under the Constitution and laws of the United States.

Upon due consideration, your Committee has amended this bill by deleting its provisions and inserting language to appropriate funds to the Department of Business Economic Development, and Tourism for the purpose of assisting our State's interisland airlines through guaranteed loans pursuant to Chapter 211, H.R.S.

Your Committee believes that State guaranteed loans will protect those interisland airlines whose operations and revenues have been adversely affected by the downturn in tourism. More importantly, this bill will protect the public welfare by ensuring jobs for our citizens and providing a continued means of convenient travel between the islands of our State.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 173, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 173, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tanaka.
Senator Koki did not concur.

SCRep. 1105 Tourism, Recreation and Transportation on H.B. No. 178

The purpose of this bill is to establish: a bicycle/pedestrian program coordinator position within the Department of Transportation; a statewide bicycle transportation advisory committee; and the statewide bicycling promotion program.

Federal law requires any state using moneys provided under the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) to establish a bicycle/pedestrian coordinator position. This bill fulfills the federal requirement and also gives clear indication that the State considers bicycles an important mode of transportation that deserves specific attention, promotion, and support.

Testimony in support of this bill from the Department of Transportation indicated that the bicycle/pedestrian program coordinator position is currently included in the Executive Budget. Moreover, the duties of the bicycle/pedestrian program coordinator, including overseeing a statewide bicycling promotion program, are already specified by ISTEA.

Consequently, your Committee has amended this bill by deleting the provisions that establish the bicycle/pedestrian program coordinator position and the statewide bicycling promotion program.

Your Committee has further amended this bill by changing the effective date to upon approval and making technical amendments that have no substantive effect.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 178, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 178, 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 Tanaka.

SCRep. 1106 Tourism, Recreation and Transportation on H.B. No. 179

The purpose of this bill is to amend Chapter 291C, Hawaii Revised Statutes, to establish a new part to define and designate the use of high occupancy vehicle lanes.

This bill also establishes minimum and maximum fines, authorizes the issuance of citations by mail, and establishes registered owner's responsibilities and lessee's liability.

Your Committee believes that enforcement of high occupancy vehicle lane restrictions will encourage compliance with the minimum occupancy requirement and maximize the efficient movement of vehicles on our highways.

Testimony in support of this bill was received from the Department of Transportation and the Hawaii Transportation Association. The Car and Truck Leasing Association of Hawaii supports the intent of this bill, however they expressed concern about their liability.

Your Committee has amended this bill by making technical changes for purposes of clarity and style.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 179, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 179, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 1107 Tourism, Recreation and Transportation on H.B. No. 747

The purpose of this bill is to modify existing penalties for driving under the influence of intoxicating liquor (DUI).

Specifically, this bill amends section 291-4(b), Hawaii Revised Statutes, by repealing the provision permitting the court to require a first time offender to install an ignition interlock system, and by reducing the maximum jail time for a first offense from thirty days to five days. This bill also changes penalties for a first offense by exempting persons from license suspension who have previously had their driver's license revoked administratively.

Your Committee finds that there is currently a backlog of approximately 3,000 DUI cases awaiting jury trial. New cases coming into the system are being scheduled for trial in January of 1997. In addition, your Committee finds that a high percentage of these DUI cases involve first time offenders who are highly unlikely to receive any jail time. This bill will alleviate the current backlog that is overwhelming the judicial system, and will allow for timely adjudication of repeat offenders who pose the greatest risk to the community and public safety.

Your Committee notes that the intent of this bill is to make a DUI first offense a petty offense in the constitutional sense so that individuals charged with a first offense are not entitled to a jury trial.

The City and County of Honolulu's Department of the Prosecuting Attorney testified in favor of this bill, and Mothers Against Drunk Driving testified in support of the intent of this bill.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 747, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Fernandes Salling, Holt and Tanaka.

SCRep. 1108 Tourism, Recreation and Transportation on H.B. No. 1055

The purpose of this bill is to resolve the jurisdictional dispute between the State and counties over the ownership of certain public highways.

Specifically, this bill no longer requires the counties to remit proceeds to the State from the sale of any county public highway that was formerly a state public highway. This bill provides that the Federal Highway Administration will be credited for its share of sale proceeds, since the State has no authority to waive a reimbursement or credit to the federal government, if a reimbursement or credit is required.

Your Committee believes that it is fair to allow the counties to keep the proceeds from the sale of certain public highways over which the counties are required to accept jurisdiction.

Your Committee has amended this bill by making technical changes to correct a drafting error and for purposes of clarity and style.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1055, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1055, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 1109 Tourism, Recreation and Transportation on H.B. No. 1062

The purpose of this bill is to conform the definition of blood alcohol concentration in section 291-4, Hawaii Revised Statutes, with section 286-251, Hawaii Revised Statutes (HRS).

Section 291-4, HRS, establishes the offense of driving under the influence of intoxicating liquor, and section 286-251, HRS, is the definitions section for the administrative revocation law.

Your Committee finds that the proposed definition will lend clarity and consistency to our State's laws relating to drunk driving.

Your Committee received testimony in support of this bill from the Department of Transportation, the Department of Health, the Police Department of the City and County of Honolulu, and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1062, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Fernandes Salling, Holt and Tanaka.

SCRep. 1110 Tourism, Recreation and Transportation on H.B. No. 1202

The purpose of this bill is to establish the Convention Center Capital Special Fund for the deposit of a portion of the general excise taxes realized through the operation of transient accommodations, and a percentage of all transient accommodations taxes collected. This bill also repeals the Convention Center Development Revolving Fund and establishes the Convention Center Operations Revolving Fund for the deposit of revenues from convention center operations, concessions, and parking lot operations, and all funds appropriated by the Legislature.

Upon due consideration, your Committee has amended this bill by deleting its substance and inserting provisions increasing the transient accommodations tax to six percent in 1993, and seven percent in 1994.

In 1993, the additional revenues generated by this increase will be used to advertise, promote, and market tourism. In 1994, and thereafter, the additional revenues will be used primarily to retire any bond debt created by the construction of a convention center, and also to advertise, promote, and market tourism, and to provide Hawaii's students with tourism related job skills training.

Your Committee finds that the transient accommodations tax is a logical source of funding for a convention center, since it was originally instituted for this purpose. In addition, your Committee believes that the development of a convention center requires additional funding for tourism and education to promote Hawaii as an attractive and desirable convention location and to provide qualified workers for the many new jobs that will be created by the construction and operation of a world class convention center.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1202, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1202, 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 Holt and Tanaka.

SCRep. 1111 Tourism, Recreation and Transportation on H.B. No. 1538

The purpose of this bill is to establish a Nonresident Violator Compact. This bill also amends sections 287-3 and 287-20, Hawaii Revised Statutes, to specify that the Nonresident Violator Compact does not affect the application of these sections.

Hawaii's participation in a Nonresident Violator Compact will improve the enforcement of traffic violations committed by non-residents. This bill will no longer allow a non-resident who violates our State's traffic laws to disregard with impunity the responsibilities under the terms of a traffic citation.

Your Committee finds that this bill will promote compliance with state traffic laws and in turn promote safety on our highways. Your Committee further finds that this bill will serve to generate revenues for our State.

Your Committee received testimony in support of this bill from the City and County of Honolulu's Department of the Prosecuting Attorney and Department of Finance, and the Police Department of the County of Kauai.

Your Committee has amended this bill by correcting a drafting error on page 11, line 11.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1538, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1538, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 1112 Tourism, Recreation and Transportation on H.B. No. 1828

The purpose of this bill is to authorize the development of a convention center facility at either the Ala Wai Gateway or the former Aloha Motors site.

In addition, this bill extends the Convention Center Authority's deadline for approval of a convention center developer's plan to June 30, 1998.

Your Committee finds that the development of a world class convention center is necessary to ensure that Hawaii remains a competitive visitor destination. Your Committee further finds that the construction and operation of a convention center facility will allow the State to continue to attract business to the islands, provide job opportunities for our citizens, and generate revenues to boost our economy.

Your Committee believes that a convention center would be best located in or near Waikiki on a site capable of supporting the world class facility. Your Committee also believes that it would be most appropriate to select a site with a developer and a financial plan in place.

Upon due consideration, your Committee has amended this bill by deleting specific references to the Ala Wai Gateway and former Aloha Motors sites and inserting language to establish general criteria for the selection of a convention center site. Your Committee believes that further discussion is necessary to ensure that the best possible convention center site is selected.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1828, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1828, 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 Holt and Tanaka.

SCRep. 1113 Tourism, Recreation and Transportation on H.B. No. 2050

The purpose of this bill is to increase the authorized total principal amount of special facility revenue bonds issued by the Department of Transportation pursuant to section 266-52(2), Hawaii Revised Statutes, from \$50,000,000 to \$100,000,000.

This bill also makes some housekeeping amendments to sections 266-53 and 266-55, Hawaii Revised Statutes, and deletes the sunset provision in section 266-56, Hawaii Revised Statutes, to allow the Department of Transportation to continue to issue special facility revenue bonds.

Your Committee finds that the increased authorized principal amount will provide an option for private maritime companies to finance development of waterfront facilities.

Your Committee has amended this bill by inserting a provision to allow the Department of Transportation to issue special facility revenue refunding bonds, in conformity with H.B. No. 2052, which was approved by your Committee earlier this session. This amendment will provide the maritime industry with the opportunity to refund outstanding special facility revenue bonds with special facility revenue refunding bonds at lower interest rates.

Your Committee has further amended this bill by making technical changes to correct a drafting error.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 2050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2050, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 1114 Tourism, Recreation and Transportation on H.B. No. 2051

The purpose of this bill is to conform state law to the federal Commercial Motor Vehicle Safety Act of 1986.

Your Committee finds that the Commercial Motor Vehicle Safety Act of 1986 contains a penalty provision for states that do not meet all federal requirements specified in the Act. The penalty for Hawaii's noncompliance would be \$4.4 million in the first year and \$8.8 million in each subsequent year. This bill will ensure that the State does not lose a large amount of federal highway funds.

Your Committee received testimony in support of this bill from the Department of Transportation and the Hawaii Transportation Association.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 2051 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Holt and Tanaka.

SCRep. 1115 Housing on H.B. No. 1411

The purpose of this bill is to establish the superiority of the buyback lien of the Housing Finance and Development Corporation (HFDC) on the purchase of real property, when that real property is subject to mortgages, liens and other encumbrances. The bill subordinates all mortgages and liens except the first mortgage, and other mortgages made with the approval of the HFCD.

Your Committee received favorable comment on the provisions of this bill from the HFDC, the Department of Housing and Community Development of the City and County of Honolulu, and from the United States Department of Housing and Urban Development.

Your Committee has amended this measure to:

- (1) include HUD-insured mortgages within the category of mortgages not subject to the superiority of HFDC's buyback lien; and
- (2) allow for refinancing of the property within ten years of the date of purchase, up to the amount that would have been realized had the purchaser sold the property back to the HFDC.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1411, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1411, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1116 Judiciary on H.B. No. 52

The purpose of the bill is to allow the court to order that the testimony of a child be taken by a video camera in a room other than the courtroom and broadcast by television in the courtroom and to establish a hearsay exception for incompetent and uncommunicative child abuse victims.

Your Committee received testimony relative to the bill from the Judiciary, the Public Defender, the State Commission on the Status of Women, and the Department of the Prosecuting Attorney of Honolulu and Hawaii County.

Your Committee finds need to avoid subjecting a child sex abuse victim to the traumatic experience of testifying in open court.

Your Committee has amended the bill by specifying that the child must be less than sixteen years of age at the time of testimony and by substituting the word "complainant" for the word "victim".

Witnesses at the Committee hearing debated whether the language which now appears on page 8, line 19 of H.B. No. 52, H.D. 1, S.D. 1 should be "strong assurances of trustworthiness" or "so reliable that cross-examination does not appear necessary". Your Committee opted for the formulation suggested by the Judiciary, upon the suggestion by the Judiciary that the words meant the same thing. Your Committee recognizes that a Defendant's Sixth Amendment right of confrontation not be contravened. The proposed hearsay exception applies when the statement has been made in such circumstances as to be so reliable that cross-examination does not appear necessary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 52, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 52, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1117 Judiciary on H.B. No. 199

The purpose of this bill is to amend the Substance Abuse chapter of Hawaii Revised Statutes (HRS), Chapter 329B, by adding a new section which exempts specified testing from Chapter 329B requirements. Exempted tests include: 1) alcohol and substance abuse testing conducted under Chapter 286, Highway Safety, Chapter 291, Traffic Violations; 2) pretrial or postconviction substance abuse testing of individuals under the supervision or custody of the Judiciary, the Department of Public Safety, the Hawaii Paroling Authority; and 3) alcohol or substance abuse testing of youths at youth correctional facilities conducted by the Office of Youth Services.

The Judiciary, the Department of Public Safety, the Hawaii Paroling Authority, and the Office of Youth Services of the Department of Human Services testified in support of this measure. The American Civil Liberties Union of Hawaii opposed this bill.

Your Committee finds that Chapter 329B, HRS, enacted in 1992, hindered the drug testing efforts of the criminal justice system agencies. The stringent requirements of Chapter 329B, HRS, increased the time lag for test results and raised the costs of testing for the agencies.

Your Committee further finds that the 1992 Legislature, after full and free discussion in conference, excluded the Department of Public Safety from the substance abuse testing requirements of Chapter 329B, HRS, for individuals under the custody and care of the Department by the enactment of Act 201, 1992. However, the 1992 Legislature gave a tested inmate the option of a confirmatory test by a licensed, certified laboratory. The cost of the confirmatory test was to be at the State's expense except where the results of the test were positive, in which case the inmate would be charged with the cost. Act 201 also dictated that the Department of Public Safety was to adopt chain-of-custody procedures, including a tracking form, documenting the handling and storage of the specimen from collection to final disposition of the specimen.

Your Committee finds that Act 201 of 1992 appropriately balances the need for less stringent and less costly substance abuse testing requirements for criminal justice system agencies with protection of the rights of virtuous individuals who would be erroneously punished because of false positive test results. Therefore, your Committee has amended the bill to, in effect, have the Judiciary, the Hawaii Paroling Authority, and the Office of Youth Services be constrained by substance abuse testing procedures outlined in Act 201, 1992, which is now Section 353-13.4, HRS.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 199, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 199, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1118 Judiciary on H.B. No. 200

The purpose of this bill is to amend section 612-17, Hawaii Revised Statutes (HRS), to eliminate the requirement that trial jurors be assembled in panels of eighteen. Additionally, this bill amends sections 612-15, 612-17, 612-18, and 612-26, HRS to eliminate references to jury panels, and to make other technical and non-substantive changes.

Your Committee received testimony in support of this measure from the Judiciary and the Hawaii State Bar Association.

Your Committee finds that the current law, requiring jury panels of eighteen jurors, serves no useful purpose and adds to the workload of the jury pool staff. Additionally, it wastes jurors' time by requiring courts to order jurors by panels of eighteen rather than ordering the specific number of jurors needed. This amendment will increase the efficiency of the jury system by providing the Judiciary with greater flexibility in selecting and scheduling jurors.

Your Committee has amended the bill by incorporating provisions from HB201, changing the trial jury service year to a calendar year and changing the method of storing trial juror names and qualification forms. Other amendments make technical changes that have no substantial effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1119 Judiciary on H.B. No. 210

The purpose of this bill is to delete language which permits the court to dispense with the consent to adoption of an adjudicated or presumed father who has not previously submitted a petition for adoption or whose petition was denied.

The Judiciary submitted testimony in favor of this measure.

Under the current law, the Court, in adoption proceedings, may dispense with the consent of an adjudicated or presumed father upon a finding that he has not previously petitioned to adopt the child. An "adjudicated father" is a man whose legal relationship with the child has been established by the Court in a paternity action, Section 578-2(a)(3), Hawaii Revised Statutes, (HRS), and a "presumed father" is defined in Sections 578-2(d) and 584-4, HRS, as a man who was married to the child's mother at the time of the child's birth or who has acknowledged paternity of the child by filing an acknowledgement with the Department of Health.

Your Committee finds that an "adjudicated or presumed father" already has a legally recognized relationship with the child and therefore would not need to petition for adoption. This measure merely deletes the words "adjudicated or presumed" from the applicable section of the HRS to avoid confusion. Your Committee has further amended the bill by inserting an amendment to Section 571-61(b), HRS, for the purposes of conformity and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 210, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 210, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1120 Judiciary on H.B. No. 570

The purpose of this bill is to clarify that the standard for which a person shall be convicted of a misdemeanor violation of a temporary restraining order is knowing or intentional. The bill further requires that a person serve a mandatory minimum jail sentence of forty-eight hours upon the first conviction for a violation of a protective order and a mandatory minimum sentence of thirty days for any subsequent violations.

Your Committee received testimony relative to the bill from the Honolulu City Prosecutor, the Public Defender, the Commission on the Status of Women and an interested citizen.

Your Committee finds that sanctions for violation of a temporary restraining order or a protective order should be equal and that a second and any subsequent conviction should result in a mandatory minimum sentence of imprisonment.

Your Committee has amended the bill to delete the mandatory aspect of first offense sentencing and to establish consistency in sentencing for violations of both temporary restraining orders and protective orders.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 570, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 570, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1121 Judiciary on H.B. No. 1073

The purpose of this bill is to amend Section 707-766, Hawaii Revised Statutes (HRS), to clarify what constitutes extortion in the second degree.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that the intent of the original enactment was to describe the elements of the offense of extortion in the disjunctive.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1073 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1122 Judiciary on H.B. No. 1089

The purpose of this bill is to change the manner in which attorneys' fees are determined in assumpsit actions.

The Judiciary and the Hawaii State Bar Association submitted testimony relative to the bill.

Your Committee finds that attorneys' fees in assumpsit actions are often based on a percentage as opposed to an hourly rate, and that the current law does not fairly compensate the creditor for the expense of retaining an attorney to prosecute its claim, nor does it fairly compensate the defendant who prevails against an creditor's faulty claim.

Your Committee has amended the bill by restoring three categories of attorneys' fees based on percentages and deleting other provisions relative to attorneys' fees which are deemed to be redundant.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1089, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1089, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1123 Judiciary on H.B. No. 1598

The purpose of this bill is to make technical changes to sections 576E-1, 576E-2, 576E-5, 576E-10, and 576E-16, Hawaii Revised Statutes, in order to comply with federal law. The federal mandate is found in Title 42, United States Code, sections 654(5) and 654(6), whereby the State Child Support Enforcement Agency is required to collect spousal support from obligors, who have been ordered to pay both child and spousal support to an obligee who is living with the dependent child.

The Office of the Attorney General testified in support of this measure.

Your Committee finds that this bill clarifies the existing child support enforcement statute by implementing and harmonizing the federal mandate.

Your Committee has amended the bill to delete a redundant provision relative to immediate income withholding.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1598, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1124 Judiciary on H.B. No. 1798

The purpose of this bill is to amend section 607-18, Hawaii Revised Statutes (HRS), to make this section consistent with section 554A-3(c), HRS, regarding court authorization and the employment of persons for the benefit of the estate.

The Corporate Trustees Association of Hawaii offered testimony in support of the bill.

Your Committee finds that this bill allows a trustee to receive additional compensation to the extent that the trustee does not employ others to do bookkeeping and clerical services at the expense of the estate. Also, it eliminates the requirement for court authorization regarding the trustee's compensation or the trustee's employment of persons to assist in administrative duties. The bill further clarifies that the fees are applicable only to private trusts and not to charitable trusts.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. NO. 1798, 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. 1125 Tourism, Recreation and Transportation on S.C.R. No. 48

The purpose of this concurrent resolution is to urge the Governor to certify his opposition to the mandatory suspension of driver's licenses for drug convictions.

In order to prevent the withholding of federal highway funds to the State, federal law requires either that the State enact a law requiring the mandatory suspension of driver's licenses for convicted drug offenders, or that the Legislature and the Governor certify in writing their opposition to the enactment of such a law.

Your Committee finds that Hawaii is in a position to lose five percent or about \$4.4 million in federal funds in fiscal years 1994 and 1995, and 10 percent or about \$8.8 million annually, thereafter, since the State does not have a conforming law. This certification will prevent the loss of federal highway funds to the State.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 48 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1126 Tourism, Recreation and Transportation on S.C.R. No. 49

The purpose of this concurrent resolution is to certify the Legislature's opposition to the federal mandate requiring the suspension of driver's licenses of all convicted drug offenders.

In order to avoid the withholding of federal highway funds to the State, federal law requires either that the State enact a law requiring the mandatory suspension of driver's licenses for convicted drug offenders, or that the Legislature and the Governor certify in writing their opposition to the enactment of such a law.

Your Committee finds that Hawaii is in a position to lose 5 per cent or about \$4.4 million in federal funds in fiscal years 1994 and 1995, and 10 per cent or about \$8.8 million annually, thereafter, since the State does not have a conforming law. Alternatively, this certification will prevent the loss of federal highway funds to the State.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 49 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1127 Judiciary on H.B. No. 620

The purpose of the bill is to allow persons to vote by absentee ballot at an established absentee polling place which shall be open within two business days after absentee ballots have been delivered to the office of the respective clerks.

Your Committee received favorable testimony on the bill from representatives of the Office of the Lieutenant Governor and the League of Women Voters.

Your Committee finds that requests for absentee ballots are received long before election day, and it will be beneficial to designate the day on which the absentee polling places will open. However, the county clerks indicated that "two business days after ballots have been delivered" will create uncertainty. Therefore, your Committee has amended the bill to specify that the absentee polling places shall be open no later than fifteen days before election day, as suggested by the county clerks. The clerks stated that this could be accommodated within existing county budgets and would not impair their ability to administer the elections.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 620, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 620, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1128 Judiciary on H.B. No. 920

The purpose of this bill is to amend section 574-1, Hawaii Revised Statutes, by allowing a person upon marriage to retain his or her own last name, or to adopt the spouse's last name as a middle or last name, without adding a hyphen. In addition, the bill allows a person whose last name consists of the parent's last names that are not separated by a hyphen to make the following choices upon marriage: to keep the last name of either parent; the last name of the spouse alone; or the last name of the spouse placed before or after the person's own last name, with or without a hyphen.

Testimonies in support of the intent of the bill were submitted by the Hawaii State Commission on the Status of Women and the Department of Health. However, the Commission indicated that additional options needed to be added to those already set forth.

Your Committee finds that both the present law and the present bill restrict people's options as to what they can choose as their middle and last name upon marriage. With the advent of increased autonomy and expressions of individualism being accepted by society today, your Committee finds it more appropriate to allow people to choose any name they desire to be their middle and last name upon marriage. Your Committee further finds that such wide discretion would not interfere with tracing of lineage since a person's name is indexed by the Department of Health.

Accordingly, your Committee has decided that there is no logical reason in restricting a person's choice for a middle or last name, upon marriage, to certain options and has therefore amended the bill by removing all restrictions.

Your Committee intends to make clear that this measure only addresses a person's choice for a middle or last name upon marriage and that name changes at any other time are still required to be submitted to the Lieutenant Governor's Office.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 920, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 920, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1129 Judiciary on H.B. No. 1090

The purpose of this bill is to raise the jurisdictional dollar limits of the District Court from \$10,000 to \$25,000, as well as to change the maximum amount in controversy in which the District Court has exclusive jurisdiction from \$5,000 to \$10,000.

Your Committee received testimony in support of the bill from the Judiciary and the Hawaii State Bar Association.

Your Committee finds that an increase in the jurisdictional limits of the District Court is in keeping with inflation and the attendant devaluation of the dollar. The higher jurisdictional amount will also increase judicial efficiency by decreasing the civil case load of the Circuit Courts.

Your Committee also finds a need for legislative oversight in the selection of District Court judges, in order to allow the general public an opportunity for input at a public hearing on a nominee. Therefore, your Committee has amended the bill to include provisions for a constitutional amendment authorizing confirmation by the Senate of District Court judges.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1090, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1130 Health on H.B. No. 1647

The purpose of this bill is to allow out-of-state laboratories certified by the Substance Abuse and Mental Health Services Administration and approved by the Director of Health to perform substance abuse testing on Hawaii samples.

Currently, only a limited number of out-of-state laboratories are licensed in the laboratory's resident state and thus are allowed to test samples from Hawaii. However, many businesses would prefer to have samples tested at one of the 92 mainland laboratories certified by the Federal Substance Abuse and Mental Health Services Administration, but are currently prohibited from doing so due to lack of enabling legislation. This measure will allow exercise of this preference.

Your Committee has amended this bill by making several nonsubstantive technical changes for the purposes of style and conformance with recommended drafting technique.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1647, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1647, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1131 Health on H.B. No. 1648

The purpose of this bill is to authorize premarital rubella testing by clinical laboratories meeting federal standards established under the Clinical Laboratory Improvement Amendments of 1988.

Current law requires that these tests be carried out in Department of Health laboratories or laboratories approved by the Department.

Your Committee finds that the Federal Act provides essentially the same standards as are required of department-approved laboratories.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1648 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1132 Health on H.B. No. 1651

The purpose of this bill is to repeal Chapter 331, Hawaii Revised Statutes, relating to radium for medical and surgical purposes.

Medical and surgical use of radium has been discontinued for many years in favor of advances in use of radioactive materials in the healing arts. At present, control of ionizing radiation sources is covered under Section 321-11, Hawaii Revised Statutes, and Chapter 40, Hawaii Administrative Rules, except byproduct radioactive materials which are regulated by the Nuclear Regulatory Commission.

Repeal of Chapter 331 will remove any legal basis for inappropriate use of radium in medical practice.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1651 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1133 Health on H.B. No. 1655

The purpose of this bill is to clarify the kinds of establishments that comprise "restaurants" as that term is currently employed in Chapter 328K, Hawaii Revised Statutes.

Chapter 328K, relating to smoking, defines "restaurant" as any retail eating establishment authorized by the Department of Health to operate as a restaurant. Actually, the Department authorizes "food service establishments" under Chapter 1-A of the Sanitation Code, and this bill incorporates the Sanitation Code terminology into the Smoking chapter.

This is a housekeeping measure. Technically, restaurants are a subcategory of the larger class of food service establishments.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1655, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1655, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1134 Health on H.B. No. 1656

The purpose of this bill is to specifically include the Office of Youth Services in the Interdepartmental Cluster for Services to Children in the Department of Health.

The Cluster was intended to include all major child-serving agencies. The Office of Children and Youth falls into this category, and has been participating in the Cluster since July 15, 1991, but is not specifically mentioned in the statute.

This bill provides for appropriate statutory inclusion.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1656 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1135 Health on H.B. No. 2029

The purpose of this bill is to strengthen Hawaii's mental health and substance abuse system and bring Hawaii law into conformity with provisions of the federal Alcohol, Drug Abuse and Mental Health Administration Reorganization Act.

The federal Act separates mental health and substance abuse funding into two separate block grants. This bill deletes overlapping functions of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances (HACDACS) and the State Council on Mental Health and Substance Abuse (renamed State Council on Mental Health) and provides for joint membership of one member.

This bill also strengthens membership criteria for the State Council to provide adequate representation from the private sector and families of mental health service recipients, and requires membership on the Service Area Boards to be primarily private citizens not involved in mental health service provision.

Your Committee finds that this bill will reduce confusion and duplication of functions and responsibilities between the Council and Commission and ensure appropriate representation of the general public and consumers, especially adults with serious mental illness, children with serious emotional disturbances, and individuals with combined mental illness substance abuse disorders. Your Committee also finds that this bill will bring Hawaii's laws into conformity with federal block grant requirements.

Your Committee has amended this bill by providing for Department of Health representation at HACDACS and State Council meetings and requiring Service Area Boards to advise HACDACS and the State Council. Your Committee has also made several nonsubstantive changes for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2029, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2029, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1136 Ways and Means on H.B. No. 126

The purpose of this bill is to authorize the issuance of general obligation bonds and comply with the bond authorization requirements of the State Constitution.

Your Committee finds that this bill fulfills the requirements of Article VII, section 13 of the Constitution of the State of Hawaii, which requires the legislature to declare findings with respect to the effect of any general law authorizing the issuance of general obligation bonds on the debt limit of the State.

Your Committee has amended the final paragraph of section 3 of this bill by specifying that the bonds being authorized under the paragraph for the payment of outstanding debt on bonds previously issued are general obligation refunding bonds. Your Committee has also made several technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 126, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1137 Ways and Means on H.B. No. 1699

The purpose of this bill is to allow the director of taxation to permit taxpayers subject to the general excise tax, the transient accommodations tax, the use tax, or the rental motor vehicle and tour vehicle surcharge tax to file quarterly or semi-annual returns on a fiscal year basis.

This bill is a housekeeping measure supported by the department of taxation. Your Committee notes that this bill is identical to S.B. No. 1462 which was reported out of your Committee on February 19, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1699 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1138 Ways and Means on H.B. No. 2006

The purpose of this bill is to authorize the issuance of \$136,500,000 in general obligation bond funds to satisfy the State's obligation to the office of Hawaiian affairs as provided in Act 304, Session Laws of Hawaii 1990. The bill also appropriates funds for debt service on the bonds.

Your Committee finds that Act 304, Session Laws of Hawaii 1990, established the terms and conditions for the payment of revenues to the office of Hawaiian affairs. The Act also requires the State to pay interest at a rate of ten per cent on all unpaid balances due to the office. The amount in this bill is consistent with the terms established for the years 1981 through 1990. Your Committee finds that this bill proposes a fiscally prudent method of meeting the State's obligation to the office of Hawaiian affairs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2006 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 Fukunaga, McCartney and Tungpalan.

LCRep. 1139 Executive Appointments on Gov. Msg. Nos. 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 267, 268, 269, and 270

Recommending that the Senate advise and consent to the nominations of the following:

FRED T. YOUNG to the Board of Private Detectives and Guards, term to expire June 30, 1997 (Gov. Msg. No. 244);

STEVE R. KAMIYA and STEVEN H. YOSHIMURA to the Board of Barbers, terms to expire June 30, 1997 (Gov. Msg. No. 245);

SAM COX, ROBERT J. BIDWELL, M.D., LIANE Y. MIKAMI KAM, and GAIL HIRONAKA to the Child Abuse and Neglect Secondary Prevention Advisory Committee, terms to expire June 30, 1996 (Gov. Msg. No. 246);

ERROL D.Y. LEE to the State Board of Chiropractic Examiners, term to expire June 30, 1997 (Gov. Msg. No. 247);

RAYMOND S. ONO to the Community Based Development Advisory Council, term to expire June 30, 1995 (Gov. Msg. No. 248);

RACHAEL KAMAKANA and LEON KAPUAHELANI STERLING, JR. to the Community Based Development Advisory Council, terms to expire June 30, 1997 (Gov. Msg. No. 248);

JAN DAPITAN, GAIL ANN CHEW and BARBARA E. DART to the Advisory Council for Community Services, terms to expire June 30, 1997 (Gov. Msg. No. 249);

JOY B.Y. SHIMABUKU, ANTOINETTE M. ALFONSO and MITZI C. H-YAMAMOTO to the Board of Cosmetology, terms to expire June 30, 1997 (Gov. Msg. No. 250);

HIDEO ABE to the Credit Union Review Board, term to expire June 30, 1997 (Gov. Msg. No. 251);

HELEN S. YOUNG and GURBACHAN K. SINGH to the Commission on Persons with Disabilities, terms to expire June 30, 1994 (Gov. Msg. No. 252);

RICHARD R. CHAVES to the Commission on Persons with Disabilities, term to expire June 30, 1995 (Gov. Msg. No. 252);

BILLIE P. KEAWEKANE to the Commission Persons with Disabilities, a term to expire June 30, 1996 (Gov. Msg. No. 252);

WALLACE J. INGLIS, JILL KOUCHI, VIVIAN RAE HANSON and JOHN W. HARTMAN to the Commission on Persons with Disabilities, terms to expire June 30, 1997 (Gov. Msg. No. 252);

COLIN T. MIYABARA to the Policy Advisory Board for Elder Affairs, term to expire June 30, 1995 (Gov. Msg. No. 253);

RICHARD B. ABING, SR, LAURENCE J. CAPELLAS, WARREN G. HAIGHT, SHIMEJI KANAZAWA, CAROL KIKKAWA-WARD and ALICE KAHILIOPUA MORIWAKE to the Policy Advisory Board for Elder Affairs, terms to expire June 30, 1997 (Gov. Msg. No. 253);

RONALD T. TANAKA to the Advisory Commission on Employment and Human Resources, term to expire June 30, 1994 (Gov. Msg. No. 254);

LEON RICHARDS, Ph.D., to the Advisory Commission on Employment and Human Resources, term to expire June 30, 1995 (Gov. Msg. No. 254);

CATHERINE E. OUYE and JO-ALYCE K. PETERSON, Ed.D., to the Advisory Commission on Employment and Human Resources, terms to expire June 30, 1996 (Gov. Msg. 254);

MAKO ARAKI, MILES A.P. KAHALOA and DOUGLAS D. EHRESMAN to the Oahu Library Advisory Commission, terms to expire June 30, 1997 (Gov. Msg. No. 255);

MERCEDES B. LEIALOHA and JO ANN SASAKI to the Hawaii Library Advisory Commission, terms to expire June 30, 1997 (Gov. Msg. No. 256);

LYNETTE TSUDA to the Kauai Library Advisory Commission, term to expire June 30, 1996 (Gov. Msg. No. 257);

SHEILA EIKO UEDA BLACK and JANICE S. ESPIRITU to the Maui County Library Advisory Commission, terms to expire June 30, 1997 (Gov. Msg. No. 258);

BLANCHE LEIMAMO NOBUKO ASAGI to the Board of Massage, term to expire June 30, 1996 (Gov. Msg. No. 259);

CHRISTOBAL J. QUINTANA to he Board of Massage, term to expire June 30, 1997 (Gov. Msg. No. 259);

LELAND M. YAGI and MARK K. ONO to the Board of Examiners of Nursing Home Administrators, terms to expire June 30, 1997 (Gov. Msg. No. 260);

JONI S. KANAZAWA to the Board of Dispensing Opticians, term to expire June 30, 1997 (Gov. Msg. 261);

ROY M. SHIMOTSUKASA and BRYAN M. OSHIO to the Pest Control Board, terms to expire June 30, 1997 (Gov. Msg. No. 262);

KATHERINE A. O'REILLY to the Board of Physical Therapy, term to expire June 30, 1997 (Gov. Msg. No. 263);

KELLY MARGUERITE VITOUSEK, Ph.D., to the Board of Psychology, term to expire June 30, 1995 (Gov. Msg. No. 264);

TERRI LYNNE NEEDELS, Ph.D., to the Board of Psychology, term to expire June 30, 1997 (Gov. Msg. No. 264);

LESTER M. UYEDA to the Radiologic Technology Board, term to expire June 30, 1996 (Gov. Msg. No. 265);

DAVID H. SAKUDA, M.D., VICKI ANN CHANG and ANDREW ROTHSTEIN to the Radiologic Technology Board, terms to expire June 30, 1997 (Gov. Msg. No. 265);

SABRINA A. TOMA to the Board of Taxation Review, First Taxation District (Oahu), term to expire June 30, 1993 (Gov. Msg. No. 266);

SABRINA A. TOMA to the Board of Taxation Review, First Taxation District (Oahu), term to expire June 30, 1997; (Gov. Msg. No. 266)

FILEMON M. NANOD to the Board of Taxation Review, Second Taxation District (Maui County), term to expire June 30, 1997 (Gov. Msg. No. 267);

ALVIN WAKAYAMA to the Board of Taxation Review, Third Taxation District (Hawaii), term to expire June 30, 1997 (Gov. Msg. No. 268);

EMILIO "SPUD" OLIVAS to the Board of Taxation Review, Fourth Taxation District, term to expire June 30, 1997 (Gov. Msg. 269);

SHIRLEY R. CAVANAUGH to the Advisory Board on Veterans Services, term to expire June 30, 1993 (Gov. Msg. No. 270);

LOUIS BALDOVI to the Advisory Board of Veterans Services, term to expire June 30, 1995 (Gov. Msg. 270); and

LOUIS KAOIWI, SHIRLEY R. CAVANAUGH and ALFRED S. LOS BANOS to the Advisory Board of Veterans Services, terms to expire June 30, 1997 (Gov. Msg. No. 270).

Signed by all members of the Committee.

LCRep. 1140 Legislative Management on H.B. No. 947

The purpose of this bill is to change the dates on which lobbyists and their principals must file expenditure statements with the State Ethics Commission.

Under current law, lobbyists, persons who utilize lobbyists, and others who spend money to influence public decision-making must file expenditure reports every January 31, for the period running from March 1 through December 31 of the previous year, and on March 31, for the period running from January 1 through the last day of February of the current year.

This bill repeals the March 31 report and instead requires a report on May 15 to cover the period running from January 1 to April 30. The January 31 report would then cover the period running from May 1 to December 31.

Your Committee finds that three reporting dates, rather than the two proposed by this measure, are needed to appropriately account for lobbyist activities throughout the year. The March 31 report, which would be repealed by this measure, is essential for provision of timely information on expenditures made during the early part of the legislative session, and a post-session report is necessary to provide prompt information regarding lobbyist activities during the remainder of the session. The May 15 report proposed by this measure would not account for the final or extended days of a legislative session in a timely manner.

Your Committee prefers the reporting timetable provided in S.B. No. 745 previously approved by your Committee, and has amended this bill accordingly. As amended, in addition to a January 31 report for the period running from July 1 through December 31, lobbyists and their associates will also be required to file reports on March 31 covering the period running from January 1 through the last day of February, and on July 31 covering the period running from March 1 through June 30.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 947, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 947, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1141 Planning, Land and Water Use Management on H.B. No. 892

The purpose of this bill is to increase the maximum daily fine for violating the laws governing conservation district and subzone land use from \$500 to \$2,000.

This bill also increases the additional fine for wilful violations from \$500 to \$2,000 for each day a violation persists after a violator is given written notification by the Department of Land and Natural Resources.

Your Committee finds that Hawaii's unique physical environment is highly vulnerable to deterioration and loss due to increased population, development, and the use of technology, and it is imperative that steps be taken to preserve our precious natural resources. It is hoped that the increased fines proposed in this bill will serve as serious deterrents to potential violators of the conservation district law and will enable the Department of Land and Natural Resources to perform its duties more effectively.

Your Committee has amended the bill by inserting a pair of quotation marks at the end of Section 1.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 892, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 892, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1142 Planning, Land and Water Use Management on H.B. No. 1134

The purpose of this bill is to remove the exclusion of state forest reserve lands from the definition of coastal zone management areas.

This bill would expand the coastal zone management area to include the entire land mass of the State. The Office of State Planning (OSP) is responsible for implementing the Coastal Zone Management (CZM) Program and managing coastal resources through a network of state and county agencies. A 1990 assessment of the CZM program by the OSP recommended extension of Hawaii's coastal zone to include forest reserves in order to more effectively protect State lands from nonpoint source pollution, siltation, and erosion. Your Committee finds that this bill will help ensure the continued preservation of Hawaii's unique and limited land base, and provide the OSP with greater control over the management of public lands.

Your Committee has adopted a recommendation made by the OSP and amended the bill to clarify the definition of coastal zone management area. In addition, technical amendments were made for purposes of style and clarity and to correct drafting errors.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1134, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1134, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1143 (Joint) Health and Judiciary on H.B. No. 284

The purpose of this bill is to eliminate references to "legitimation" from the statutes on vital statistics.

Under current law, a child born out of wedlock becomes legitimate (is legitimated) when the natural parents subsequently marry or acknowledge paternity, or parentage is established pursuant to Chapter 584, Hawaii Revised Statutes. Your Committees consider the concept of legitimation to be antiquated and unnecessarily pejorative and prefer straight forward language to describe the legal process and the rights of the child. This bill provides that language.

Your Committees have amended this bill by giving it an effective date of January 1, 1994 and by making some technical changes that have no substantive effect.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 284, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 284, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1144 Health on H.B. No. 1650

The purpose of this bill is to allow extended residency at Waimano Training School and Hospital for respite care.

Current law, scheduled for repeal on June 30, 1995, allows developmentally disabled individuals to reside at Waimano for up to thirty days per year for respite care. This bill would allow the Director of Health to waive the thirty day limit for clients whose care providers need extended relief but cannot find suitable care for their charges elsewhere in the community.

To ensure that respite care residence will meet the requirements of law, and to forestall any ambiguity as to whether a long respite stay constitutes a client's admission to Waimano, this bill also requires the Director to notify the State Protection and Advocacy System of every referral to Waimano for respite, and again if a respite client is to be allowed to stay more than thirty days per year.

Your Committee finds that some dedicated caregivers may benefit from the increased flexibility allowed by this measure.

Your Committee has amended this bill by making nonsubstantive technical changes for the purposes of clarity and style and to correct drafting errors.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1650, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1650, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1145 Health on H.B. No. 1899

The purpose of this bill is to enable the Department of Health to provide vaccines for administration to the general public by public and private health care providers.

The bill also authorizes residential caregivers to give consent for immunization of a minor or incompetent person if consent of the parent or guardian is unobtainable, and adds hepatitis B, rubella, and haemophilus influenzae type B to the list of communicable diseases against which the Department may provide for immunization.

Currently, the Department's ability to distribute immunizing agents is restricted by financial eligibility requirements. Consequently, an alarming percentage of the population who should be getting vaccinated are not. This bill will enable the Department to purchase vaccines either independently or in conjunction with private entities for all the public resulting in lower vaccination costs and increased immunization rates.

Current law also makes no provision for obtaining consent to immunize a minor or incompetent person in the absence of a parent or guardian. Your Committee finds that minors and incompetent persons should have every opportunity to receive the immunizations available to other citizens. To ensure this right, your Committee has amended this bill to provide one more link in the chain of consent for those persons who are not legally entitled to make these kinds of decisions for themselves.

As amended, if reasonable efforts to obtain consent from a parent or guardian are fruitless, consent will next be sought from a caregiver with whom the person lives, or a non-custodial parent. If neither are available, then consent can be given by a responsible adult knowledgeable regarding the person's health status.

Your Committee has also amended this bill by deleting small pox from the list of immunizations, and by making some nonsubstantive changes for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1899, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1899, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1146 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 882

The purpose of this bill is to encourage the use of Polynesian-introduced plants in public landscaping projects.

Your Committee finds that including Polynesian-introduced plants into the existing law which promotes the use of indigenous plants in public landscaping would foster increased awareness of cultural heritage and significance.

Your Committee has amended the bill by deleting the numerical reference to the number of plant species introduced by the Polynesians and by making technical, nonsubstantive amendments.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 882, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 882, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1147 Planning, Land and Water Use Management on H.B. No. 1673

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to issue citations under the Hawaii Penal Code for unauthorized activities on unencumbered public lands.

Examples of such activities include unauthorized commercial and private advertising and business operations, gambling, drinking, firearm use, camping, soliciting, horseback riding on beaches, damage and removal of archaeological and historical features, and use of aircraft and audio devices that create excessive noise.

Currently, the DLNR must obtain approval from the Board of Land and Natural Resources before imposing a penalty for violation of the DLNR's land management administrative rules. In many instances, by the time the order is prepared and ready to be issued, the violator has already left the premises. Your Committee finds that the current process is burdensome and time consuming, and this bill will enable the DLNR to effectively enforce the rules regulating the use of unencumbered public lands.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1673 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1148 (Joint) Planning, Land and Water Use Management and Public Safety and Corrections on H.B. No. 2078

The purpose of this bill is to amend Act 151, Session Laws of Hawaii (SLH) 1991, by extending the expiration date of certain exemptions from July 1, 1994 to July 1, 1995.

Act 151, SLH 1991, exempts the Department of Public Safety (DPS) and the Office of Youth Services (OYS) from state and county requirements relating to the planning, land use, construction, renovation, or expansion of correctional facilities on their property in Kailua, Oahu. This Act enabled the DPS to expedite the rebuilding of the Women's Community Correctional Center (WCCC), which is in noncompliance with a consent decree entered into by the State and the American Civil Liberties Union (ACLU) in 1985 because of WCCC's inadequate and deteriorated physical plant. While funds for the construction of a new women's facility were authorized by the Legislature in 1989, the State's efforts have been stalled due to opposition to the construction of a facility on Mount Olomana by the public.

In order to avoid further delay and possible litigation by the ACLU and address concerns relating to the protection of the physical environment, the State devised an alternate plan to relocate the existing women's facility to HYCF and construct a new youth facility on the grounds of the WCCC. This plan requires the renovation of existing structures and the construction of new structures at both the present HYCF and WCCC facilities.

Since the enactment of Act 151, DPS has begun the renovation of the existing HYCF buildings, however, construction by OYS has fallen behind schedule, and the new youth facility is now projected to be completed sometime after October 1, 1994. Because HYCF residents currently occupy one of the cottages that will become part of the new WCCC, DPS will not be able to begin final renovation work until after HYCF residents move to their new facility, estimated to be sometime after January 1, 1995. Such a delay will mean that the effective period of Act 151, SLH 1991, will have lapsed before renovation is complete, and DPS will have to go through the time-consuming process of applying and obtaining permits and conducting environmental impact studies. Obviously, this will make compliance with the consent decree more difficult.

Your Committees find that this bill will allow DPS to expedite the final stage of WCCC renovation work to bring the State into compliance with the consent decree.

Your Committees on Planning, Land and Water Use Management and Public Safety and Corrections are in accord with the intent and purpose of H.B. No. 2078 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1149 Judiciary on H.B. No. 1400

The purpose of this bill is to provide that the term "person aggrieved" shall include an agency that is a party to a contested case proceeding before either the same agency or a different agency.

The 1981 Model State Administrative Procedure Act, case law, and public policy would appear to support that an agency that is a party to a contested case, and is aggrieved by a decision of the body hearing the contested case, has standing to seek judicial review in the Circuit Court under the Hawaii Administrative Procedure Act.

Testimony relative to this measure was submitted by the Attorney General, the Department of Corporation Counsel of the City and County of Honolulu and the Department of Land Utilization of the City and County of Honolulu.

Your Committee has amended the bill by inserting the words "of adequate" in line 6 of the bill so as to clarify the right of judicial review of a preliminary ruling.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1400, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1150 Judiciary on H.B. No. 1593

The purpose of this bill is to provide for an extension of time from December 31, 1993 to December 31, 1994 for all State and county government agencies to complete the public records report required by Section 92F-18(b), Hawaii Revised Statutes.

Pursuant to 92F-18(b), HRS, each State and county government agency is required to complete and file a public records report that describes the records it routinely uses or maintains. The reports must designate which records are public or confidential, and provide other information such as the records' location and uses.

Initially, the public records report was to be generated on paper with a completion date of July 1, 1989. However, due to the tremendous volume of information to be collected and reported, to be cost effective and efficient, automation was found to be critical for the project's ultimate success. Consequently, in 1989, 1991, and 1992, the Legislature extended the time for the agencies' completion of the records report and allowed for the development of an automated records report system. Accordingly, the Office of Informational Practices (OIP), advised all agencies to not begin the records report until the installation of the automated records report system was completed.

In 1992, the Legislature appropriated funds for the hiring of critically needed support staff and consultants for the implementation of the automated records report system for when the installation was finally completed. However, due to severe budget restrictions that were imposed in July 1992, the appropriated funds were eliminated from OIP's budget. The elimination of these funds has severely strained the staff and resources of OIP and other government agencies in completing the records report. Because of the impact of the unexpected budgetary restrictions on the records report project, it will be impossible for the OIP to provide the support and assistance necessary for government agencies to complete the records report by December 31, 1993. Hence, the need for an extension of time.

Testimony in support of this measure was submitted by the OIP.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1593 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

LCRep. 1151 Executive Appointments on Gov. Msg. No. 277

Recommending that the Senate consent to the nomination of PAULA AIKO NAKAYAMA for Associate Justice of the State Supreme Court, for a term of ten years, in accordance with the provisions of Article VI, Section 3, of the State Constitution.

Signed by all members of the Committee except Senator Tungpalan.

SCRep. 1152 Ways and Means on H.B. No. 2001

The purpose of this bill is to authorize the issuance by the department of budget and finance of special purpose revenue bonds for Wailuku River Hydroelectric Power Company, Inc.

Your Committee finds that Wailuku River Hydroelectric Power Company, Inc., is currently constructing a 10-megawatt hydroelectric power plant and ancillary facilities on the Wailuku River in Hawaii county. Your Committee further finds that Hawaii Electric Light Company, Inc. (HELCO) customers continue to experience electric energy shortages due to an inadequate supply of electric energy, and assistance for the development of an additional energy generation project would be beneficial to Hawaii county residents.

Your Committee finds that a similar bill was passed by the legislature in 1992 but vetoed by the governor due to a technical error. The governor has recommended immediate passage of this measure pursuant to Article VII, Section 9, of the State Constitution.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2001 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1153 (Joint) Planning, Land and Water Use Management and Agriculture on H.B. No. 1675

The purpose of this bill is to extend the sunset date of Act 237, Session Laws of Hawaii (SLH) 1988, as previously extended by Act 249, SLH 1990 and Act 69, SLH 1991, from July 1, 1993 to July 1995.

Act 237 authorized the Department of Land and Natural Resources to negotiate long-term leases with certain individuals holding revocable permits on state agricultural land. Until the enactment of Act 237, many of these individuals were farmers who held month-to-month leases with no assurance of tenure. Consequently, they were unable to secure financing for farm improvements and could not develop the land to its maximum potential.

Your Committees find that the extension of Act 237 will allow the Department to provide additional long-term leases to qualified permittees who depend on farming state land for their livelihood, and allow the State to realize greater returns from the long-term disposition of lands now under permit.

Your Committees have amended this bill by providing that agricultural leaseholds under Act 237 shall be exempt from all statutes, ordinances, charter provisions, and rules relating to standards for subdivision development. Your Committees find that the exemption will allow the Department to issue fifteen additional leases to permittees who would not otherwise qualify for long-term leases. Under the present subdivision ordinance, the lot sizes of these fifteen parcels are substandard and accordingly, the lots cannot be subdivided and leases cannot be issued. With the exemption, the lots can be subdivided and the State will be able to issue additional long-term agricultural leases to qualified permittees.

Additionally, your Committees have changed the proposed repeal date of Act 237 from July 1, 1995 to July 1, 1994. Your Committees believe that extension of Act 237 for one additional year is adequate for the Department to negotiate long-term leases with eligible permittees.

Finally, your Committees have extended the sunset date of Act 5, SLH 1987, as previously extended by Act 106, SLH 1991 and Act 58, SLH 1992, from July 1, 1993 to January 1, 1994. Act 5 authorizes the Department to negotiate and enter into long-term residential leases with the residents of Kahana Valley State Park in exchange for participation in the park's interpretive programs. This amendment was proposed by the Department of Land and Natural Resources and was supported by a representative of the Kahana Valley area, under the condition that the extension does not go beyond January 1, 1994. Your Committees find that this proposal will give the Department additional time needed to complete the recordation of Kahana Valley residential leases.

Your Committees on Planning, Land and Water Use Management and Agriculture are in accord with the intent and purpose of H.B. No. 1675, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1675, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1154 Education, Labor and Employment on H.B. No. 1149

The purpose of this bill is to provide that service performed for a corporation by individuals who own more than half of the corporation does not constitute employment under the Workers' Compensation Law.

Your Committee finds that it has never been the intent of the law to discourage the entrepreneurial spirit of citizens who would risk the vagaries of the open marketplace to provide goods or services. Current law, however, may have an inappropriate effect on corporate owners, and should be changed.

This bill provides a measure of relief for corporate owners who do not wish coverage and prefer not to surrender a disproportionate amount of their earnings for Workers' Compensation premiums.

However, your Committee is concerned that as an inappropriate consequence of this measure, some employers might require employees to establish separate corporations solely to avoid or circumvent workers' compensation coverage. Your Committee stresses that this bill is not intended to encourage or permit such behavior. Further your Committee emphasizes that this bill is not intended to prevent corporate owners who wish to be covered from obtaining appropriate coverage for themselves voluntarily.

Therefore, your Committee has amended this bill by:

- (1) Providing that no employer shall require an employee to incorporate as a condition of employment;
- (2) Providing that this bill shall apply only to persons who own at least fifty percent of the corporation; and
- (3) Making several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 1149, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1149, H.D. 1, S.D. 1, and be placed on calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1155 Housing on H.B. No. 293

The purpose of this bill is to delete the provision in section 201E-212, Hawaii Revised Statutes, which requires that: (1) not less than 60 per cent of the units in market/affordable housing projects be sold in affordable price ranges established by the Housing Finance and Development Corporation (HFDC); and (2) the units shall not be segregated but randomly dispersed throughout the project.

Both the HFDC and the Department of Housing and Community Development, City and County of Honolulu (DHCD), testified in support of the provisions of this bill.

The HFDC testified that deletion of the 60% affordable requirement will provide greater flexibility in the development of socio-economically integrated projects, and may enable more affordable housing projects to "pencil out."

The City and County added its support for economically integrated housing.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 293 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1156 Tourism, Recreation and Transportation on H.B. No. 1191

The purpose of this bill is to designate the airport situated at Keahole-Kona as the Keahole-Kona International Airport.

Your Committee finds that the Department of Transportation, Airports Division, plans to develop facilities at the Keahole Airport to accommodate international traffic. In anticipation of these improvements, your Committee finds that the renaming of the Keahole Airport is appropriate.

The Department of Transportation testified in support of the intent of this bill and informed your Committee that it plans to rename the Keahole Airport upon completion of the new facilities.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1191, 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. 1157 Tourism, Recreation and Transportation on H.B. No. 1669

The purpose of this administration bill is to amend Section 188-35(a), Hawaii Revised Statutes, to correct a spelling error.

Your Committee finds that Section 188-35(a)(7), Hawaii Revised Statutes, refers incorrectly to the "Waikaena Canal" on the island of Kauai.

Based on staff discussions with fishermen and residents in the area, the Department of Land and Natural Resources determined that the proper and familiar local name of the location is the "Waikaea Canal". Accordingly, this bill corrects the misnomer.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1669, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1158 Tourism, Recreation and Transportation on H.B. No. 1702

The purpose of this bill is to amend section 291-35, Hawaii Revised Statutes, to change the definition of "tandem axle" in compliance with federal requirements.

Your Committee understands that if the State's definition of "tandem axle" is not changed to conform to the definition in Title 23 of the Code of Federal Regulations, an estimated \$17 million in National Highway System funds will be withheld on October 1, 1993. This bill will ensure that the State does not lose this important federal funding.

Your Committee received testimony in support of this bill from the Department of Transportation and the Hawaii Transportation Association.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1702, 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. 1159 Tourism, Recreation and Transportation on H.B. No. 1670

The purpose of this bill is to require any person fishing for aquarium fish for commercial purposes to first obtain an aquarium fish permit from the Department of Land and Natural Resources. The aquarium fish permit would allow the use of fine meshed traps, fine meshed nets other than throw nets, or other legal gear for fishing purposes.

Your Committee finds that an aquarium fish permit requirement will enable the Department of Land and Natural Resources to better protect our precious marine life through stricter regulation of the aquarium fish industry.

As currently drafted, this bill renders the use of small mesh nets and traps by noncommercial collectors of aquarium fish unlawful. Consequently, your Committee has amended this bill to provide that any noncommercial collector of aquarium fish may use small mesh nets and traps to catch no more than five fish or aquatic life per day.

Your Committee has further amended this bill by making technical amendments for the purpose of clarity and to correct several drafting errors.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1670, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1670, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1160 Planning, Land and Water Use Management on H.B. No. 1721

The purpose of this bill is to: (1) strengthen the objectives and policies of the Coastal Zone Management Program, (2) provide greater public participation in the Program's planning and review process, (3) improve the management of beaches, and (4) strengthen the enforcement of Coastal Zone Management Program provisions.

Testimony supporting the intent of the bill was received from the Office of State Planning, the Department of Business, Economic Development and Tourism, the Land Use Research Foundation, and three private citizens.

Your Committee finds that Hawaii's coastal resources are important for both the State's residents and visitors. Proper management of these resources is vital to ensure conservation and sustainable development of our coastal zone. However, your Committee believes that, while the Coastal Zone Management Program performs a valuable function, improvements to the current system are needed.

In order to address concerns raised at the hearing and to improve management of Hawaii's coastal zone, your Committee has amended the bill by:

- (1) Amending the objectives and policies of the Coastal Zone Management Program by clarifying that surfing sites are among the recreational resources to which public access should be provided;
- (2) Reinstating a provision that would allow for payment to the State of monetary compensation for loss of significant recreational resources due to development;

- (3) Deleting proposed amendments in the objectives and policies that would modify the scope of the program in certain areas by changing "shoreline" to "coastal" and "where desirable" to "where possible";
- (4) Revising a policy statement to emphasize the importance of preserving public recreational uses without precluding entirely the possibility of commercial uses;
- (5) Adding policies to improve beach protection;
- (6) Revising lead agency duties;
- (7) Deleting the proposed definition of "department" from part II of chapter 205A, HRS, and retaining the original definitions of "department", "authority", and "shoreline area" in part III;
- (8) Adding a provision to ensure that aquaculture in the shoreline area will neither adversely affect beach processes nor artificially fix the shoreline;
- (9) Revising the conditions under which private facilities affecting the shoreline may be undertaken; and
- (10) Deleting changes to the conditions for moving sand between locations seaward of the shoreline.

Your Committee finds that these amendments will strengthen the State's Coastal Zone Management Program and enable the Office of State Planning to effectively manage and protect Hawaii's precious coastal resources.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.B. No. 1721, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1721, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1161 Ways and Means on H.B. No. 187

The purpose of this bill is to authorize the State or any county of the State to establish a leave sharing program wherein an employee may donate sick leave credits to another employee in the same jurisdiction who has a serious personal illness or injury.

The State or county desiring to establish a leave sharing program would adopt rules relating to the procedures for the transfer of sick leave credits and eligibility.

Your Committee agrees with the Committee on Education, Labor and Employment that leave sharing, as provided by this bill, is an appropriate and feasible means of enabling worthy public employees to protect their jobs when faced with prolonged illness or injury.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 187, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1162 Ways and Means on H.B. No. 1609

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (1) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (1) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1609, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1609, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1163 Ways and Means on H.B. No. 1610

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (2) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (2) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1610, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1610, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1164 Ways and Means on H.B. No. 1611

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (3) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (3) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1611, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1611 H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1165 Ways and Means on H.B. No. 1612

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (4) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (4) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1612, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1612, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1166 Ways and Means on H.B. No. 1613

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (5) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (5) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1613, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1613, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1167 Ways and Means on H.B. No. 1614

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (6) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (6) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1614, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1614, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1168 Ways and Means on H.B. No. 1615

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (7) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (7) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1615, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1615, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1169 Ways and Means on H.B. No. 1616

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (8) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (8) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1616, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1616, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1170 Ways and Means on H.B. No. 1617

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (9) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (9) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1617, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1617, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1171 Ways and Means on H.B. No. 1618

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (10) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (10) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1618, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1618, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1172 Ways and Means on H.B. No. 1619

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (11) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (11) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1619, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1619, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1173 Ways and Means on H.B. No. 1620

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit (13) for fiscal biennium 1993-1995.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit (13) shall be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1620, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1620, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1174 Ways and Means on H.B. No. 1621

The purpose of this bill is to provide funds for fiscal biennium 1993-1995 to pay for salary adjustments and other cost items for state employees who are not covered by the collective bargaining process.

Pursuant to section 89C-2, Hawaii Revised Statutes, cost items for excluded employees are directly related to amounts negotiated between the State and the exclusive representatives of the collective bargaining units. Since negotiations are still proceeding, this bill constitutes the vehicle by which excluded employee cost items will be provided when agreement is reached.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1621, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1621, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1175 Ways and Means on H.B. No. 1626

The purpose of this bill is to delete the age factor for ordinary disability retirement benefits under the employees' retirement system.

Under current law, a member of the system who is fifty-five years or older and retires for ordinary disability receives a service retirement allowance rather than the allowance on ordinary disability. However, the Older Workers Benefit Protection Act of 1990 prohibits discrimination against older workers in all employee benefit plans. This bill will conform the employees' retirement system law with that federal law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1626, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1176 Ways and Means on H.B. No. 1663

The purpose of this bill is to enable the director of labor and industrial relations to determine and collect workers' compensation special compensation fund assessments owed by self-insured employers.

Under current law, it is the director of commerce and consumer affairs who determines and collects those assessments. The director then deposits those assessments into the special compensation fund in the department of labor and industrial relations. This bill will streamline administrative process by concentrating those activities within 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. 1663, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1177 Ways and Means on H.B. No. 2012

The purpose of this bill is to require the department of education to set the price for school lunch at one-third of the cost of the lunch, rounded up to the nearest five cents.

Specifically, this bill:

- (1) Allows the department of education to adjust the price for school lunch during the first year of each fiscal biennium to maintain the abovementioned proportion; and
- (2) Requires the cost of the lunch to be based on the average cost of preparation over the three years preceding the second year of the fiscal biennium.

Your Committee finds that the school lunch program has operated for many years without an increase in the price charged to students and faculty who purchase school lunch. Your Committee further finds that the proposal to allow the department of education to set meal prices in proportion to actual costs will provide additional support for the program from those students and faculty who choose to purchase school lunch.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2012, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1178 Ways and Means on H.B. No. 2042

The purpose of this bill is to establish as a separate fund of the Hawaii State Library Foundation, a Hawaii nonprofit corporation, the Hawaii State Library Foundation trust fund.

Specifically, this bill:

- (1) Requires all moneys deposited into the Hawaii State Library Foundation trust fund, including income and capital gains earned therefrom, to be used exclusively for state library programs as defined in the articles, by-laws, resolutions, and other instruments executed on behalf of the foundation or by the state librarian;
- (2) Allows the trust fund to receive sums appropriated by the legislature; any and all types of private contributions, including contributions to the fund made to satisfy any matching conditions set forth in legislation; income and capital gains earned by the fund; and net income or all proceeds received from the operation of state libraries and any concessions, vending machines, or other for-profit business enterprises in state library facilities;
- (3) Exempts the public library system from the law relating to the operation of concessions on public property by blind or visually handicapped persons;
- (4) Repeals the law requiring income from the operation of libraries that are financially supported by the State, with the exception of income from charges (fines) for detained (lost and overdue) library materials, to be deposited with the director of finance to the credit of the general fund, subject to the condition that moneys or properties donated for library use and patrons' deposits are required to be deposited and accounted for in accordance with regulations prescribed by the comptroller; and
- (5) Provides for repeal of the law on June 30, 1995, unless a tax exempt, nonprofit foundation subject to the terms and conditions of this bill has been established.

Your Committee has amended this bill by:

- (1) Deleting all provisions concerning state funds (i.e., public moneys), including those amendments relating to the operation of concessions on public property by blind or visually handicapped persons and the disposition of other income from the operation of libraries, since the legislature intends that the trust fund not include any public moneys;
- (2) Clarifying that the purpose of this bill is to create by statute a private charitable trust fund, rather than a private charitable trust, to financially support state library programs;
- (3) Deleting the provision repealing this bill on June 30, 1995, unless a tax exempt, nonprofit foundation subject to the terms and conditions of this bill has been established; and adding a provision repealing the trust fund on June 30, 1995, if the Hawaii State Library Foundation is not established by this date, in order to make this bill self-executing; and
- (4) Making technical, nonsubstantive amendments 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. 2042, 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. 2042, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1179 Ways and Means on H.B. No. 2060

The purpose of this bill is to mandate a transfer of land from the University of Hawaii to the department of education to provide for a new Manoa district library behind the existing Manoa public library, in the area currently used by the University of Hawaii as a parking lot for the institute for astronomy, subject to the condition that no existing buildings are to be displaced or relocated as a result of this transfer.

Your Committee finds that the Manoa public library, with only 6,532 square feet under roof and eighteen parking stalls, is the second smallest of the twenty-two public libraries on the island of Oahu. Notwithstanding its small size, the Manoa public library currently serves a population of 31,911 and, last year, ranked eighth in total circulation of the public libraries on the island of Oahu.

Your Committee recognizes the need to provide a larger library in Manoa to accommodate the growing needs of the community. Your Committee further recognizes that a larger space is necessary to adequately house the Manoa public library's collection and provide quality services to library patrons. On the other hand, your Committee recognizes that a

new Manoa district library may jeopardize critical research and teaching facilities at the University of Hawaii college of tropical agriculture and human resources depending on where the new library is located and how much land is allotted for this purpose.

Your Committee believes that this bill represents a reasonable compromise between the growing needs of the Manoa community and the need for research and teaching facilities at the University of Hawaii college of tropical agriculture and human resources.

Your Committee has amended this bill by adding a provision to expressly prevent existing buildings from being displaced or relocated as a result of this transfer, in order to conform the substantive provisions of the bill to the purpose section.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2060, 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. 2060, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1180 Ways and Means on H.B. No. 1627

The purpose of this bill is to allow the comptroller, with the approval of the director of finance, the option of issuing checks drawn from financial institutions serving as depositories of state funds in lieu of warrants drawn from the state treasury.

Your Committee finds that the conversion to checks is being proposed for economic and administrative reasons. In the past, because the banks had to present state warrants at the treasury for redemption, the State gained an extra day of interest on the funds to cover the warrants. However, the banks currently require the State to maintain compensating balances to cover any warrants cashed which precludes the State from investing these funds. In addition, conversion to checks will transfer the responsibility for monitoring and enforcing stop payment action to the bank.

Your Committee has amended the bill to change the effective date from July 1, 1994 to July 1, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1627, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1627, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1181 Ways and Means on H.B. No. 883

The purpose of this bill is to extend from June 30, 1993, to June 30, 1996, the operation of the community-based teenage health clinic demonstration project established pursuant to Act 162, Session Laws of Hawaii 1990.

Your Committee finds that the community-based teenage health clinic demonstration project, known as "YO," is operating as an outreach function of the Waikiki health center and Hale Kipa. The objective of the demonstration project is to improve the health care of street youths in Waikiki, and since its inception the demonstration project has assisted approximately 500 individuals for a total of 6,500 encounters.

Your Committee finds that many runaway and disoriented adolescents find Waikiki to be an amenable place to congregate since the area's dense population provides camouflage from authorities. The demonstration project has ability to reach these young people and provide basic primary and preventive health care and treatment, and ancillary social services.

Your Committee has amended this bill by making a technical nonsubstantive amendment for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 883, 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. 883, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1182 Ways and Means on H.B. No. 2030

The purpose of this bill is to authorize the department of health to authorize the State's public health facilities to issue revenue bonds by among other things, establishing one or more public health facilities as a system of public health facilities for the purpose of issuing revenue bonds.

Specifically, this bill:

- (1) Provides that the rates, rents, fees, and charges imposed at public health facilities that are part of a system of public health facilities for which revenue bonds have been issued are not to be less than the rates, rents, fees, and charges required to enable the department of health to comply with section 39-61, Hawaii Revised Statutes (rates, rental, fees, and charges; undertakings and loan programs to be self-sustaining), and any resolution or certificate authorizing and securing the revenue bonds; and

- (2) Requires a separate special fund to be established for each system of public health facilities for which revenue bonds have been issued. All income, revenues, and receipts derived from the ownership or operation of the particular system are to be deposited in the special fund and applied in accordance with section 39-62, Hawaii Revised Statutes (use of revenue and user taxes of undertaking or loan program), and the resolution or certificate authorizing and securing the revenue bonds. For the purposes of determining the amount to be assessed against a special fund, the director may separately allocate a portion of the special fund to each separate public health facility that constitutes a component of the system, or assess from the special fund as a whole.

Your Committee finds that this bill could provide the State's public health facilities with an effective and efficient means of obtaining needed funding without having to place additional demands on the state treasury.

Your Committee has amended this bill by making technical, nonsubstantive amendments 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. 2030, 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. 2030, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1183 Ways and Means on H.B. No. 300

The purpose of this bill is to authorize the housing finance and development corporation to issue bonds to purchase low-income housing projects financed by the United States Department of Housing and Urban Development for the purpose of preserving these projects. This bill also permits the corporation to transfer the title to these projects to the Hawaii housing authority or a non-profit organization.

Your Committee finds that this bill provides the housing finance and development corporation with the means to preserve and maintain the affordability of rental projects targeted to low and moderate income families. This bill is consistent with the State's policy to preserve the existing supply of affordable housing.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 300, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1184 Ways and Means on H.B. No. 1147

The purpose of this bill is to enable the state foundation on culture and the arts to award fellowships to qualified individual artists.

Specifically, this bill establishes qualifying standards for individual artist fellowships, specifies requirements for artists receiving individual artist fellowships, and requires the state foundation on culture and the arts to establish an individual artist fellowship program.

Your Committee finds that individual artist fellowships will serve to recognize the talents of local artists, encourage creative endeavors, enable artists to further their artistic goals, and affirm the significant contributions of artists to the enrichment of our cultural heritage.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1147, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1185 Ways and Means on H.B. No. 1364

The purpose of this bill is to establish a revolving fund for the conference center program in the college of continuing education and community service of the University of Hawaii, Hilo campus.

Your Committee believes the conference center program will promote educational, scientific, and artistic pursuits through the planning and implementation of conferences, workshops, seminars, courses, and other educational activities consistent with articulated college, university, and University of Hawaii system purposes, missions, and goals.

Your Committee has amended this bill by requiring an annual report to the Legislature detailing the income and expenditures of the revolving fund.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1364, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1364, S.D. 2.

Signed by all members of the Committee.

SCRep. 1186 Ways and Means on H.B. No. 1891

The purpose of this bill is to do the following:

- (1) Shorten the terms of members of the board of public broadcasting;

- (2) Broaden the funding base of the Hawaii public broadcasting authority; and
- (3) Require an annual report identifying the amount and sources of all revenues deposited into the fund.

Your Committee finds that this bill will increase the Hawaii public broadcasting authority's ability to raise funds to support local program production and other program services of Hawaii Public Television.

Your Committee further finds that this bill is substantially equivalent to S.B. No. 1711, S.D. 2, which was reported out by your Committee on March 5, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1891, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1187 Ways and Means on H.B. No. 1930

The purpose of this bill is to clarify that funds in the University of Hawaii alumni revolving fund may be expended:

- (1) for any and all costs associated with conducting alumni affairs activities and programs for the university system; and
- (2) without regard to statutory competitive bidding requirements.

Your Committee finds that existing section 304-8.97, Hawaii Revised Statutes, does not permit the University of Hawaii to fully utilize the alumni revolving fund for its intended purposes. This bill clarifies those intended purposes and provides the University of Hawaii with greater purchasing flexibility.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1930, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1188 Ways and Means on H.B. No. 2015

The purpose of this bill is to establish the Kaho'olawe island reserve, to be administered by the Kaho'olawe island reserve commission and the department of land and natural resources.

Your Committee finds that Kaho'olawe suffers from extensive erosion and a host of ecological problems. Decades of bombing have marred the island and have left an incalculable burden of unexploded ordnance that endangers all who visit the island. Years of neglect have threatened the ecosystem as well as native Hawaiian cultural and historical sites. Your Committee finds that new management is needed to effectively handle the challenges associated with the restoration, preservation, and appropriate usage of Kaho'olawe.

Your Committee has amended the bill by changing the appropriation to an unspecified sum and by making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2015, 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. 2015, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1189 Ways and Means on H.B. No. 1017

The purpose of this bill is to appropriate funds for a grant-in-aid to the city and county of Honolulu to continue the Honolulu police department's Project Outreach for a one-year period.

Your Committee finds that many homeless individuals suffer from various chronic disabilities such as physical and mental illness or substance abuse. Police officers often do not have proper training or resources to recognize and provide services to these individuals. The purpose of Project Outreach is to provide assistance to police officers in dealing with the problems of the homeless through an outreach response team who would train police officers to:

- (1) Recognize the problems of mental illness, substance abuse, physical and mental disability, and physical abuse;
- (2) Provide the appropriate response to these problems; and
- (3) Become familiar with the services available in the community to assist individuals in need.

Your Committee further finds that the services offered by Project Outreach will allow homeless individuals with chronic illnesses or disabilities to be dealt with in an appropriate manner by experienced human services and health professionals and will help to divert these individuals from the costly and stressful criminal justice system.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to facilitate continuing discussion on this matter.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1017, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1017, S.D. 2.

Signed by all members of the Committee.

SCRep. 1190 Ways and Means on H.B. No. 2024

The purpose of this bill is to establish a state advisory council on rehabilitation and a statewide council on independent living to replace the board of vocational rehabilitation within the department of human services (DHS).

In 1992, the Congress amended the Rehabilitation Act of 1973 to require that states establish a rehabilitation advisory council and a statewide independent living council. The board of vocational rehabilitation does not meet the requirements of the new federal law and these councils would replace the board.

The councils established under this bill will provide advice to the DHS on the performance of its responsibilities under the federal law, and assist in preparing the state and strategic plans, and the performance of the department relative to its plans. Your Committee agrees with the finding of the Committee on Human Services that through these councils, the federal government is encouraging the active involvement of persons with disabilities in the formulation of policies and procedures directly affecting them.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2024, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1191 Ways and Means on H.B. No. 2014

The purpose of this bill is to provide compensation for past wrongful takings of land from the Hawaiian home lands trust. Specifically the bill would:

- (1) Protect the pro rata revenue entitlements of the office of Hawaiian affairs from being adversely affected by lands taken from the public land trust, and require the office of Hawaiian affairs to be consulted before any public trust lands are sold by the department of land and natural resources to the department of Hawaiian home lands;
- (2) Clarify the process for land exchange compensation;
- (3) Authorize the department of Hawaiian home lands to pursue trust claims against the federal government; and
- (4) Appropriate funds for the claims resolution process.

Your Committee has amended this bill by changing the various appropriations to unspecified amounts, and by changing the reference in section 13 to "subsection 5(b)" to read "section 5(b)".

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2014, 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. 2014, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1192 Ways and Means on H.B. No. 2019

The purpose of this bill is to determine how certain permanent improvements on Hawaiian home lands made by developers shall be valued when the land on which the improvements are located is withdrawn from the rental agreement.

Section 220.5 of the Hawaiian Homes Commission Act, 1920, as amended, authorizes the department of Hawaiian home lands (DHHL) to enter into developer agreements to develop Hawaiian home lands for homestead, commercial, and multi-purpose projects. The section permits DHHL to withdraw the lands subject to the agreement upon reasonable notice to the developer, and provides that the developer shall receive a reduction in rental for the value of permanent improvements on the withdrawn land. However, the law does not specify how the improvements shall be valued. This bill specifies that the improvements shall be valued at fair market value or at depreciated value, whichever is the lesser.

Your Committee has made a technical nonsubstantive change to this bill to correct the Ramseyer section.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2019, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2019, S.D. 2.

Signed by all members of the Committee.

SCRep. 1193 Ways and Means on H.B. No. 2050

The purposes of this bill are to:

- (1) Allow the department of transportation to issue special facility revenue refunding bonds for maritime and marine operations;
- (2) Delete the provision prohibiting the department from issuing these special facility revenue bonds after June 30, 1987;

- (3) Increase the total principal amount of the special facility revenue bonds that may be issued by the department of transportation for maritime and marine operations from \$50,000,000 to \$100,000,000; and
- (4) Update obsolete references to the state bond law.

In light of recent declines in interest rates payable on bonds, your Committee finds that it is in the best interest of the State to allow the department of transportation to provide the maritime industry with the opportunity to refund outstanding special facility revenue bonds with special facility revenue refunding bonds at lower interest rates.

Your Committee on Ways and Means is in accord with the intent and purposes of H.B. No. 2050, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1194 Ways and Means on H.B. No. 1799

The purpose of this bill is to authorize the issuance of \$5,000,000, in special purpose revenue bonds for the purpose of assisting Hawaiian Entrepreneurs, or a partnership in which Hawaiian Entrepreneurs is a general partner, with the establishment of a manufacturing and processing facility that will use the thermal fluids produced by the Hui 'Enekinia Hawai'i electric cogeneration facility.

Your Committee finds that Hawaiian Entrepreneurs seeks to purchase thermal fluid output from the cogeneration facility owned by Hui 'Enekinia Hawai'i, a native Hawaiian-owned enterprise, for the operation of wholesale and retail cold storage facilities. Your Committee further finds that this enterprise will diversify the Big Island's economy through the establishment of an alternative energy technology.

Your Committee further finds that this bill is substantially equivalent to S.B. No. 1587, S.D. 2, which was reported out of your Committee on March 5, 1993.

Your Committee has amended this bill by authorizing the issuance of the revenue bonds until 1998.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1799, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1799, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 1195 Ways and Means on H.B. No. 653

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to improve the infrastructure of the Sand Island industrial park.

Your Committee finds that the Sand Island Business Association (SIBA) serves as the agent for approximately 113 tenants occupying the 73-acre proposed industrial park. Your Committee further finds that the SIBA has secured private financing to begin construction and intends to use the proceeds from these bonds to refinance the long-term construction loan secured through private financing.

Your Committee has amended this bill by increasing the bond authorization from \$10,000,000 to \$25,000,000 and specified the lapsing date for the authority to issue the bonds as June 30, 1998.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 653, 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. 653, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1196 Ways and Means on H.B. No. 734

The purpose of this bill is to establish the Hawaii economic development council in the office of the auditor for administrative purposes.

Your Committee finds that the Hawaii economic development council would provide the legislature with improved information for policy making based on changing economic conditions, and advise the legislature on economic trends, goals, and policy objectives. Your Committee further finds that the council would be an independent source of information and advice for the legislature.

Your Committee has made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 734, 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. 734, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1197 Ways and Means on H.B. No. 1376

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Kauai Electric Division of Citizens Utilities Company in providing electricity to the residents of Kauai and lowering the capital costs associated with restoring the necessary electrical infrastructure.

Your Committee finds that the damage caused by Hurricane Iniki on the island of Kauai has hindered the ability of Kauai Electric to meet the electrical needs of the people of the island. The special purpose revenue bonds under this bill provide a lower cost alternative to financing the capital improvements necessary.

Your Committee has amended this bill by extending the period under which special purpose revenue bonds can be issued from December 31, 1996 to December 31, 1998.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1376, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1376, S.D. 1.

Signed by all members of the Committee.

SCRep. 1198 Ways and Means on H.B. No. 1600

The purpose of this bill is to require a licensed engineer to review, rather than approve, the design of solar energy systems and heat pumps installed in new and existing multiunit buildings and provide a written opinion that those systems meet the statutory criteria to allow the income tax energy conservation credit under section 235-12, Hawaii Revised Statutes.

Your Committee agrees with the Committee on Science, Technology and Economic Development that the requirement of a written opinion concerning the efficiency of the solar energy systems or heat pump systems is to assure that the energy systems are designed to adequately provide the necessary energy conservation to justify the tax credit. A housekeeping amendment changes "registered" engineer to "licensed" engineer to reflect changes in the law governing the engineering profession.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1600, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1199 Ways and Means on H.B. No. 1601

The purpose of this bill is to expand and clarify the powers and duties of the natural energy laboratory of Hawaii authority.

Your Committee finds that because of the recent merger of the natural energy laboratory of Hawaii and the Hawaii ocean science and technology park, the powers and duties of the natural energy laboratory of Hawaii authority require clarification and expansion. This bill provides the natural energy laboratory of Hawaii authority with the jurisdiction to operate and administer these facilities at Keahole Point.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1606, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1200 Ways and Means on H.B. No. 741

The purpose of this bill is to appropriate funds for a comprehensive review of the State Penal Code.

Act 291, Session Laws of Hawaii 1983, appropriated funds to form a committee on Penal Code revision and reform to do a comprehensive review of the Penal Code and to make recommendations to the Legislature.

During the past several years, numerous amendments have been made to the code on a piecemeal basis. However, there has not been comprehensive review as to the effect these amendments have on the principles and philosophy on which the code is based. Moreover, there are concerns as to the structural and systematic impact these amendments have on the entire criminal justice system, including the courts and the correctional system. Accordingly, your Committee finds that an additional review is needed to address the periodic changes made to the Penal Code within the concept that the Code is not an isolated body of law but, rather, a part of the entire criminal justice system of the State.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 741, 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. 741, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1201 Ways and Means on H.B. No. 924

The purpose of this bill is to provide for an appropriation for the continued development and implementation of a statewide computerized juvenile justice information system. This system would collect, analyze, and disseminate juvenile offender information to assist juvenile justice agencies.

Your Committee agrees with the finding of the Committee on Judiciary that a statewide juvenile justice information system is essential for processing juvenile cases expeditiously and efficiently and for improving coordination among agencies responsible for the treatment and rehabilitation of juvenile offenders.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 924, 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. 924, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1202 Ways and Means on H.B. No. 925

The purpose of this bill is (1) to create a committee to conduct a study of status offenders, and (2) to establish and appropriate funds for four additional positions in the department of the attorney general, including two attorneys, one paralegal, and one legal stenographer, to prosecute status offenders who require a court hearing.

There is a critical need to recognize the philosophical distinction between the juvenile who has committed a crime and a truant or runaway. Disposition of status offender cases under the present system involves essentially all elements of the criminal justice system. Your Committee agrees with the finding of the Committee on Judiciary that this adversarial proceeding is inappropriate and recognizes the need for a viable alternative. A study as proposed by this bill would be the first of the necessary steps to meet that need.

Your Committee has amended this bill by changing the appropriations to unspecified sums and by making technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 925, 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. 925, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1203 Ways and Means on H.B. No. 1061

The purpose of this bill is to extend the exemption from prosecution for parking violations to witnesses summoned or subpoenaed to appear in family or district court and to limit the scope of the exemption to expired meter violations.

Your Committee finds that current law, as set forth in section 621-8(b), Hawaii Revised Statutes, provides an exemption for witnesses summoned or subpoenaed in circuit court only. Your Committee finds that all witnesses attending to court duties should be afforded the same fairness and consistency. Your Committee further finds that narrowing the scope of the application of the exemption is appropriate because to allow exemption for other parking violations (such as parking near fire hydrants) may impede public safety.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1061, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1204 Ways and Means on H.B. No. 1730

The purpose of this bill is to amend Hawaii's insurance code to enable the insurance division of the department of commerce and consumer affairs to meet accreditation standards of the National Association of Insurance Commissioners (NAIC).

This bill includes standards from NAIC model laws that are required for NAIC accreditation. The standards include provisions to evaluate insurers for purposes of determining solvency and to provide enhanced regulatory scrutiny and safeguards to better protect consumers from the financial hardship and trauma usually accompanying insurer insolvency.

Your Committee finds that it is essential that the insurance division operate in accordance with nationally acceptable standards, especially during this critical time when the insurance industry has been in turmoil due to the homeowners insurance crisis. This bill will facilitate the achievement of accreditation by the insurance division by January 1994.

Your Committee has amended this bill by making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1730, 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. 1730, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1205 Ways and Means on H.B. No. 1208

The purpose of this bill is to appropriate funds for the department of business, economic development, and tourism to continue biomass research for energy and alternate uses.

The State's almost total dependency on petroleum as an energy source requires the State to explore alternate forms of energy. Furthermore, with the reduction of sugarcane acreage in the State, tree plantation biomass could become a serious contender for crop replacement if proven to be technically and economically feasible.

Your Committee has amended the bill by changing the appropriation to an unspecified amount.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1208, 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. 1208, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1206 Ways and Means on H.B. No. 1424

The purpose of this bill is to appropriate \$441,000 to the governor's agriculture coordinating committee to finance and carry out various research projects aimed at agricultural pest eradication and control.

Your Committee finds that ongoing agricultural pest control research is vital to the well-being of the State's agricultural economy. New and more effective methods must be explored on a continuous basis to ensure the use of the best technology available in the area of pest eradication and control.

While it concurs with the intent of this bill, your Committee finds that further discussion is necessary to determine the level of funding needed to carry out the projects proposed in this bill. In this regard, your Committee has amended this bill by replacing the sums to be appropriated with blank amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1424, 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. 1424, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1207 Ways and Means on H.B. No. 785

The purpose of this bill is to appropriate funds to the legislative reference bureau for publication of replacement volumes of the Hawaii Revised Statutes, and to provide for the lieutenant governor and the legislative reference bureau to explore different methods and procedures of printing and distributing the replacement volumes to hold costs to a minimum.

The replacement volumes will contain all laws in the 1985 replacement volumes as amended and supplemented by the legislature from 1986 through 1993, and a replacement index in an edition year to be designated by the revisor of statutes.

The bureau may hire temporary technical and clerical assistants for the project, and money already appropriated for the 1993 supplements will be reappropriated for the replacement volumes. Funding will lapse on June 30, 1996.

Less than one hundred fifty sets of the 1985 version remain; therefore, it is essential to produce replacement volumes to ensure public accessibility to the Hawaii Revised Statutes.

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 H.B. No. 785, 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. 785, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1208 Ways and Means on H.B. No. 1771

The purpose of this bill is to redirect moneys presently withheld from an inmate's proceeds and wages to the correctional industries revolving fund.

Your Committee finds that, currently, up to twenty per cent of an inmate's proceeds and wages are deducted as payment for costs incident to employment and deposited in the general fund. The redirection of these moneys to the correctional industries revolving fund will enable the department of public safety to expand employment programs for inmates and to cover incidental expenses associated with private sector ventures.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1771, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1209 Ways and Means on H.B. No. 220

The purpose of this bill is to remove the statutorily mandated annual appropriation of \$250,000 to the firefighter's contingency fund and provide a mechanism for maintaining the fund through general appropriations.

Wildfires are recognized by government agencies, community organizations, and concerned individuals as one of the leading factors in the deterioration of Hawaii's native habitat. In addition to its detrimental effect on our island watersheds and precious ecosystems, wildland fires pose an increasing threat to public safety and property.

During the summer of 1991, a fire on Molokai burned over eight percent of the island. The department of land and natural resources, after exhausting the funds from the firefighter's contingency fund, was forced to transfer funds from its other programs in order to help pay for firefighting expenses in excess of \$500,000.

Your Committee finds that the availability of adequate resources to fight fires is essential to ensuring public safety and protecting the environment. This bill provides for appropriations to the firefighter's contingency fund at levels commensurate with realistic fire suppression costs.

Your Committee has amended this bill by inserting the amount of \$1 in the appropriation section.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 220, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 220, S.D. 1.

Signed by all members of the Committee.

SCRep. 1210 Ways and Means on H.B. No. 687

The purpose of this bill is to appropriate funds to the department of land and natural resources for the dredging of the Ala Wai Canal.

The canal is the major drainage system for the Waikiki district of Honolulu and serves as a conduit for surface water runoff from the Makiki, Manoa, St. Louis Heights, Palolo, Moiliili, and Kapahulu areas as well as parts of Kaimuki and Diamond Head.

As the repository of significant amounts of natural and urban-related debris, sediment, and litter, the canal is one of the most polluted bodies of water in the State. Edward K. Noda and Associates, Inc. recently completed a comprehensive study regarding the clean-up and maintenance of the Ala Wai Canal for the department of land and natural resources by virtue of funds appropriated by the legislature in 1990. One of the recommendations for maintaining and improving the water quality of the canal included regular dredging.

The last major dredging of the Ala Wai Canal was completed in 1978. Based on the history of maintenance dredging and an analysis of the rate of sedimentation within the canal, the study recommended a maintenance plan that included major dredging of at least 100,000 cubic yards every ten years. The lack of dredging during the last fifteen years has caused an excessive buildup of debris, sediment, and pollutants. Dredging of the canal will greatly improve the water quality and provide an acceptable venue for water-based recreational activities.

While the appropriation of funds to dredge the canal is something that seems to be necessary, there is a concern over the cost involved with this project. Your Committee supports the request of the Committee on Planning, Land and Water Use Management that the department of land and natural resources review all available information and specifications of the 1978 Ala Wai Canal dredging project and the Noda study to determine whether any of the information from previous projects may be useful in reducing the cost of the current undertaking.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 687, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1211 Ways and Means on H.B. No. 694

The purpose of this bill is to appropriate funds to the department of land and natural resources for the drilling of test borings from underground sources near the Ala Wai Canal to establish the quantity and quality of water available from these sources.

The Ala Wai canal is a two-mile, man-made waterway that serves as the major draining system for the Waikiki district of Honolulu and a conduit for surface water runoff from the Makiki, Manoa, St. Louis Heights, Palolo, Moiliili, and Kapahulu areas, as well as parts of Kaimuki and Diamond Head.

Department of health analyses of water quality samples from the Ala Wai Canal show levels of nutrient-related parameters and bacteria that routinely exceed state water quality standards. Edward K. Noda and Associates, Inc. recently completed a comprehensive study regarding the clean-up and maintenance of the Ala Wai Canal for the department of land and natural resources by virtue of funds appropriated by the legislature in 1990. One of the recommendations for maintaining and improving the water quality of the canal included flushing the canal with large quantities of sea water to reduce the nutrient supply of algae.

Your Committee agrees with the Committee on Planning, Land and Water Use Management and finds that this bill will provide funds to determine the availability and feasibility of an underground water source that would improve water flow, reduce algae growth, and minimize decomposition of organic matter in the canal.

Your Committee recognizes that nonpoint source pollution is a serious problem affecting the water quality of the canal, and finds that these contaminants are a source of great concern to all.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 694, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1212 Ways and Means on H.B. No. 1124

The purpose of this bill is to appropriate funds for recovery costs associated with Hurricane Iniki.

Specifically, this bill:

- (1) Reimburses the county of Kauai for real property taxes remitted, refunded, or forgiven under chapter 234, Hawaii Revised Statutes;
- (2) Increases the moneys in the state disaster revolving loan fund; and
- (3) Provides a grant-in-aid to the county of Kauai for tourism promotion.

Six months after Hurricane Iniki, the county of Kauai is continuing the struggle to recover from the devastation and loss caused by the storm. Your Committee finds that the appropriations provided in this bill will assist the county of Kauai and its residents in meeting the challenge of rebuilding their lives and revitalizing the economy.

Your Committee has made a technical, nonsubstantive amendment for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1124, 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. 1124, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1213 Ways and Means on H.B. No. 1126

The purpose of this bill is to authorize the issuance of general obligation bonds and appropriate funds for projects that are necessary as a result of damages sustained on Kauai by Hurricane Iniki.

More specifically, this bill will fund a solid waste transfer station in Koloa to handle the growing volume of solid waste being generated in the Koloa/Poipu area and emergency housing to alleviate a critical housing shortage that has been exacerbated by Hurricane Iniki.

Your Committee agrees with the Committee on Planning, Land and Water Use Management that these projects are urgently needed to assist the county of Kauai in recovery efforts and to ensure the health, safety, and welfare of Kauai residents.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1126, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1214 Judiciary on H.B. No. 16

The purpose of this bill is to increase the delinquent transfer of ownership fee from five dollars to fifty dollars.

Your Committee received testimony in support of this bill from the City and County of Honolulu's Director of Finance.

Your Committee finds that in the City and County of Honolulu alone, approximately twenty percent of the total number of transferred motor vehicles were delinquently registered. Your Committee recognizes that the delinquent transfer of motor vehicle ownership often causes great inconvenience, expense, and aggravation to the seller of a motor vehicle.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 16 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1215 Judiciary on H.B. No. 534

The purpose of this bill is to include butterfly knives as dangerous weapons under §134-51 of the Hawaii Revised Statutes.

Testimony relative to the bill was received from the Police Department and Prosecuting Attorney for the City and County of Honolulu, the Public Defender, and an interested citizen.

The Hawaii State Supreme Court in the case entitled *In re Doe*, 73 Haw. 89, 820 P.2d 272 (1992) ruled that a butterfly knife was not a switchblade knife prohibited under section 134-52, because a butterfly knife opens manually rather than automatically. Your Committee finds that the butterfly knife is a weapon which can be opened with speed and ease, and the need to ensure public safety requires the inclusion of the butterfly knife among those weapons classified as dangerous.

Your Committee has amended the bill to delay its effective date to September 1, 1993. This will allow the county police departments sufficient time to educate the public that the butterfly knives may no longer be lawfully carried on a person or within a vehicle occupied by a person.

Your Committee has further amended the 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. 534, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 534, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1216 Judiciary on H.B. No. 604

The purpose of this bill is to eliminate the presumption of abandonment for gift certificates or credit memos that remain unclaimed for more than five years and have no expiration date.

Testimony relative to this measure was submitted by the Retail Merchants of Hawaii and the Department of Budget and Finance.

Your Committee finds that existing rules governing the disposition of unused gift certificates are cumbersome, costly and unwarranted.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 604, 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. 1217 (Majority) Judiciary on H.B. No. 944

The purpose of this bill is to amend section 134-6(a), Hawaii Revised Statutes (HRS), regarding the possession or use of a firearm in the commission of a felony. More specifically, the bill:

(1) Makes it unlawful to knowingly carry or have in a person's immediate control a firearm while engaged in the commission of a separate felony;

(2) Provides that a person shall not be prosecuted under section 134-6(a) where the separate felony involves a possessory gun offense under Chapter 346, the offense of reckless endangering in the first degree under section 707-713, or the offense of terroristic threatening in the first degree except where a public servant is involved -- all of which already have enhanced penalties for the use or possession of a firearm; and

(3) Applies the new provisions to convictions occurring after the approval the Act.

Testimony in support of this measure was received from the Office of the Public Defender. Testimony in opposition to this measure was received from the Honolulu Department of the Prosecuting Attorney. The Prosecuting Attorney expressed the concern that the increased dangers and risks to public life and safety associated with the presence of firearms warrant a higher penalty and a need for greater deterrents, especially where drug trafficking is involved.

According to the Public Defender, this bill will correct the overreaching effect of section 134-6, which allows the prosecutor to apply this section to offenses that already have enhanced penalties for the use of a firearm, such as terroristic threatening and reckless endangering, and to possessory gun offenses -- a result not contemplated by the Legislature at the time of the provision's enactment in 1990 (Act 195).

A similar measure was passed by the Legislature in 1992 but was vetoed by the Governor. The Governor was concerned with terroristic threatening with a firearm against a public servant being excluded from designation as a class A felony and with the retroactive application provision in the bill. Your Committee finds that this bill addresses the concerns expressed by the Governor in 1992.

Your Committee finds that section 134-6(a) established a class A felony for the possession, use, or threatened use of a firearm in the commission of a felony. Creation of this offense was intended to recognize and deter the heightened danger presented when a firearm is involved in the commission of a felony such as burglary.

Presently, an offender who uses a firearm in the commission of a felony can be charged with, in addition to the underlying offense, a class A felony under section 134-6(a) and therefore be subject to an enhanced penalty.

However, your Committee finds that section 134-6(a) was not intended to permit charging of a separate felony for use of a firearm where the underlying felony involves a firearm and is classified as a felony for that reason alone. Otherwise, the involvement of a single firearm would, in effect, be counted twice: once in the definition of the underlying felony and a second time in defining the separate felony. Of particular concern to your Committee are those situations where there is

constructive possession of a firearm or where the firearm is not used to facilitate the commission of the felony, but section 134-6(a) is nonetheless applied.

On the other hand, your Committee finds that there is a need for greater deterrent effect on the use of firearms in drug trafficking related offenses. Because of the larger number of innocent bystanders present and due to the clear and present dangers involved, a higher penalty is justified. Therefore, your Committee has amended the bill to provide that when drug trafficking felonies are involved and a firearm is possessed with intent to facilitate the felony, section 134-6(a) can be applied and a class A felony charge may be sought.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 944, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senators Koki and Reed did not concur.

SCRep. 1218 Judiciary on H.B. No. 1660

The purpose of this bill is to clarify the authority of the Director of Labor and Industrial Relations to assess administrative penalties, to increase the penalty amount from \$1,000 to \$10,000, and to delete the provision for possible imprisonment.

Your Committee received testimony in support of the bill from the Department of Labor and Industrial Relations, the Hawaii State AFL-CIO and the Hawaii Nurses' Association. ILWU Local 142 opposed the measure, expressing the concern that the imprisonment penalties deter employers from avoiding reporting injuries and that by eliminating the imprisonment penalties, employers would rather pay the administrative fines because they are more economical.

Your Committee finds that an expeditious administrative penalty is more appropriate and efficient than a criminal penalty in the context of Workers' Compensation Law. Your Committee also finds that criminal penalties are seldom imposed and that the \$10,000 fine is sufficient deterrence on employers to not circumvent reporting requirements.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1660, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1219 Judiciary on H.B. No. 1661

The purpose of this bill is to clarify that the court can render a judgment to enforce a penalty under the Workers' Compensation law.

Your Committee received testimony in support of the bill from the Department of Labor and Industrial Relations, the Hawaii State AFL-CIO and the Hawaii Nurses' Association.

Current law specifies only that the court can render judgments on compensation.

Your Committee finds that this bill is necessary to ensure proper enforcement of Workers' Compensation penalties.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1661, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1220 Judiciary on H.B. No. 1662

The purpose of this bill is to clarify the authority of the Director of Labor and Industrial Relations to assess administrative penalties for claiming unapproved fees under the Workers' Compensation Law.

Current law provides for a fine of up to \$10,000 or up to one year in jail or both. This bill eliminates the criminal sanction and establishes the fine as an administrative penalty.

Your Committee finds that this bill will expedite imposition and collection of penalties. Your Committee further finds that criminal sanctions are inconsistent with the intent of the statute.

Your Committee has amended this bill by making several 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. 1662, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1662, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1221 Judiciary on H.B. No. 1664

The purpose of this bill is to incorporate a definition of "willful violation" into the statutes relating to occupational safety and health.

Current lack of a precise definition makes it difficult for employers to understand the gravity and nature of these violations and poses problems for Department of Labor and Industrial Relations inspectors when classifying a violation.

Your Committee received testimony in support of the bill from the Department of Labor and Industrial Relations.

Since the penalty for willful violations is now \$70,000, it is absolutely essential to clarify that a willful violation must be a voluntary act or omission as opposed to an accidental act or omission.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1664, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1222 Judiciary on H.B. No. 1666

The purpose of this bill is to allow the Department of Labor and Industrial Relations to recover overpaid unemployment benefits from a claimant's benefit entitlement in another state or under a federal unemployment program.

Your Committee received testimony relative to the bill from the Department of Labor and Industrial Relations.

Under current law, overpayment may be satisfied by deductions from a claimant's future Hawaii benefit entitlement. The Omnibus Reconciliation Act of 1985, however, authorizes states to recover overpayments of state and federal benefits through interstate arrangements and by offset between programs.

This bill is consistent with federal objectives and will allow the State to participate in the recoupment program. It will also enhance the solvency of the Unemployment Insurance Trust Fund and the integrity of the Program.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1666, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1223 Judiciary on H.B. No. 1690

The purpose of this bill is to clarify Hawaii Revised Statutes Chapter 353 by adding a definition of "committed person" to include those committed to the custody of the Director of Public Safety for imprisonment.

Your Committee heard testimony from the Director of Public Safety favoring the legislation. Your Committee finds that this clarification will give the department needed flexibility in managing inmates and controlling overcrowding.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1690, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1224 Judiciary on H.B. No. 1639

The purpose of this bill is to eliminate the distinction under the Securities Act between an issuer or broker-dealer domiciled in the State and one located outside the State.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs.

Your Committee finds a need to eliminate potential discrimination against out-of-state issuers and broker-dealers.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1639, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1225 Human Services on H.B. No. 539

The purpose of this bill is to require the Department of Health to establish a standard admission policy and procedure for patients referred to adult residential care homes.

Specifically, the policy would require that the appropriate medical and personal history of the patient, as well as the level of care required by the patient, be submitted to operators of adult residential care home facilities prior to referral and admission.

Your Committee finds that this bill will help facilitate the proper placement of individuals in adult residential care homes and provide operators with adequate and valuable information that will ensure appropriate patient care.

Your Committee has amended the bill by:

- (1) Deleting the examples of specific minimum skills (first aid, cardiopulmonary resuscitation, and nutrition training) needed by adult residential care home operators to provide proper care and supervision in a home environment;

- (2) Deleting the subsection authorizing the Director of Health to enforce rules adopted under this section as it is unnecessary since the Director is already empowered with this authority;
- (3) Specifying that the admission policy shall require full disclosure to the operator of the patient's medical, psychiatric, behavioral, and personal history to the operator;
- (4) Deleting the requirement that disclosure be made prior to the patient's referral;
- (5) Requiring the Department of Health to develop appropriate forms and patient summaries to carry out the admission policy; and
- (6) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 539, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1226 Tourism, Recreation and Transportation on H.B. No. 1537

The purpose of this bill is to allow a lessor, as the registered owner of a rental motor vehicle, to charge a lessee the actual cost of a parking citation and an administrative fee not to exceed \$20, so long as the lessor discloses this policy in its rental agreement.

Your Committee finds that this bill will serve the dual purpose of ensuring that rental car companies do not overcharge lessees for parking citations, and encouraging actual violators to pay for their own parking citations.

Your Committee received testimony in support of this bill from the Car and Truck Renting and Leasing Association of Hawaii. Your Committee also received testimony in support of the intent of this bill from the Judiciary.

Your Committee has amended this bill by merging the provision into the existing section 291C-168.5, HRS, and by making technical amendments for proper statutory drafting style.

Your Committee on Tourism, Recreation and Transportation is in accord with the intent and purpose of H.B. No. 1537, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1537, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1227 Judiciary on H.B. No. 747

The purpose of this bill is to modify existing penalties for driving under the influence of intoxicating liquor (DUI).

Specifically, this bill amends section 291-4(b), Hawaii Revised Statutes, by repealing the provision permitting the court to require a first time offender to install an ignition interlock system, and by reducing the maximum jail time for a first offense from thirty days to five days. This bill also clarifies penalties for a first offense by exempting persons from license suspension who have previously had their driver's license revoked administratively, in order to avoid a double penalty.

Your Committee received testimony relative to the bill from the Attorney General and the Honolulu City Prosecutor.

Your Committee finds that there is currently a backlog of approximately 3,000 DUI cases awaiting jury trial. New cases coming into the system are being scheduled for trial in January of 1997. In addition, your Committee finds that a high percentage of these DUI cases involve first time offenders who are highly unlikely to receive any jail time. This bill will alleviate the current backlog that is overwhelming the judicial system, and will allow for timely adjudication of repeat offenders who pose the greatest risk to the community and public safety.

Your Committee notes that the intent of this bill is to make a DUI first offense a petty offense in the constitutional sense so that individuals charged with a first offense are not entitled to a jury trial. That being the case, your Committee feels it is inappropriate to expose an individual to possible incarceration for a petty offense, and therefore has amended the bill to delete imprisonment for first-time offenders. Your Committee notes that Federal standards call for incarceration of repeat offenders, but not necessarily for first-timers.

Your Committee has also amended the bill to delete redundant language and to clarify that no action against a persons driver's license shall be imposed if the person's license has been administratively revoked pursuant to part XIV of chapter 286, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 747, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 747, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1228 Judiciary on H.B. No. 790

The purpose of this bill is to amend the Uniform Probate Code to increase the value of personal property that can be collected by the family or beneficiaries of a decedent without court action from a net value of \$5,000 to a gross value of \$20,000 which does not include the value of the motor vehicle registered to the decedent.

The Code, when enacted in 1976, allowed the transfer of personal property to a beneficiary if the net value of a decedent's estate did not exceed \$100. This limit was increased to \$1,000 in 1978 and further increased to \$5,000 in 1988 to conform with the original affidavit limit recommended by the drafters of the Code and to adjust for inflation.

This bill provides that estates with a gross value of \$20,000 or less in personal property will not be required to go through probate proceedings and no probate fees will be incurred by the beneficiaries.

Your Committee received testimonies in favor of the bill from the Judiciary, the Department of Human Services and the Judiciary's Commission on the Uniform Probate Code and Probate Court Procedures.

According to testimony presented by the Judiciary's Commission on the Uniform Probate Code and Probate Court Procedures, a large portion of the estates administered by the circuit court between \$5,000 and \$20,000 are comprised solely of an automobile. The second largest portion usually consists of a single bank account.

Your Committee finds that probating only a motor vehicle raises numerous problems. Often the vehicle will be the only one in the family, and the family will require use of the vehicle while it is being administered by the court. This raises serious issues of liability of the court if the vehicle is involved in a traffic accident, and uncertainty over who would be responsible to ensure that the vehicle is inspected, registered, and insured. If the family does not need the vehicle during the probate process, but rather desires that it be sold, the vehicle must be stored until the court can sell it. The court process delays disposition of the vehicle by several months, increasing the costs of transferring the vehicle.

Your Committee finds that this bill will simplify the settlement of decedent's estates, save beneficiaries the costs and delays of complicated probate proceedings, and lessen the administrative burden of the circuit courts in handling small estates.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 790, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1229 Judiciary on H.B. No. 948

The purpose of the bill is to amend section 91-4, Hawaii Revised Statutes, (HRS), to delete the requirement that all statements required to be filed with the State Ethics Commission by lobbyists be open to public inspection pursuant to section 92-51, HRS, which was repealed in 1988.

Your Committee received testimony in support of the bill from the State Ethics Commission.

Section 97-4(2) is part of the Lobbyists Law, Chapter 97, HRS. Section 97-4(2) currently provides that lobbying registration and expenditures statements that are filed with the State Ethics Commission shall constitute public records and shall be open to public inspection pursuant to section 92-51, HRS.

However, Section 92-51, HRS, was repealed in 1988. Therefore, your Committee finds the bill to be a housekeeping measure to delete a provision of law that no longer has a field of operation. This bill does not affect the status of lobbying registration and expenditures statements as public records. Those statements would continue to be public records and would remain open to public inspection.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 948 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1230 Judiciary on H.B. No. 1538

The purpose of this bill is to establish a Nonresident Violator Compact. This bill also amends sections 287-3 and 287-20, Hawaii Revised Statutes, to specify that the Nonresident Violator Compact does not affect the application of these sections.

Your Committee received testimony in support of this bill from the City and County of Honolulu's Department of the Prosecuting Attorney and Department of Finance, and the Police Department of the City and County of Honolulu.

Hawaii's participation in a Nonresident Violator Compact will improve the enforcement of traffic violations committed by non-residents. If enacted this Act will no longer allow a non-resident who violates our State's traffic laws to disregard with impunity the responsibilities cited under the terms of a traffic citation.

Your Committee finds that this bill will promote compliance with State traffic laws and in turn promote safety on our highways. Your Committee further finds that this bill will serve to generate revenues for our State.

Your Committee has amended this bill by making technical changes which have no substantive effect for the purposes of style, clarity and conformity to recognized legislative drafting techniques.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1538, 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. 1538, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1231 Judiciary on H.B. No. 1585

The purpose of this bill is to bring the State's Poultry Inspection laws, Chapter 161, Hawaii Revised Statutes (HRS), into conformance with the federal Poultry Products Inspection Act (PPIA).

Testimony in support of the bill was received from the Department of Agriculture.

Your Committee finds that federal law requires that the Hawaii Meat and Poultry Inspection Program conform to standards at least equal to those established under the PPIA. Failure to do so would result in the cessation of federal funds and the federal takeover of poultry processing industries in the State.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1585, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1232 Judiciary on H.B. No. 1631

The purpose of this bill is to authorize broader service of process powers for investigators employed by the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs.

Your Committee finds that currently investigators are only authorized to serve administrative subpoenas. This bill would expand investigators' service of process powers by allowing them to serve other documents pertaining to departmental civil and administrative cases. Your Committee finds that investigators are in a better position to effect service upon an individual because of their knowledge of the case, person's location and other identifying information.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1631, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1233 Judiciary on H.B. No. 1641

The purpose of this bill is to allow the Department of Education and private schools to refuse to issue, or to revoke, a teaching certificate or other certification if an individual's criminal background poses a threat to children, and to exempt such actions from the provisions of Chapter 91, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that the Department of Education is currently prohibited from disseminating criminal history information to its schools' hiring authorities and required to follow Chapter 91 procedures regarding the termination of an employee for criminal conduct. Your Committee further finds that this bill implements the overriding interest in protecting the health, safety, and well-being of children and ensuring that schools are suitably staffed.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1641 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1234 Judiciary on H.B. No. 1665

The purpose of this bill is to make Hawaii's occupational safety and health law relating to prohibited discrimination consistent with federal and case law.

Your Committee received testimonies in support of the measure from the State Department of Labor and Industrial Relations, the Hawaii State AFL-CIO, the ILWU Local 142 and the Hawaii Nurses' Association. The Hawaii State AFL-CIO and the Hawaii Nurses' Association expressed concern that the bill would eliminate current protections available to employees and that employees would need to file a complaint before they are officially protected.

Current law specifies circumstances under which refusal to engage in unsafe work is protected and discharge or suspension is illegal. However, while focusing precisely on protecting employees who refuse to engage in unsafe work, the law fails to distinguish between actual danger and minor administrative or technical violations that pose no harm.

Your Committee finds that case law evolving since enactment of Hawaii's statutes has not only affirmed an employee's right to refuse unsafe work but has also clarified limitations, remedies, and types of activities that are protected. This bill modernizes and clarifies Hawaii's occupational health and safety provisions governing discrimination and brings Hawaii law into line with federal law and precedent.

However, while this bill makes essential additions to the law, the current law should not be entirely discarded. The current law has provided adequate protection for employees and to completely replace it might drastically affect that protection. Your Committee has amended the bill, with the concurrence of the Department of Labor and Industrial Relations and the Hawaii Nurses' Association, by reinserting the current law except for subparagraph (C) which is the primary provision that fails to distinguish between actual danger and minor administrative or technical violations that pose no harm.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1665, 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. 1665, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1235 Judiciary on H.B. No. 2051

The purpose of this bill is to conform state law to the federal Commercial Motor Vehicle Safety Act of 1986.

Your Committee finds that the Commercial Motor Vehicle Safety Act of 1986 contains a penalty provision for states that do not meet all federal requirements specified in the Act. The penalty for Hawaii's noncompliance would be \$4.4 million in the first year and \$8.8 million in each subsequent year. This bill will ensure that the State does not lose a large amount of federal highway funds.

Your Committee received testimony in support of this bill from the Department of Transportation, the Honolulu Police Department and the Hawaii Transportation Association.

Your Committee has amended the bill by retaining the requirement that an applicant for a nonresident commercial drivers license must surrender the nonresident license and to remove the requirement that testing for alcohol consumption be done within three hours of driving for the results to be admissible as competent evidence.

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 Third Reading in the form attached hereto as H.B. No. 2051, S.D. 1.

Signed by all members of the Committee.

SCRep. 1236 Ways and Means on H.B. No. 1738

The purpose of this bill is to establish a literacy and lifelong learning program to be administered by the state librarian.

Your Committee has deleted the contents of this bill and replaced it with those of S.B. No. 1670, S.D. 2. As amended, the purpose of this bill is to require the board of education, through the state librarian, to establish and administer a literacy and lifelong learning program. The objective of the program is to provide activities that promote intergenerational learning and well-being by improving parents' skills and attitudes toward education, increasing children's learning skills, enhancing parenting skills, and uniting adults and children in positive educational experiences.

In addition, the bill transfers to the department of education (DOE) all rights, powers, and duties of the office of children and youth (OCY) relating to the family literacy program; transfers to the DOE all appropriations, equipment, papers, and other personal property used by the OCY relating to the family literacy program; transfers the public-private partners for literacy trust fund from the OCY to the DOE; and establishes within the DOE an advisory council for literacy and lifelong learning. The bill would take effect upon approval and be repealed on June 30, 1995, with the private-public partners for literacy trust fund reenacted at that time.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1738, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1738, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 1237 (Majority) Ways and Means on H.B. No. 1896

The purpose of this bill is to continue the eight per cent investment yield rate used for actuarial valuations of the employees' retirement system for fiscal years ending June 30, 1993, and June 30, 1994.

Actuarial valuations are prepared annually to determine the required employer contributions and the investment yield rate used in these valuations is fixed by statute. Current law provides for an eight per cent rate to be used for years ending June 30, 1991, and June 30, 1992. This bill will update that law to authorize the continuance of the eight per cent rate through June 30, 1994.

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 H.B. No. 1896, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1896, S.D. 2.

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

SCRep. 1238 Ways and Means on H.B. No. 525

The purpose of this bill is to establish a nonpoint source pollution control program within the state department of health to protect Hawaii's waters from pollutants such as soil runoff, urban contaminants, agricultural residues, and other substances from diffuse sources. This bill also appropriates \$120,000 to carry out the proposed program.

Your Committee finds that nonpoint source pollution is a major contributor to water degradation in Hawaii. The statutory authority created by this bill will lay the foundation for the development of a nonpoint source pollution control program consistent with the State's overall objective to improve the quality of Hawaii's waters.

While it concurs with the intent of this measure, your Committee finds that further discussion is necessary to develop a clear determination of the level of funding actually needed to carry out the actions proposed in this bill. In this regard, your Committee has amended this bill by replacing the sum to be appropriated with an unspecified amount.

Your Committee has further amended this bill by deleting the provision under the section delineating the powers and duties of the director of health which authorizes the director to inspect the buildings, premises, and records of any actual or suspected source of nonpoint source pollution.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 525, 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. 525, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1239 Ways and Means on H.B. No. 1146

The purpose of this bill is to:

- (1) Require the office of international relations (OIR) to provide public officials with in-depth briefings prior to meetings with international representatives or international trips;
- (2) Authorize the OIR to nurture and develop relationships with non-state agencies on the national and international level to procure non-state sources of funding for international activities in the State;
- (3) Require the OIR to advise and assist all state agencies that have program responsibilities affected by international trade, businesses, and investments; and
- (4) Extend the sunset date of Act 101, Session Laws of Hawaii 1992, until July 1997.

Your Committee finds that the OIR and its resources are under-utilized and that by directing the OIR to: (1) actively educate public officials on protocol and current affairs as required; (2) pursue alternative funding sources for international activities in the State; and (3) advise other state agencies on the ramifications of international events on their program responsibilities, the OIR will be better able to accomplish the purposes for which it was created.

Your Committee has amended the bill by deleting the sunset date of June 30, 1997, and reinstating the June 30, 1995 sunset date as provided in Act 101, Session Laws of Hawaii 1992. Your Committee has further amended the bill by making a technical, nonsubstantive amendment for the purpose of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1146, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1146, S.D. 2.

Signed by all members of the Committee.

SCRep. 1240 Ways and Means on H.B. No. 1178

The purpose of this bill is to authorize the issuance of special purpose revenue bonds, subject to prior approval from the public utilities commission (PUC), to assist Waimana Enterprises, Inc. in the establishment of a cogeneration facility on Oahu. In granting approval, the PUC must include a finding that the savings from the sale of revenue bonds will be passed on to the public electric utility customers.

Your Committee finds that it is in the public interest to provide assistance, including financial assistance, to native Hawaiian-owned businesses. Waimana Enterprises is a native Hawaiian-owned business whose cogeneration facility will benefit the general public in the form of reduced electricity rates for Oahu's ratepayers.

Your Committee has amended this bill by changing the amount of the authorization from an unspecified amount to \$10,000,000 and by changing the year in which the authorization will lapse from 2003 to 1998.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1178, 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. 1178, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1241 Ways and Means on H.B. No. 2010

The purpose of this bill is to provide additional time for beneficiaries under the Hawaiian home lands trust to file and resolve claims as provided for in chapter 674, Hawaii Revised Statutes.

Specifically, the bill:

- (1) Extends the deadline for filing claims until August 31, 1995;
- (2) Extends the terms of office of Hawaiian home lands individual claims review panel (panel) members until December 30, 1997;
- (3) Extends the deadline for filing written notice rejecting legislative action on a claim until October 1, 1997;
- (4) Requires that no action for judicial relief be filed prior to October 2, 1997;
- (5) Extends the statute of limitations for commencing actions for judicial relief until September 30, 1999;
- (6) Requires the panel to include investigative reports in claims records, and protects the confidentiality of the reports until completion of the claims hearing, except as provided under the information practice law, and except, upon the panel's discretion, for disclosure to the parties;
- (7) Protects statements made by witnesses in the course of an investigation from use in legal proceedings;
- (8) Requires the panel to file annual reports prior to each regular legislative session, and a final report prior to the 1997 Regular Session; and
- (9) Appropriates funds to administer chapter 674.

In 1991, the legislature created the panel to hear claims by individual beneficiaries of the Hawaiian home lands trust who suffered actual damages as a result of a breach of trust occurring between statehood and June 30, 1988, and caused by an act or omission of a state employee in the management and disposition of trust resources.

Your Committee finds that there is a need to extend the panel's existence in order to afford aggrieved beneficiaries a full opportunity to resolve their claims.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2010, 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. 2010, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1242 Ways and Means on H.B. No. 2098

The purpose of this bill is to appropriate funds to develop a curriculum to educate public school students and the general public about Hawaiian sovereignty through a purchase of service contract with Hui Na'auao.

Your Committee finds that the history of the overthrow of the Hawaiian Kingdom supports the viewpoint of Hawaiians who take the position that their Kingdom and lands were unjustly taken from them. Your Committee also finds that this history needs to be widely disseminated to school children and the general public for a better understanding of these issues. As Hawaiian groups grapple with the issues surrounding sovereignty, it is crucial in preserving Hawaii's spirit of aloha that all residents understand the context from which the demand for and right to sovereignty has arisen.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2098, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1243 Ways and Means on H.B. No. 830

The purpose of this bill is to appropriate funds for the construction of temporary, portable facilities for the Hale Kuamo'o Hawaiian language center and the Hawaiian studies department at the University of Hawaii-Hilo.

State funds are provided through the issuance of general obligation funds. Private contributions are deposited in a special account in the state treasury.

Your Committee finds that the construction of temporary, portable facilities is necessary to alleviate severe overcrowding and to allow Hawaiian studies education and research to continue to benefit Hawaiians and the community at-large.

Your Committee has amended this bill by changing the appropriations figure to an unspecified amount and by removing superfluous language on the authority of the director of finance to distribute revenues in the special account for construction and operational expenses.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 830, 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. 830, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1244 Ways and Means on H.B. No. 1363

The purpose of this bill is to establish the following:

- (1) A family practice residency program at the University of Hawaii School of Medicine;
- (2) A two-year demonstration project to provide training for health care graduates and students; and
- (3) A family practice ambulatory health center at the "old" Hilo Hospital site.

Your Committee finds that the lack of sufficient medical care providers in the rural areas of the neighbor islands along with the overuse of the emergency department by non-emergency cases necessitates the establishment of creative ways to bring medical care to places like Hilo.

Your Committee has amended this bill by changing the appropriation to a blank amount and made one technical correction.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1363, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1363, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 1245 Ways and Means on H.B. No. 1370

The purpose of this bill is to establish the Mount Olomana state monument as a historical site, and to empower the department of land and natural resources to acquire lands identified as significant to the preservation of Mount Olomana as a historical site.

Your Committee finds that Mount Olomana is an important landmark that requires immediate protection before its natural beauty is irreparably damaged by expansion and development. This bill will ensure that Mount Olomana remains as a scenic open-air area for future generations to appreciate and enjoy.

Your Committee has amended this bill by leaving the amount of the appropriation blank.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1370, 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. 1370, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Blair.

SCRep. 1246 Ways and Means on H.B. No. 1703

The purpose of this bill is to bring the loan eligibility provisions of the state higher education loan fund into line with the federal Perkins Loan Program, upon which the state program is based.

Your Committee finds that this bill will give the University of Hawaii the flexibility to respond to the financial needs of nontraditional students, many of whom are unable to attend college on a full-time basis. Your Committee also finds that this bill sets loan amount limits as established under the Perkins Loan Program.

Your Committee has amended this bill by making technical nonsubstantive changes to replace statutory language inadvertently deleted from the text.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1703, 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. 1703, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1247 Ways and Means on H.B. No. 2022

The purpose of this bill is to transfer the responsibility of administering the homeless families assistance law and other related powers and duties from the department of human services to the Hawaii housing authority. This bill also makes numerous technical amendments to the law and extends the effective period of the hale kokua project from two years to five years.

Your Committee finds that programs and duties of the department of human services being transferred under this bill have already been transferred administratively to the Hawaii housing authority. This bill reflects the transition that has already taken place.

Your Committee has amended this bill by making several nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2022, 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. 2022, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1248 Ways and Means on H.B. No. 1322

The purpose of this bill is statutorily to establish multidisciplinary teams for critical child abuse or neglect cases for each county in the State and to require the department of human services to refer a child abuse and neglect case for review by the multidisciplinary team in certain instances.

Your Committee finds that although the multidisciplinary team approach has been part of Hawaii's child protection scheme since 1969, it has neither been mandated by statute nor given any direct role in the child protection process. Currently, the teams' provide the auxiliary function of consulting on cases deemed appropriate for teaming by the department of human services and the child protective services. Your Committee further finds that multidisciplinary teams provide valuable services that are necessary to prevent further abuse and that offer the best possible treatment for victims and their families. Your Committee strongly believes that the issue of child abuse and neglect is so compelling that legislative action is required.

Your Committee has amended this bill by:

- (1) Moving paragraph (1) of subsection (c) on page 3 to line 16 to require referral of a child abuse and neglect case for review by the multidisciplinary team when the child is between the ages of zero and three and meets at least one of the other enumerated criteria and renumbering the remaining paragraphs consecutively;
- (2) Adding the word "other" before the word "critical" at line 12, page 4;
- (3) Deleting the phrase "implementation of the teams" at line 17, page 4; 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 H.B. No. 1322, 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. 1322, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1249 Ways and Means on H.B. No. 1453

The purpose of this bill is to establish the Hawaii children's trust fund.

Your Committee finds that despite Hawaii's reputation as a leader in programs to prevent child abuse and neglect, the number of reported and confirmed incidents of abuse and neglect has more than doubled in the past decade. While this increase in statistics may reflect a higher percentage of cases being reported due to increased community awareness of the problem, your Committee is equally aware that these statistics also indicate that the problem of child abuse and neglect remains one of our most pressing social issues that deserves our closest attention. Your Committee recognizes that without identification and treatment for both abusers and their victims, the cycle of abuse continues, and will be perpetuated in future generations.

Faced with these sobering facts, your Committee strongly believes that it is important to proceed with the establishment of the Hawaii children's trust fund as a permanent source of funding to support an ongoing integrated public-private approach for the prevention of child abuse and neglect.

Your Committee has amended this bill by:

- (1) Inserting the words "for family strengthening" after the word "partnership" in the first sentence of section 1 of the bill;
- (2) Adding the words "and the department of health" to the definition of "advisory committee" in § -1 of section 2 of the bill;
- (3) Inserting the following sentence at the end of § -4(b)(2): "None of these three members shall serve for more than two consecutive terms."; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1453, 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. 1453, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1250 Ways and Means on H.B. No. 1327

The purpose of this bill is to assist Encogen Hawaii, L.P. in providing electric service to the general public through the Hawaii Electric Light Company, Inc. (HELCO). This bill authorizes the issuance of special purpose revenue bonds to finance a fifty-six megawatt power plant and related facilities on the Big Island to produce electrical energy to be sold to HELCO.

Your Committee finds that this bill will:

- (1) Enable Encogen Hawaii, L.P. to pay an interest rate that is lower than interest rates on non-exempt taxable bond issues;
- (2) Benefit ratepayers due to the resulting reduction in capital costs; and
- (3) Not obligate the State to meet payments on the bonds.

Your Committee further finds that HELCO customers on the Big Island continue to experience electrical energy shortages due to inadequate supply, which should be augmented by the development of the Encogen Hawaii, L.P. energy generation project.

Your Committee has amended this bill by reducing the total amount by which the issuance of the special purpose revenue bonds may not exceed from \$36,000,000 to \$10,000,000, and by extending the authorization to issue the bonds until June 30, 1998.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1327, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1327, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1251 Ways and Means on H.B. No. 1330

The purpose of this bill is to extend the effective period of the revolving loan program for business opportunities on Molokai for an additional two years and require the department of business, economic development, and tourism to develop an action plan for the administration of the revolving loan program.

Your Committee finds that high unemployment and depressed economic conditions continue to hinder economic growth and small business development on the island of Molokai. The revolving loan program provides a vital source of capital for developing businesses and entrepreneurs on the island. Your Committee finds that it is imperative that the loan program be continued and that the funds of the program be utilized to the fullest extent possible by the people of Molokai.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1330, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1252 Ways and Means on H.B. No. 1800

The purpose of this bill is to authorize the issuance of \$50,000,000, in special purpose revenue bonds for the purpose of assisting Hui 'Enekinia Hawai'i, or a partnership in which Hui 'Enekinia Hawai'i is a general partner, for the establishment of a cogeneration facility (for electric energy and thermal fluids) and related water production facilities.

Your Committee finds that this facility will benefit Big Island residents by mitigating the electric energy shortage and supporting native Hawaiian-owned enterprises. Your Committee further finds that this bill is substantially equivalent to S.B. No. 1586, S.D. 2, which was reported out of your Committee on March 5, 1993.

Your Committee has amended this bill by changing the bond amount to \$10,000,000, and extending the authorization to issue the bonds until June 30, 1998.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1800, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1253 Ways and Means on H.B. No. 178

The purpose of this bill is to create a statewide bicycle transportation advisory committee to help promote and accommodate the needs of bicyclists and pedestrians as important users of the State's transportation system.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 178, 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. 178, H.D. 1, S.D. 2

Signed by all members of the Committee.

SCRep. 1254 Ways and Means on H.B. No. 656

The purpose of this bill is to appropriate funds for tourism promotion and marketing.

Your Committee finds that tourism promotion is vital to the health of our visitor industry and to the economy of the State as a whole. Your Committee further recognizes the importance of ensuring that Hawaii maintains its strength as an attractive and desirable world class visitor destination.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount.

Your Committee on Ways and means is in accord with the intent and purpose of H.B. No. 656, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 656, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1255 Ways and Means on H.B. No. 1047

The purpose of this bill is to extend the deadline established for any developer to submit a plan for the development of a convention center from June 30, 1994, to June 30, 1998.

Your Committee finds that unless a plan for the development of a convention center facility is submitted to the State prior to June 30, 1994, the convention center authority law will automatically expire. This bill provides additional time for a developer to submit a plan for the development of a convention center facility for the State.

To facilitate further discussion on the additional time needed by a developer to submit a plan for the development of a convention center in Hawaii, your Committee has amended this bill by deleting the expiration date of the convention center law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1047, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1047, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1256 Ways and Means on H.B. No. 125

The purpose of this bill is to provide for an income tax credit of \$1 to qualified resident taxpayers.

Article VII, section 6, of the Constitution of the State of Hawaii requires the legislature to provide either a tax refund or a tax credit to qualified taxpayers 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. Your Committee finds that this bill is necessary since these factors have been met.

Your Committee has amended this bill by changing the amount of credit from \$1 to an unspecified sum and by specifying that the denial of the credit to a person committed to a state correctional facility during the taxable year shall apply regardless of the length of time the person was confined during the taxable year.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 125, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 125, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1257 Ways and Means on H.B. No. 1694

The purpose of this bill is to provide time limits for claiming income tax refunds similar to those provided in the federal income tax code.

The present income tax provision, section 235-111, Hawaii Revised Statutes, allows a taxpayer to file a return or amended return to claim a refund or credit for an overpayment within three years after the filing of the original return, or within three years of the due date prescribed for the return, whichever is later. If a taxpayer has not filed an income tax return, the time limit does not start to run and the possibility of a refund or credit remains unsettled indefinitely. This bill provides a time certain during which the taxpayer may request and receive, or the department of taxation may apply or issue, a credit or refund.

The bill also makes conforming amendments to other sections of the Hawaii Revised Statutes.

Your Committee has amended this bill by deleting language that conflicted with other parts of the bill on lines 8 and 9 of page 1; and lines 2 to 5 of page 2. Your Committee also amended the bill by exempting taxpayers who can show "reasonable cause" from the provision of this bill at the end of the new subsection (b) on page 2, and by making a few 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. 1694, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1694, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1258 Ways and Means on H.B. No. 1698

The purpose of this bill is to:

- (1) Amend obsolete provisions of the Hawaii Revised Statutes relating to taxation of real property administered by the counties; and
- (2) Remove the counties' ability to tax the real property of public utilities.

Your Committee finds that the State assesses a public service company tax on public utilities in lieu of general excise and real property taxes. However, the power to levy real property taxes was transferred to the counties in 1981 and the eleven-year period after ratification of the amendment to the State Constitution authorizing this transfer, during which policies and methods of assessing real property taxes were required to be uniform throughout the counties, expired in 1989.

However, since 1989, the counties have not chosen to tax the real property of public utilities. Should any one county decide to do so, the affected public utility would be subject to more than one tax on the value of its real property. Moreover, it would be highly likely that the real property of public utilities would be subject to varying tax treatment among the four counties. In order to avoid this situation, this bill removes the counties' power to tax the real property of public utilities.

Your Committee has amended this bill to preserve the statewide application of the fundamental concept of separate taxation of condominium apartments which is necessary and essential to the overall concept that condominium apartments are separate legal estates for the purposes of ownership, financing, and taxation. Accordingly, other technical, nonsubstantive changes have been made for the purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1698, H.D. 1, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 1698, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1259 Ways and Means on H.B. No. 82

The purpose of this bill is to impose an excise tax of 4.5 cents on each cigarette sold or used by a wholesaler or dealer.

The bill also repeals the excise tax exemption on cigarette and tobacco products sold to the federal government. Taxation of other tobacco products will remain at forty per cent of the wholesale price of the article. The increased tax is scheduled to go into effect on July 1, 1993, or roughly ninety days after Congress passes a law requiring military installations to purchase cigarettes locally in a manner similar to alcoholic beverages, whichever is later. The bill also appropriates funds for treatment and studies relating to smoking as well as education and prevention programs.

Your Committee has amended this bill by:

- (1) Amending sections 7(2) and (5), 9, and 10 of the bill to add references to possession, sale, or use of cigarettes or tobacco products, as appropriate;
- (2) Amending section 9 to replace the excise tax increase of 4.5 cents per cigarette with an unspecified amount;
- (3) Deleting the appropriation section (section 18);
- (4) Amending section 20 to provide that the bill is to become effective on June 30, 1993, or on the first day of the month ninety days after a congressional act is signed into law requiring military installations to purchase cigarettes in Hawaii; and
- (5) Replacing statutory material that was inadvertently deleted from the text.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 82, 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. 82, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1260 Ways and Means on H.B. No. 241

The purpose of this bill is to appropriate funds to provide respite care services for adult residential care home operators. Residential care home operators need occasional holidays or vacations to prevent the physical fatigue and emotional burnout caused by providing twenty-four-hour care to residents.

Your Committee has amended this bill by changing the appropriation to an unspecified amount and by deleting the superfluous Ramseyer section.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 241, 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. 241, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1261 Ways and Means on H.B. No. 434

The purpose of this bill is to make an appropriation to provide certified as well as noncertified emergency medical service personnel with the training and the resources necessary to administer early defibrillation to victims of cardiac arrest.

Your Committee finds that automatic external defibrillators provide an effective form of medical intervention in cardiac arrest cases. This bill enables the department of health to provide all emergency service personnel with the training to administer defibrillation treatment.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 434, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1262 Ways and Means on H.B. No. 2071

The purpose of this bill is to appropriate funds for a nonprofit long-term health care facility to be added on to Pohai Nani Care Center.

Your Committee finds that since this project is in the public interest and for the public health, safety, and general welfare, the use of special purpose revenue bonds would be appropriate for this project. Accordingly, this bill has been amended to add language authorizing the issuance of special purpose revenue bonds. Your Committee has also made several technical, nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2071, 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. 2071, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1263 Ways and Means on H.B. No. 214

The purpose of this bill is to require the court to appoint a panel of three qualified examiners to report on whether a defendant who has been conditionally released presents a substantial likelihood of becoming fit to proceed in the future.

Additionally, the bill allows the court to dismiss the charge against the defendant or to subject the defendant to involuntary civil commitment procedures if the court determines that the defendant probably will remain unfit to proceed. The bill further allows the court, following the commitment of a defendant, to appoint a panel of three qualified examiners to report, in addition to the director of health's report, on the defendant's likelihood of becoming fit to proceed.

Your Committee finds that this bill corrects an oversight in the present law. Currently, there is no statutory authority to allow the court to rule on a defendant's fitness to proceed in the future if the defendant has been conditionally released.

Your Committee has amended this bill to correct a grammatical error and to make 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 H.B. No. 214, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 214, S.D. 2.

Signed by all members of the Committee.

SCRep. 1264 Ways and Means on H.B. No. 576

The purpose of this bill is to appropriate funds for a study on the economic impact of divorce on spouses in Hawaii.

The bill designates the Hawaii supreme court permanent committee on gender and other fairness to complete and submit the final study to the legislature before the convening of the 1994 legislative session. Your Committee agrees with the finding of the Committee on Judiciary that divorce inflicts a disproportionately high economic burden on women and recognizes the need for documentation of the economic consequences of divorce.

Your Committee has amended this bill by increasing the appropriation to \$50,000, 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. 576, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 576, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1265 Ways and Means on H.B. No. 1589

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy claims for legislative relief, judgments against the State, settlements and miscellaneous claims.

The department of the attorney general submitted a memorandum to your Committee requesting a reinsertion of the claims involving the office of Hawaiian affairs, Rowena Akana v. Board of Trustees of the office of Hawaiian affairs, and

William E.H. Tagupa v. office of Hawaiian affairs, et al. The Committee on Judiciary deleted these claims from the bill "to afford the Ways and Means Committee the opportunity to consider whether the payment of those claims would be more appropriate if derived from special funds of the Office of Hawaiian Affairs, in whole or in part, rather than from State general funds." Your Committee finds that there is precedent for the payment of such claims from the general fund and therefore payment of these claims, which are relatively small in amounts, is appropriate. Accordingly your Committee has amended the bill to reinsert these claims.

Your Committee has also amended the bill by adding the claims of Lopez v. Akana and the Claim of Wendy Wilson per the request of the department of the attorney general as these claims have been settled subsequent to the hearing before the Committee on Judiciary.

Additionally, your Committee has amended section 3 of the bill by providing that the sums appropriated "may" be paid rather than "shall" be paid to clarify that the sums need not be paid in the event that a condition of the judgment or settlement has not been fulfilled or for other valid reasons. The attorney general requested this amendment as it is particularly important in the Hirano v. Kakuda claim since the case is still in active litigation.

The department of the attorney general also requested that language be inserted in the bill to allow payment in the Hirano v. Kakuda case in the amount required by final adverse judgment or in any amount less than \$125,000 and to allow the sum to be appropriated to be used to achieve a stay of the adverse judgment. The claim has not been liquidated to a sum certain due to accumulating attorneys costs and fees but the department is confident that the total will be less than \$125,000. Your Committee has amended section 3 of the bill to reflect this request.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1589, 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. 1589, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1266 Ways and Means on H.B. No. 1773

The purpose of this bill is to establish a program of regimental discipline to be implemented by the department of public safety. The program will be available to defendants and committed persons chosen by the director of public safety who meet certain criteria.

Your Committee finds that a regimental discipline program will promote the rehabilitation of offenders, increase deterrence, and reduce recidivism by providing an unpleasant experience of confinement through rigorous physical training. Your Committee is vitally concerned with the problem of prison overcrowding and further finds that this program is a viable alternative to incarceration and will assist in rehabilitative efforts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1773, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1267 Ways and Means on H.B. No. 1992

The purpose of this bill is to require and facilitate a plebiscite of Hawaiian and native Hawaiian citizens to determine whether there shall be *Loa'a ka Pono* (to secure what is right) to discuss and decide issues relating to self-governance.

The bill establishes the *Loa'a ka Pono* organizing committee (LOC) to organize and implement the plebiscite. Participation in the plebiscite is limited to persons qualified to vote for office of Hawaiian affairs board members. The LOC shall consist of members of various public and private organizations representing or consisting of native Hawaiians and their descendants. The LOC shall be placed in the office of the lieutenant governor for administrative purposes, and that office will supply logistic support and materials and facilities necessary for LOC to carry out its purpose. The bill further provides that if the plebiscite chooses to convene the *Loa'a ka Pono*, the LOC shall submit a grant-in-aid to the legislature to fund a *puwalu* (conference) of delegates to consider the issues, propose a mechanism for native self-governance, and draft the fundamental documents for the nation. A blank appropriation is included to provide materials and resources for the LOC, and to pay neighbor island delegate and LOC member per diems.

Your Committee affirms the inherent right of the indigenous Hawaiian people to sovereignty and self-determination, and supports their efforts to establish a sovereign government. Your Committee finds that this bill will aid in redressing the wrongs and inequities resulting from the overthrow of the Hawaiian Kingdom and usurpation of the government, lands, and treasury of the Hawaiian people.

Your Committee has made technical, nonsubstantive amendments to this bill for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1992, 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. 1992, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1268 Ways and Means on H.B. No. 1120

The purpose of this bill is to authorize the governor, or the governor's designated representative, to cooperate, cosign, or participate on behalf of the State with the counties, or other public or private agencies or entities, in order to

participate in any federal program designed to provide services, equipment, supplies, materials, funds, or other benefits to the State or any county in civil defense matters.

Your Committee finds that during the recovery process following the impact of Hurricane Iniki on September 11, 1992, it became apparent to civil defense authorities that certain federal disaster relief programs, including loans available to the counties, required the State to cooperate, cosign, or participate in the relief program in order for the counties to receive federal disaster relief funds. Under current law, the governor does not have specific authority to so act on the State's behalf. Your Committee finds that the authority granted to the governor under this bill will ensure that the counties will be able to obtain available resources for disaster relief in a timely manner when state action is required as a precondition.

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 H.B. No. 1120, 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. 1120, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1269 Ways and Means on H.B. No. 1153

The purpose of this bill is to create a special fund for disaster relief and rehabilitation programs on the island of Kauai for recovery and reconstruction costs associated with Hurricane Iniki.

The bill provides that the special fund, which is to consist of legislative appropriations and private contributions, is to be used to make grants to the county of Kauai and private, nonprofit agencies on Kauai and specifies priorities for the award of grants. The special fund is to be administered by a board of directors, which is placed within the office of the governor for administrative purposes. In addition, the bill appropriates funds from insurance settlements deposited in the state risk management revolving fund to rebuild state buildings and facilities completely destroyed by Hurricane Iniki.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1153, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1270 Ways and Means on H.B. No. 1449

The purpose of this bill is to appropriate funds to the University of Hawaii for the control of melastome plant pests.

Melastomes are a family of plants that generally produce very attractive flowers and foliage. Melastomes were introduced to Hawaii and are therefore not indigenous plants. They are weedy plants that develop very rapidly, outcompeting most other plants in the area. Very few insects attack these plants, and each plant can produce thousands of minute seeds that are eaten by birds and scattered widely.

Two species, miconia and cane tibouchina, pose a serious threat to the conservation and management of Hawaii's forests and watersheds. Miconia is a large tree that is already well established in the Hana area of Maui and the Onomea area on the Big Island. Cane tibouchina is extremely aggressive and threatens forests, watersheds, irrigation ditches, and rangeland.

In 1992, the state and federal governments, together with the private sector, identified management and research needs and developed a statewide proposal for the control of melastome plant pests. In 1992, the legislature appropriated \$50,800 for the first year's funding of the proposal. As part of the implementation of the proposal, the department of agriculture will be conducting explorations in Central and South America beginning in May or June, 1993 in search of biological agents to control cane tibouchina, miconia, and other melastome plant pests. The department will also be printing materials to educate the public about these pests. The funds appropriated in this bill will be used to continue the melastome management and research program initiated last year.

A well developed, long-term, statewide management plan is required to stop the spread of these destructive melastome introductions, and minimize, if not reverse, their negative impact on Hawaii's pristine forest and conservation areas.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1449, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1449, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 1271 Ways and Means on H.B. No. 1906

The purpose of this bill is to increase the conveyance tax from five cents to ten cents per \$100 of consideration for the transfer of real property, and to allocate twenty-five per cent of the conveyance tax revenues collected to the natural area reserve fund.

In addition, this bill proposes several other amendments to improve the administration of the conveyance tax by:

- (1) Requiring that any overpayment of conveyance taxes imposed shall be credited within three years after the filing of a conveyance tax certificate;

- (2) Prohibiting commencement of a court proceeding without an assessment for the collection of taxes before the expiration of the three year period;
- (3) Allowing for the assessment or levying of the conveyance tax at any time if a false or fraudulent certificate was filed with the intent to evade taxes or if a certificate was not filed;
- (4) Clarifying that the actual and full consideration paid includes any promise, act, forbearance, property interest, value, gain, advantage, benefit, or profit, as well as money; and
- (5) Adding the following conveyance tax exemptions:
 - (a) The threat of eminent domain, the point at which most conveyances to government occur;
 - (b) Partition deeds that result in equal value to the co-owners and no change in the proportionate interest of the co-owners' exemption;
 - (c) Conveyances involving divorced couples ordered by the court to dispose of property; and
 - (d) Transfers involving certain testamentary trusts and grantor revocable living trusts.

The state natural area reserves system was established in 1970 to preserve in perpetuity certain state land and water areas that support communities of Hawaii's natural flora and fauna as well as geological sites. To complement the nineteen areas of state land encompassing nearly 110,000 acres in the natural area reserves system, the legislature established the natural area partnership and forest stewardship programs in 1991 to provide incentives for private landowners to protect important natural resources on their lands. Your Committee finds that natural area management and restoration programs are often complex, requiring a long-term perspective and commitment to achieve visible results. Your Committee believes that a permanent, dedicated source of funding is necessary to provide the continuity and resources required to successfully implement these programs.

Your Committee has amended this bill to require that twenty-five per cent of the conveyance tax revenues collected be allocated to the rental housing trust fund. The rental housing trust fund was created by the legislature last session to help address the acute shortage of safe, decent, and affordable rental housing units in the State of Hawaii. Your Committee believes that it is in the public interest to provide a continuous source of funding for the rental housing trust fund.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1906, 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. 1906, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1272 Ways and Means on H.B. No. 658

The purpose of this bill is to authorize the issuance of \$8,000,000 in special purpose revenue bonds to assist Zions Securities Corporation, a Hawaii corporation, in financing the construction of an expanded community wastewater collection system in Laie.

Your Committee finds that Zions Securities Corporation, a business arm of the Church of Jesus Christ of Latter-Day Saints, is working with the Laie Community Association on a Laie master plan to develop improved infrastructure to meet the growing needs of the community. Your Committee further finds that this expanded community wastewater collection system will alleviate problems related to the dumping of effluent and allow wastewater to be reclaimed as irrigation water.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 658, 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. 658, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1273 Ways and Means on H.B. No. 951

The purpose of this bill is to amend Act 278, Session Laws of Hawaii 1991, authorizing the issuance of special purpose revenue bonds to assist ETV Hawaii/Elephant Television, Inc., by:

- (1) Reclassifying the television and film industry production training project of ETV/Elephant Television, Inc., from a "processing enterprise" to an "industrial enterprise;
- (2) Extending the lapsing date of the authority to issue such bonds from June 30, 1993, to June 30, 1995; and
- (3) Allowing a Hawaii nonprofit corporation established by or under the auspices of ETV Hawaii/Elephant Television, Inc., to qualify for the assistance.

Your Committee has amended this bill by extending the lapsing date for the authority to issue bonds to June 30, 1998.

Your Committee finds that these amendments are necessary for the bonds to be issued as soon as possible, its proceeds utilized more efficiently, and the lapsing date extended to adjust for the time lost since the original enactment of the law in 1991.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 951, 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. 951, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1274 (Joint) Science, Technology and Economic Development and Planning, Land and Water Use Management on H.B. No. 464

The purpose of this bill, as received, is to repeal the statutory requirements for the ocean resources management plan by repealing appropriate sections of Chapter 228, Hawaii Revised Statutes.

Your Committees find that the provisions of Sections 228-11, 228-12, and 228-13, Hawaii Revised Statutes, requiring the preparation and distribution of the ocean resources management plan have been met. Your Committees further find that in order to maintain the momentum of the State's current efforts to coordinate the responsibilities for ocean policy, development and ocean resource management, a specific program should be created to implement the ocean resources management plan and assign responsibility for oversight of ocean-related programs of the various state and county agencies.

Testimony in support of this bill was submitted by the Department of Business, Economic Development, and Tourism.

Upon further consideration, your Committees have amended this bill by:

- (1) Establishing a marine and coastal affairs program within the Office of State Planning to strengthen the State's ability to coordinate various agency responsibilities for ocean policy development and ocean resource management;
- (2) Adding a provision which elevates the Ocean Resources Branch of the Department of Business, Economic Development, and Tourism to division status; and
- (3) Repealing Chapter 228 in its entirety.

Your Committees on Science, Technology and Economic Development and Planning, Land and Water Use Management are in accord with the intent and purpose of H.B. No. 464 and recommend that it pass Second Reading in the form attached hereto as H.B. No. 464, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1275 Judiciary on H.B. No. 251

The purpose of this bill is to strengthen, broaden, and liberalize Hawaii's laws relating to the right to farm.

Specifically, the bill:

- (1) Provides for recovery of attorneys' fees and expenses by successful defendants in frivolous nuisance suits;
- (2) Provides that implementation of changes or adoption of new technology shall not constitute commencement of a new farming operation; and
- (3) Expands the definition of farming operation to include roadside marketing, use of chemicals, ground and aerial seed spraying, operation of machinery and irrigation pumps, and natural effects such as noise, odors, dust, and fumes arising out of or associated with farming.

Your Committee received testimony in support of the bill from the Department of Agriculture, the Hawaii Farm Bureau, the Hawaii Sugar Planters Association, and 4 private firms engaged in agriculture. The Department of Health offered the view that sound land use decisions rather than legislation is the solution to incompatible uses of land.

Urban expansion has historically been accompanied by suits alleging farming operations to be nuisances and seeking to shut them down in favor of development. In response to this phenomenon, and in recognition of agriculture's critical importance to Hawaii's economy and character, the Legislature passed the Hawaii Right To Farm Act to limit circumstances under which farming operations may be deemed a nuisance.

Now the farming industry, especially the livestock industry on Oahu, is again facing the problem of urban encroachment. This bill broadens the protections afforded to farmers by the Right to Farm Act without unduly limiting or curtailing the right of developers to engage in lawful activities.

Your Committee has amended the bill to retain the designation of "an area zoned by the county for agricultural use" within the definition of a "farming operation".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 251, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 251, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 1276 Judiciary on H.B. No. 966

The purpose of this bill is to provide criminal sanctions for fraudulent encoding of a credit card.

Recently, criminal elements have gained the capability of changing the magnetic encoding on a credit card. Due to this advancement in technology, a person can obtain any card, change the code to match a usable code, and use the card without being detected. The potential loss to our State's commerce can be tremendous.

Your Committee finds that fraudulent encoding of credit cards is potentially dangerous to Hawaii's economy because large sums of money, goods, or services may be taken by a single fraudulent card before the activities are discovered. Your Committee feels Hawaii may be more vulnerable to this type of activity due to its tourist based economy where merchants expect the majority of transactions will be by credit cards.

Your Committee received testimony in support of the bill from the Police Department of the City and County of Honolulu and the Retail Merchants of Hawaii. The Office of the Public Defender also testified, noting that certain drafting errors had been made in defining the offense.

Your Committee finds that criminals are becoming more sophisticated in the fraudulent use of credit cards and have been tampering with the information stored on the magnetic strip of the credit card, causing the charges to be placed on another person's account.

Your Committee finds that this type of crime is more serious than simple credit card fraud or simple theft because of the potential for tremendous economic loss. Hence your Committee finds that classification of this new offense as a Class B felony is appropriate.

Your Committee has amended the bill by:

- (1) Deleting references to "attempts" and "conspiracy" since such conduct is covered under Sections 705-500 and 705-520 of the Penal Code, Hawaii Revised Statutes;
- (2) Specifying the state of mind necessary to commit the offense;
- (3) Deleting the term "newly created" from paragraphs (b) and (c), as the language would have created confusion as to the true nature of the offense;
- (4) Clarifying that the offense, when concerned with the "use" of the credit card, is based on the unlawful obtaining of money, goods, services, or anything else of value; and
- (5) Deleting possession from the prohibitions contained in the bill for the reason that this bill, and its heavy penalties, are directed toward those devious enough to be unlawfully making, selling, and using these altered credit cards.

In addition, technical, nonsubstantive amendments have been made for the purpose of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 966, 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. 966, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1277 Judiciary on H.B. No. 1062

The purpose of this bill is to conform the definition of blood alcohol concentration, constituting the offense of driving under the influence of intoxicating liquor, §291-4 Hawaii Revised Statutes, with that of the administrative revocation law, §286-251.

Your Committee received testimony in support of the bill from representatives of the Department of the Prosecuting Attorney for the City and County of Honolulu, the Police Department of the City and County of Honolulu, and the Department of Health and the Department of Transportation of the State of Hawaii.

Your Committee finds that the proposed definition will lend clarity and consistency to our laws relating to drunk driving.

Your Committee has amended the bill to specify that the prohibited concentration of alcohol in a persons blood or breath is reduced from .10 to .08 and to make technical changes that have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1062, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1062, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1278 Judiciary on H.B. No. 1667

The purpose of this bill is to include age as an exception to the discrimination in real estate transaction law as it pertains to housing for older persons.

Your Committee received testimony in support of this bill from the Hawaii Civil Rights Commission.

Your Committee finds that Act 171, Session Laws of Hawaii 1992, inadvertently deleted "age" in the amendment to section 513-4(b), Hawaii Revised Statutes. That section specifies the exemptions from the chapter. Without the addition of age, there is an absurd result since elderly housing projects are necessarily meant for older persons and therefore are intended to discriminate in favor of the elderly. The Conference Report mentions that the bill "adds age as a protected group in a real estate transaction while still recognizing the special situation of housing designed for older persons."

Your Committee has amended the bill by making technical changes that have no substantive effect and to conform existing statutes in the designation of disabled persons.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1667, 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. 1667, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1279 Judiciary on H.B. No. 2045

The purpose of this bill is to grant authority to the Director of the Department of Public Safety to order the release of certain pretrial inmates when community correctional centers reach capacity. The measure further provides that no person who has been denied bail, whose bail is set at more than \$5,000, or who is being held for a serious crime involving violence against a person as defined in section 804-3, Hawaii Revised Statutes, shall be released pursuant to this section.

Your Committee heard testimony in support of the bill from the Department of Public Safety, Public Defender, and the American Civil Liberties Union. The Honolulu City Prosecutor opposed the bill as a violation of the separation of powers doctrine and for the granting of immunity from liability to the director.

Your Committee believes that by granting the director this authority, prison space for violent and serious offenders will increase and the safety of the community will be better ensured.

Your Committee has amended the bill by granting immunity from liability to the state and its officers and employees and by requiring compliance with chapter 91 in the adoption of rules by the Director. The bill has been further amended by making technical changes that have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2045, 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. 2045, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1280 Judiciary on H.B. No. 1338

The purpose of this bill is to bring the State law related to the treatment of status offenders and juvenile law violators into compliance with the federal Juvenile Justice Delinquency Prevention Act (JJDP) of 1974.

Testimony in support of the bill was offered by the Judiciary, the Department of Human Services, the Office of Children and Youth, and the Honolulu Police Department.

The Honolulu Prosecuting Attorney opposed the provisions to require a hearing within 24 hours for the detention of a juvenile rather than the existing 48 hours on the grounds that the shorter period would not allow sufficient time for police officers to complete an investigation. However, the Police Department supported the bill, and the Judiciary stated that the 24 hour limitation had been imposed for years even though not required by statute.

Your Committee finds that compliance with federal law is contingent on making changes to State law and procedures governing the treatment of juveniles. These changes include the deinstitutionalization of status offenders and nonoffenders from secure detention facilities, the removal of juveniles from adult jails and lockups, the separation of juveniles from adult criminals when confined in the same facilities and the monitoring of compliance with these mandates.

The Office of Youth Services offered testimony that Hawaii is currently in noncompliance with the mandate requiring the removal of juveniles from jails and lockups, and as a result, nearly \$1,000,000 in federal funds for programs to keep juveniles out of secure detention facilities and the juvenile justice system are being withheld from the State. To receive JJDP funds, legislation must be enacted to prohibit the detention of children accused of or adjudicated for non-criminal offenses and limiting the use of jails and lockups for juveniles accused of a crime.

The Office of Youth Services also pointed out that the JJDP guidelines are good ones and should be followed regardless of the financial implications.

Your Committee has amended the bill by returning to existing statutory language on page 4, line 8, thus giving the court adequate flexibility, and by making technical changes for the purpose of style and clarity and which have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1338, 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. 1338, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1281 Judiciary on H.B. No. 2040

The purpose of this bill is to amend the laws relating to hazardous waste by requiring persons who produce, transport, or store hazardous waste to directly notify the Department of Health (DOH) annually of the disposition of the hazardous waste in their possession.

Your Committee received testimony in support of the bill from the Department of Health.

Your Committee finds that the State's hazardous waste program is currently considered by the Environmental Protection Agency (EPA) to be on unauthorized status. The program nonetheless relies on the EPA's hazardous waste listings. As the State's hazardous waste program approaches delegated status, the DOH is finding that many of the EPA's database listings contain inaccuracies regarding generator status and activities. By requiring direct hazardous waste status notification to the DOH, the problems associated with such inaccuracies can be easily rectified on the local level.

Furthermore, as the DOH seeks to develop and implement a fee structure to support the hazardous waste program, an accurate database of hazardous waste handlers in Hawaii will be imperative.

Your Committee has amended the bill by making technical changes which have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2040, 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. 2040, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1282 Agriculture on H.B. No. 1582

The purpose of this bill is to delete the requirement for a certificate of sanitation for animal food manufacturers.

Your Committee finds that:

- (1) Currently, no animals are being slaughtered for the manufacturing of animal food;
- (2) The Federal Meat Inspection Act does not provide for the inspection of animal food manufacture; and
- (3) If necessary, the Department of Health will provide inspection under Chapter 328, HRS.

Your Committee believes that deleting the inspection and certification requirement for animal food manufacturers would remove unnecessary provisions from the Hawaii Revised Statutes.

Your Committee has amended the bill by correcting a spelling error and making technical, nonsubstantive amendments for the purpose of clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1582, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1283 Agriculture on H.B. No. 1584

The purpose of this bill is to abolish the Advisory Committee on Flowers and Foliage.

Your Committee finds that the provisions and requirements of Chapter 91, Hawaii Revised Statutes, provides adequate opportunity for the public to voice its opinions regarding the exportation of flowers and foliage, hence rendering the existence of the advisory committee unnecessary.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1584 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1284 Agriculture on H.B. No. 1587

The purpose of this bill is to require the Department of Agriculture (DOA) to use certified rather than registered mail when notifying a person of the DOA's intent to enter the person's property for the purposes of pest control or eradication.

Your Committee finds that postal authorities have recommended that certified mail be utilized instead of registered mail due not only to the cost savings of approximately \$3.40 per notice mailed, but because registered mail is usually utilized for mailing items which have an obvious cash value.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1587 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1285 Agriculture on H.B. No. 1851

The purpose of this bill is to streamline the State's feed registration process and authorize the Department of Agriculture to set feed inspection fees by rule.

Testimony in support of the bill was received from the Department of Agriculture.

Your Committee finds that feed is by and large the costliest expense incurred by livestock producers in the State. Your Committee believes that by streamlining the feed registration process and allowing the Department of Agriculture to set feed inspection fees, lower feed prices will result. This benefits both the livestock producers with lower production costs and consumers with lower food prices.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1851, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Solomon.

SCRep. 1286 Judiciary on H.B. No. 115

The purpose of this bill is to require that notice of a review hearing for a foster child be served upon the present foster parents no later than 48 hours before the hearing and to prohibit a hearing until the foster parents are served with notice.

Your Committee received testimony in strong support of the measure from 12 foster parents, Hawaii State Foster Parent Association, West Hawaii Foster Parents Association, Child and Parent Advocates and a local attorney. The Judiciary offered testimony favorable to the bill but expressed concerns that the foster parents might be viewed as parties to the proceedings under the bill. Also, the Judiciary pointed out that the requirement of notice and the possible delay of hearings could jeopardize federal funds.

Your Committee notes that it is not the intent to make foster parents parties to the proceedings.

The Department of Human Services expressed stronger objection to the bill and urged your Committee to defer action on the bill to allow all interested to continue discussion and to reach agreement on the issues.

Your Committee finds that by virtue of their daily contact and care of a child, foster parents are uniquely informed as to the child's overall emotional, social and physical disposition. Your Committee sees a need to encourage foster parents to participate at review hearings to serve the best interests of the child.

Your Committee has amended the bill to provide for service of the notice of hearing on the foster parent by hand delivery or by regular mail.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 115, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1287 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Agriculture on H.B. No. 673

The purpose of this bill is to amend the definitions relating to recycling and to establish composting as an agricultural activity.

Specifically, the bill adds definitions of "recycling" and "secondary resources" to Chapter 342H, Hawaii Revised Statutes (HRS), and conforms the existing definitions of these terms in Chapter 342G, HRS. The bill also adds language to Chapters 342G and 342H establishing and encouraging composting as an agricultural activity.

Your Committees agree that composting should be encouraged but feel that the existing amendments to the law contained in the bill are ambiguous. Therefore, your Committees have amended the bill by establishing composting as a recycling activity rather than an agricultural activity and making several nonsubstantive amendments for the purpose of clarity.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Agriculture are in accord with the intent and purpose of H.B. No. 673, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 673, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1288 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1276

The purpose of this bill is to encourage the proper disposal and recovery of used lead acid batteries.

Specifically, the bill requires retail sellers of lead acid batteries to include in any advertisement pertaining to lead acid batteries, language stating that the purchase price of a new lead acid battery includes the cost of used lead acid battery disposal.

Testimony in support of the bill was received from the Department of Health, the City and County of Honolulu, and the Legislative Information Services of Hawaii.

Your Committee finds that the notification requirement would encourage users of lead acid batteries to properly dispose of their used lead acid batteries by notifying them that they have already paid a disposal fee for the battery when purchased.

Your Committee has amended the bill by making technical and stylistic changes for the purpose of clarity and conformance to recommended drafting procedures.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1276, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1276, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1289 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2028

The purpose of this bill is to promote recycling in the State.

Specifically, the bill prohibits the disposal of used tires in municipal solid waste disposal facilities and mandates motor vehicle tire retailers and wholesalers to accept from customers used tires in proportion to the number of new tires they sell.

Testimony in support of the bill was received from the Department of Health, the City and County of Honolulu, and the Legislative Information Services of Hawaii.

Your Committee finds that the disposal of used tires has become an increasingly salient concern. However, your Committee feels that the total prohibition on disposal in municipal landfills may be too harsh, given that used tires present less of an environmental hazard than lead acid batteries, which program this bill has been modeled after.

Your Committee feels that there are many unresolved issues relating to the disposal of used tires. In order to facilitate further discussion and to ensure that a responsible and equitable decision is made, your Committee has amended the bill by deleting the findings and purpose section and the section that prohibits the disposal of used tires at landfills and municipal solid waste incinerators.

Your Committee has amended the bill further by making technical, nonsubstantive amendments to correct an erroneous reference and conform the provisions with recommended drafting style.

Your Committee believes that the suggested amendments will ensure the bill's discussion in conference committee.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2028, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2028, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1290 Ways and Means on H.B. No. 1739

The purpose of this bill is to establish a fee for enhanced services program within the library system and to establish a special fund for the deposit of all fees received for such services.

Your Committee agrees with the Committee on Education, Labor and Employment that one of the most important aspects of any education program is a good library system. Current economic conditions indicate that the time may be right to establish a fee for an enhanced library services program, but your Committee is also concerned that a mechanism exist for the delivery of those services to individuals who request them but cannot afford them.

Your Committee has amended this bill by limiting the life of this program to three years and to lapse any balance in the enhanced services special fund at that time to the general fund.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1739, 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. 1739, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1291 Ways and Means on H.B. No. 975

The purpose of this bill is to authorize the counties to enact ordinances that allow them to add unpaid civil fines to a violator's county charges, fees, or taxes.

Your Committee finds that the counties' ability to impose civil fines is often thwarted by the lack of an effective collection mechanism. This bill will provide a convenient and efficient way to collect civil fines ordered by a court or imposed administratively after all judicial review rights have been exhausted.

Your Committee has amended the bill by making technical, nonsubstantive changes for the purpose of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 975, 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. 975, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1292 Ways and Means on H.B. No. 1500

The purpose of this bill is to allow native Hawaiians or native Hawaiian organization to apply for and receive grants from the department of Hawaiian home lands (DHHL) for strengthening and improving homesteader or native Hawaiian organizations.

The bill provides that these grants may be used as matching grants for other federal or state programs consistent with its purposes. The bill requires grantees to keep records necessary to facilitate an effective audit, and requires the records to be kept and made available for three years after the completion of the project or undertaking for which the grant was awarded. The bill also revises the definitions of the Hawaiian Homes Commission Act, 1920, as amended.

Your Committee finds that the DHHL has not been able to fully provide the services necessary for its lessees. To the extent that this bill will aid beneficiaries and homesteaders to join together to provide these services, it will empower native Hawaiians and enable them to effectively use that which is rightfully theirs.

Your Committee has made technical, nonsubstantive changes to 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. 1500, 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. 1500, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1293 Ways and Means on H.B. No. 1563

The purpose of this bill is to appropriate \$65,000 to the department of health to enable the department to conduct a pilot water quality surveying and sampling program utilizing volunteers in the Kailua and Waimanalo bay areas of Oahu.

Your Committee finds that a program utilizing volunteers to monitor water quality may provide an effective and inexpensive method of supplementing the department of health's current water quality monitoring program. Such programs have proven their effectiveness in other states and should be examined on the basis of the water quality monitoring problems and issues facing Hawaii to determine their feasibility in the State.

While it concurs with the intent of this measure, your Committee finds that current budget restrictions dictate reducing the sum appropriated from \$65,000 to \$45,000.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1563, 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. 1563, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1294 Ways and Means on H.B. No. 1374

The purpose of this bill is to appropriate funds for a dialysis machine to serve the needs of North Hawaii residents.

This bill will contribute to the inventory of specialized health services easily accessible to North Hawaii residents. Increased accessibility of important health services should be supported whenever feasible.

Your Committee has amended this bill by changing the appropriation to an unspecified amount.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1374, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1374, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1295 Ways and Means on H.B. No. 1592

The purpose of this bill is to update the requirements and procedures for issuing Hawaii state identification cards and to increase the card fees. The bill identifies the administrator of the criminal justice data center, rather than the department of the attorney general, as the entity responsible for administering the issuance of the cards. The bill also establishes \$10 as the fee amount unless modified by rule by the administrator.

Your Committee finds that requiring only the right thumbprint for the application of the card will reduce the amount of time it takes to process an identification card without compromising the accuracy of the card. Additionally, requiring applicants to provide their permanent address will decrease the number of cards that are processed for tourists using their hotel addresses to qualify for kamaaina rates. Finally, your Committee finds that there has been no increase in the fee for the card since 1982. An increase in the fees is needed to reflect the actual costs of producing the cards.

Your Committee has amended this bill by restoring responsibility for the identification cards with the department of the attorney general rather than the administrator and by mandating the fee-making authority in a different section of chapter 846, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1592, 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. 1592, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1296 Ways and Means on H.B. No. 1121

The purpose of this bill is to amend chapter 234, Hawaii Revised Statutes (HRS), relating to the tax relief for natural disaster losses law.

This bill allows the natural disaster claims commission to deduct federal and state grants or loans that are received by claimants from the total amount of losses to be certified to the director of taxation. The bill also provides that the remission or refund to which the claimant is entitled shall first be applied to real property taxes, provided that for each year after the first year, no real property tax remittance or refund may be claimed unless a claim for general excise tax remittance or refund, if applicable, was previously made; and then to taxes due from the claimant under the general excise tax law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1121, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1297 Ways and Means on H.B. No. 173

The purpose of this bill is to assist our State's interisland airlines through guaranteed loans.

The guaranteed loans would assist those interisland airlines whose operations and revenues have been adversely affected by the downturn in tourism. This bill would ultimately protect the public welfare by ensuring jobs for our citizens and providing a continued means of convenient travel between the islands of our State.

Inasmuch as your Committee is greatly concerned with the possible demise of one of the State's local carriers, it is equally concerned with the State's austere economic climate and the severe budget restrictions facing the legislature. Thus, any assistance to a private enterprise, especially one in the magnitude of \$20,000,000 must be reviewed under the strictest scrutiny requiring the most careful examination of all possible solutions, including re-regulation of the airlines. Therefore, your Committee is recommending passage of this bill in its present form to facilitate further discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 173, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1298 Ways and Means on H.B. No. 1055

The purpose of this bill is to resolve the jurisdictional dispute between the State and counties over the ownership of certain public highways.

Your Committee has amended this bill by adding the phrase, "except when required for the purpose of disposal" to line 16 of the purpose section. This change will require a quitclaim deed from the State to the counties whenever the counties have an agreement to sell the roadways.

Your Committee is aware of the disagreement between the State and city and county as to the final form of this bill. Therefore, your Committee is recommending passage of this bill in its present form so that the parties may provide amendments in conference committee.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1055, 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. 1055, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1299 Ways and Means on H.B. No. 1885

The purpose of this bill is to authorize the Department of Commerce and Consumer Affairs (Department) to:

1. Use moneys in the Department's funds to defray administrative costs;
2. Appoint program specialists to assist the professional and vocational licensing division;
3. Change any license renewal date by rules adopted pursuant to chapter 91, Hawaii Revised Statutes (HRS); and
4. Establish advisory committees.

The bill also requires the Department to submit an annual report to the Legislature describing the Department's nonpayroll expenses.

Your Committee has amended the bill by adding new sections to the bill that delete the time requirements for practicing within the State, before being nominated to serve on any of the various boards and commissions under the jurisdiction of the Department.

Your Committee finds that the bill would provide the Department with a greater degree of self-sufficiency and flexibility.

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

Signed by all members of the Committee.

SCRep. 1300 Education, Labor and Employment on H.B. No. 6

The purpose of this bill is to grant preference in civil service employment to individuals with ten or more years of service in the Hawaii National Guard.

Your Committee has amended this bill by deleting its contents and inserting substantive provisions establishing an interim task force to develop Hawaii National Guard recruitment and retention incentives.

The task force will be chaired by the Adjutant General and consist of two members appointed by the Governor, the Speaker of the House of Representatives, and the President of the Senate, respectively. Among other subjects the task force will determine the feasibility and propriety of implementing the civil service preference proposed by this bill as introduced. The task force will submit to the Governor and the Legislature a report of its deliberations, including appropriate draft legislation, after which it will be dissolved.

Your Committee finds that the Hawaii National Guard is a vital component of the State's safety network and must be able to effectively recruit and retain qualified individuals. This bill, as amended, will appropriately address concerns in this regard.

Your Committee on Education, Labor and Employment is in accord with the intent and purpose of H.B. No. 6, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 6, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Graulty.

SCRep. 1301 Agriculture on H.B. No. 247

The purpose of this bill is to make illegal the selling of the endemic fresh water mollusk, hihiwai; the snail, hapawai; and the shrimp, opae kalaole.

Your Committee finds that the growing consumption and unrestricted harvesting of these resources have diminished the population and availability of these fresh water organisms to the point at which they can only be found in remote and isolated streams of the State.

Your Committee believes that the provisions of the bill will ensure the availability of these resources for future generations through appropriate conservation practices.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 247, 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 Reed.

SCRep. 1302 Ways and Means on H.B. No. 1897

The purpose of this bill is to update several statutory citations under chapter 201E and redirect the housing finance and development corporation's efforts toward the development of multi-family housing and affordable rental housing. This bill also establishes provisions for the indemnification of any county upon the dedication of any housing project developed under Act 15, Session Laws of Hawaii 1988, to any county.

Your Committee finds that because of the upcoming repeal of Act 15, Session Laws of Hawaii 1988, the details for the dedication of housing constructed under the Act to the counties should be worked out and finalized. This bill provides the procedures for the orderly transfer of these projects to the counties and will ensure that the corporation redirects its focus to high density housing projects that will address the housing needs of the people of the State.

Your Committee is concerned, however, that certain important amendments to Act 15, Session Laws of Hawaii 1988, being made by this bill, such as the provisions for county indemnification, nonconforming lots, and authorization to continue specified housing projects will not have their desired effect if incorporated into Act 15, which is subject to repeal on April 20, 1993. Accordingly, your Committee has amended these provisions by not including them as amendments to Act 15, and instead enacting them as elements of this measure (which is not subject to any automatic repeal) and making those provisions refer and apply to actions that occurred under Act 15.

Your Committee has also changed the effective date of this measure to the day before the automatic repeal of Act 15 to eliminate any doubt that its provisions apply to Act 15, and made additional technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1897, 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. 1897, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1303 Higher Education, Culture, Arts and Historic Preservation on H.B. No. 1955

The purpose of this bill is to amend the State's historic preservation law to provide for the development and adoption of general rules of use that are specific and appropriate to significant cultural, historic, and prehistoric sites and monuments.

Your Committee recognizes shortcomings in the present application of general rules of the state parks system to sites of historic and cultural significance, and finds that the development of rules may be an appropriate means of establishing cultural protocol and defining the use of significant historic and cultural sites that demand respect and specific behavior.

Upon due consideration, your Committee has amended this bill to provide for the development and adoption of rules, in consultation with the Office of Hawaiian Affairs Native Historic Preservation Council, for permitting access by native Hawaiians and Hawaiians to cultural, historic, and pre-contact sites and monuments. This amendment allays the Office of Hawaiian Affairs' concern that this bill, as originally drafted, would have an adverse effect on present attempts to protect American Indian and Native Hawaiian religious rights on a national level, by assigning the clarification of sensitive and complex rights of use, access, and practice to the rulemaking process.

Your Committee has further amended this bill by making technical changes that have no substantive effect.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1955, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1955, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Gaulty and Koki.

SCRep. 1304 Ways and Means on H.B. No. 1152

The purpose of this bill is to appropriate funds for the support of government operations for the 1993-1995 fiscal biennium.

FINANCIAL CONDITION OF THE STATE

During the 1980's, the State experienced double digit growth and our abundant financial resources allowed your Committee to appropriate funds to expand existing programs and establish new initiatives. For fiscal year 1990-1991, general fund tax revenues had increased to the point that the Legislature was able to provide an income tax credit of \$60 per person, earmark \$90,000,000 for the construction and maintenance of public school facilities, and make a cash loan of \$120,000,000 to the homes revolving fund. For fiscal year 1991-1992, general fund tax revenue collections reflected an 11.2 percent increase and, thus, the Legislature again approved the earmarking of \$90,000,000 for public school facilities and made an emergency appropriation of \$15,000,000 to sustain the operations of the community hospitals.

Decline in general revenue collections. Beginning in 1992, however, the effects of the national recession hit Hawaii and our State's economy stagnated with only a 1.0 percent growth in general fund tax revenues. This stagnation resulted primarily from the decline in our tourism industry and the slowdown of construction activity. Further, your Committee is aware that the current situation will continue, based on the projections reported in March by the Council on Revenues. The Council's March report confirmed earlier projections of minus .5 percent growth in general revenues for fiscal year 1993-1994, and 3.9 percent growth for fiscal year 1994-1995. Clearly, your Committee is faced with a no-growth economy for the second year in a row, and projections indicate that this trend will continue in the following fiscal year.

Depletion of cash reserves. Because your Committee has been faced with a stagnant economy, cash reserves which were accumulated during the 1980's have been expended to cover operating expenses beginning with the 1991-1992 fiscal year. For fiscal year 1992-1993, the Legislature returned to the general fund the \$120,000,000 in cash loaned to the homes revolving fund and authorized bond issues instead. Your Committee also suspended the earmarking of \$90,000,000 for public school facilities and recouped \$74,100,000 in cash capital improvement projects. For the 1993-1994 fiscal year, your Committee proposes to recoup an additional \$103,589,798 in cash capital improvement projects, again suspend the earmarking of \$90,000,000 in cash for public school facilities, and replace both amounts with proceeds from bond issues. Your Committee further expects that while general excise tax revenues will not be increasing, federal funds may increase slightly and your Committee urges state agencies to become more aggressive in capturing federal dollars.

PROBLEMS WITH BUDGET ANALYSIS AND DEVELOPMENT

In the past several years, your Committee has been faced with developing a legislative budget based on poorly developed agency budget submissions. Your Committee is convinced that these budgets are merely a symptom of a bigger problem - the lack of administrative direction to guide budget development and program planning. The Department of Budget and Finance is the executive agency charged with directing the development of agency budgets which reflect actual program needs. However, your Committee has been increasingly dissatisfied with the quality of the budget submissions. One such example is the lack of response when budget journal tables are requested for all agencies but are provided for only some agencies by the Department of Budget and Finance. These tables include critical budget detail necessary for

Committee staff to develop their recommendations and for Committee members to make informed decisions on these recommendations.

Budget preparation time inadequate. Your Committee believes that in order for the administration to effectively communicate program needs, adequate time should be provided to the agencies to identify these needs and then translate them into budget requests. However, it appears to your Committee that this is not occurring. Based upon a review of the budget instructions from the past three years submitted by the Department of Budget and Finance to the agencies, your Committee notes that each year the agencies have been given less and less time to prepare their budgets. The 1990 instructions were sent to the agencies on August 29 with the budget due on October 1; the 1991 instructions were sent out on September 5 with the budget due on September 30; and the 1992 instructions were sent out on October 5 with the budget due on October 26. Your Committee questions whether it is feasible to expect an agency to prepare its budget in thirty days or less, and further whether the Department of Budget and Finance is then able to provide any meaningful review prior to the statutory deadline for submission of the Executive budget to the Legislature.

The following highlights in the areas of environmental protection, health, and human services are cited as examples of the lack of adequate budget preparation and planning that your Committee earlier noted.

Environmental protection. Your Committee supports the continuation of programs which will protect and enhance our physical environment, mindful that we must actively guard against the depletion and pollution of our limited natural resources. In this regard, the environmental protection program budget submission included a request to establish various fee-for-service mechanisms to convert all general fund programs to special fund status for fiscal year 1994-1995. While your Committee acknowledges that this fee-for-service idea, which would link program expenditures to program revenues, is innovative, it also appears unrealistic. From testimony presented to the Committee, many of the proposed fees may take a minimum of two years to be established. Thus it appears the decision to submit this proposal lacks merit. Your Committee agrees in concept with the proposal, but is concerned that the Department of Health will be faced with requesting an emergency supplemental appropriation or transferring funds from some other program budget to cover the expenditures.

Health. To make available of health care services, especially in rural areas of our State has long been recognized as a budget priority. For years, the community hospitals have received general fund subsidies because special fund revenues were inadequate to support their operations and facilities. State law requires that special funds must be expended prior to the release of general funds. The administration's short term approach restricted general funds for the current fiscal year (FY 1992-93) and exacerbated the problem by reducing the general fund request for each year of the next biennium. The Hospitals and the anticipated federal reimbursement to the State through disproportionate share are both negatively impacted by these proposals. By reducing the general fund request, analysis reveals that such a reduction would result in the inability of the hospitals to meet their payroll requirements. Further, the State would fail to maximize reimbursements of federal funds through "disproportionate share." Your Committee has addressed the issue by providing the necessary general fund requirements to meet the hospitals operating needs as well as to maximize the federal reimbursements. Your Committee further questions the appropriateness of commingling these funds and whether this action will jeopardize receipt of federal funds in the future.

Human services. Your Committee began deliberation on this budget by ensuring that adequate funds would be provided to meet the basic needs of those individuals who most need assistance during hard economic times and, therefore, has chosen not to freeze the standard of need for general assistance benefits. Your Committee then turned to consideration of the Families Together Initiative (FTI), an administration proposal to address the needs of "at-risk" families. The FTI proposes to use state and federal funds to provide integrated services through various state agencies, and your Committee commends the efforts of the administration in this regard. However, your Committee is concerned that the proposal was hastily prepared, may include funding for duplicative services and, further, that there may be insufficient funding for foster care payments should FTI be fully implemented. Your Committee is also aware that the state plan required to obtain federal funding for FTI is pending approval, and, therefore, federal funding is not yet assured. Your Committee hopes that upon federal approval of the plan, the Department will aggressively pursue maximizing the use of federal funds. Your Committee has split the funding request by providing state support in each fiscal year, in anticipation of receiving positive additional information prior to the budget conference.

Extensive Governor's messages on budget items. Act 125, Session Laws of Hawaii 1991, changed the Executive budget submission deadline from twenty days to thirty days prior to the legislative session, to give the Legislature more time to analyze the budget requests. Yet, your Committee continues to receive Governor's messages in numbers sufficient to defeat the intent of providing extra time for analysis of the budget requests by the Legislature. Your Committee further notes that many of the Governor's messages appear to include items which could have been part of the Executive budget submission, and wonders whether the lack of time spent on budget preparation by the agencies may explain the overuse of Governor's messages.

APPROPRIATION AND EXPENDITURE POLICIES

Faced with revenue shortfalls, slower economic growth, and increasing needs in certain program areas, your Committee has been confronted with the unenviable task of reallocating program funds to develop a zero-growth budget. As the basis for this budget, increasing demands in entitlement programs such as Medicaid and general assistance were considered first. Your Committee believes that in hard economic times, assistance must first be given to meet the basic needs of those who are economically disadvantaged. Your Committee further recognizes that these programs primarily assist women and children who do not have the ability to advocate for themselves.

The two areas highlighted in this section emphasize the Committee's commitment to maintaining full funding for our education programs while providing increased fiscal autonomy and emphasizing increased accountability.

Lower Education. Despite a zero-growth budget, your Committee is providing full funding for our public school system as well as granting fiscal autonomy in exchange for increased accountability from the Department of Education and the

schools. In regard to fiscal autonomy, your Committee has compressed the lower education program identification structure from eighteen components to four components to give the Department more flexibility in developing its budget. Further, through H.B. 2156, H.D.2, S.D.2, your Committee has agreed to allow the Department to submit a separate allotment and expenditure plan, provided that the Department may carry over unexpended funds from the first year of the fiscal biennium to the second year of the biennium. Your Committee also supports fiscal autonomy at the individual schools, in conjunction with school/community-based management. However, your Committee wants to ensure that the funds are being expended to the maximum benefit of the students in the classroom. Thus, the Board of Education, through the Superintendent, will be required to submit annual reports to the Legislature summarizing the performance of the schools, our students, and how funds are being allocated and expended. Your Committee has provided supplemental general funds of \$5,000,000 in each fiscal year for increased enrollment; \$1,000,000 in each fiscal year for grants to support innovative instructional programs and activities; and an additional \$10,000,000 in each fiscal year to support the implementation of school-based budgeting. Finally, your Committee authorized an increase for the school lunch special fund to reflect the increase in school lunches being approved for the biennium.

Higher education. The higher education budget was developed within the context of a zero growth budget, with your Committee's recognition that certain needs had to be met. To facilitate the University in achieving its goals over the biennium your Committee endorses the continuation of fiscal autonomy for the University, in conjunction with increased accountability. To foster this intent, your Committee has condensed the University's current program identification structure from 58 components to 13 so that the budget reflects one program component for each campus. This recommendation is intended to provide greater fiscal and administrative flexibility to the major campus units and will allow for a more adaptable management system.

Given the confines of a zero growth general fund budget, the University has had to internally accommodate a series of mandatory cost items in the coming biennium. The Committee recognizes the necessity of these requests and has provided funds for the University's mandatory cost as follows:

The first item is the result of an audit conducted by the Defense Contract Audit Agency on the University's management of federal contracts and grants. The University is required to develop and maintain a new computer fiscal management system, hire a number of fiscal officers in research and academic units and strengthen various office systems to comply with the terms of the federal audit. Failure by the University to adequately address these control and compliance requirements will likely result in the loss of all federal contracts and grants totalling over \$100 million a year. Further, the University has undertaken a progressive and pro-active commitment to addressing the recognized problem of achieving pay equity for women and minority faculty members. Finally, funds are necessary to support a number of new buildings scheduled for completion over the next two years. Resources are needed for maintenance, support staff and increased utility costs.

To address these requirements, the University has internally reallocated resources jeopardizing the organized research and instructional operations at the University. The Committee has chosen to offset these internal reallocations despite meager State resources. To expedite this, your Committee is appropriating the full Governor's Message of 86 positions and \$4,700,000 in fiscal year 1993-94, and 100 positions and \$5,630,000 in fiscal year 1994-95 to allow the University to remain the apex of academic excellence in the Pacific and to ensure the integrity of the University's academic and research units.

STRENGTHENING FINANCIAL ACCOUNTABILITY

The Legislature's authority for the appropriation of funds and control of expenditures has its basis in the State Constitution and general laws enacted by the Legislature. Your Committee considers this authority to be the key to improving fiscal accountability, and has given careful consideration to exercising it in a manner consistent with the balance of powers between the executive and legislative branches.

Special and revolving funds. Your Committee has been alarmed by the exponential growth of special and revolving funds as automatic mechanisms for supporting state programs which do not have to compete with other programs for general fund support. Several years ago, your Committee requested a review by the Auditor of all special and revolving funds to ascertain whether the funds were operating as intended. The Auditor found that many of the funds allowed agencies to retain cash balances which were then expended without legislative authorization. The Auditor further found that automatic earmarking of tax revenues for deposit into these special and revolving funds distorted the overall financial condition of the State, noting that the aggregate balance of all funds reviewed equaled approximately \$1,500,000,000.

Thus, in accordance with the Auditor's recommendations, your Committee is recommending, through H.B. No. 628, H.D.1, S.D.1, the repeal of over forty special and revolving funds and providing for these programs with general funds after the review process. Additionally, your Committee is amending Chapter 37, Hawaii Revised Statutes, to ensure that the creation of special and revolving funds will be closely scrutinized in the future. With these amendments, your Committee is requiring that fully developed justifications be submitted to explain the need for special or revolving fund status, describe the revenue-generating mechanism to be used for support of the fund, and indicate why the program cannot be supported through the general fund appropriation process. Finally, your Committee is also repealing the provisions which allowed expenditures from revolving and trust funds without appropriation or authorization by the Legislature.

Expenditure flexibility provisions. An issue directly related to financial accountability concerns the flexibility granted to the administration which permits agencies to disregard appropriation and expenditure controls. In a recent study of the fiscal relationship between the legislative and executive branches in Hawaii, the Auditor found that legislative constitutional and statutory authority has been increasingly usurped through provisions included year after year in the appropriations act itself. These provisions have given the administration increasing flexibility for expenditure of program resources while at the same time diminishing the Legislature's authority. For example, although subsection 37-74(d), Hawaii Revised Statutes, specifically prohibits transfer of funds between programs without legislative authorization, provisions allowing administrative transfers have been included in the budget since 1971.

Your Committee believes that it is time for the Legislature to regain the "power of the purse" as intended by the Constitution and enabling laws. Therefore, your Committee has deleted provisions allowing transfers of positions and appropriations, expenditure of program savings, and related administrative flexibility provided to the Governor, the Director of Finance, or the program managers which are not in keeping with the intent of the constitution or enabling statutes assigning financial accountability to the Legislature. Your Committee also believes that the deletion of these provisions will force the administration to place more emphasis on adequately developed budget submissions because de facto authority for developing programs will not be available through the transfer of funds and positions.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1152, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1305 Ways and Means on H.B. No. 203

The purpose of this bill is to appropriate funds for the programs of the Judiciary for the 1993-1995 fiscal biennium.

Financial Background and Overview

During the past several years, Hawaii was fortunate to realize double digit growth in general revenues that allowed for the establishment of new programs, expansion of existing programs, and initiation of capital improvement projects.

This year, legislative deliberations on the Judiciary budget and all bills affecting state finances began in the wake of Hurricane Iniki, one of the nation's most destructive natural disasters. The negative impact and long-term effects of the devastation and damage caused by this category 4 maelstrom on September 11, 1992 has and will continue to wreak havoc on our already fragile economy for years to come.

In addition, fiscal uncertainties have been spurred by the continuing national recession, local downturns in the visitor and construction industries, national and global socio-economic and political changes, shifts in foreign investment policies, and additional federal mandates. In its March 1993 report, the Council on Revenues indicated that actual general revenue collections were below earlier estimates, with the forecasted growth rate for fiscal year 1993-1994 at 0.3 percent and for fiscal year 1994-1995 at 5.0 percent. After consideration of these factors, your Committee has developed a budget that focuses on meeting the most urgent needs of the Judiciary and takes a cautious approach to future expenditures and program expansion.

Budget Review

Your Committee finds that the fiscal integrity of the State is fundamental to sound and responsible government. As the demand for government services increases, prudence dictates that current and future state expenditures be deliberated carefully and that innovative ways to maximize the return on State investment through increased productivity and the efficient delivery of services be identified.

In developing the Judiciary budget, your Committee weighed the uncertainty of the State's economic future with the Judiciary's immediate and future needs in certain program areas. Your Committee reviewed the Judiciary's total request of \$90 million for each year of the 1993-1995 fiscal biennium and looked at the Judiciary's actual expenditures in fiscal years 1990-1991 and 1991-1992 as well as the first seven months of the 1992-1993 fiscal year. Basing its funding decisions on the premise of zero growth for all programs, reviewing information provided by the Judiciary, and focusing on the Judiciary's historical spending trends -- comparing actual expenditures to funds budgeted, reviewing the amount of funds that lapsed from prior fiscal years, and examining spending patterns for the purchase of equipment and other major goods and services with surplus funds at the end of the fiscal year -- your Committee developed an initial budget recommendation of approximately \$3 million less than the Judiciary's request for each fiscal year of the biennium.

Your Committee is extremely concerned by the Judiciary's manner of communication and its philosophy in presenting budget request information to the Legislature. After formulating its initial budget recommendation, your Committee discovered that the actual fiscal needs of the Judiciary had not been clearly communicated in the justification documents and other details submitted with the budget request. Efforts by your Committee to make informed decisions based on information provided by the Judiciary have been hampered by the inadequacy of budget details, and the absence of clear long-range plans, goals, and objectives to anticipate and guide program needs.

In 1974, the Legislature granted the Judiciary autonomy to manage its budget. With the removal of executive controls, the Judiciary gained budgetary independence with the clear expectation that comprehensive plans, sound controls, and fiscal accountability would be developed and implemented. Your Committee believes that responsible budgeting focuses management's attention on carefully contemplated goals and objectives and the determination of resources needed to achieve these goals and objectives. Budgeting decisions guide and influence the activities of an organization, and should provide accountability and control in the expenditure of public funds.

Your Committee believes that the Judiciary has not used the budgeting process in a manner that maximizes benefits for its clients, employees, and the people of this State. The Judiciary is not presenting the accurate and practical information needed to facilitate the legislative appropriation process. Your Committee believes that the Judiciary needs to incorporate historical spending trends, anticipated workload increases, program adjustments, and short- and long-term planning in determining its budget request.

Recommendations

Your Committee recommends appropriating \$3 million to reduce the backlog in the following areas: (1) driving under the influence of intoxicating liquor (DUI), (2) domestic violence, and (3) felony cases. Your Committee finds that the backlog is tremendous and that the budget request submitted by the Judiciary addresses only current and anticipated future caseload needs. The nature of the offenses in these areas are extremely serious, and your Committee strongly believes that this backlog is jeopardizing the safety and well-being of the public, as dozens of cases may be dismissed daily for unreasonable delay in disposition. It is imperative that the Judiciary control the backlog of cases in the court system and maximize resources provided by the Legislature for this purpose. It is the expectation of your Committee that the Judiciary will consider this problem a priority, and that alternatives for reducing the backlog, such as renting office space for more courtrooms, holding court hearings at night and/or on weekends, and other options, be explored and if deemed appropriate, included in the Judiciary's long-range plans and future budget requests.

Summary

Your Committee has thoroughly reviewed the numerous and varied biennium funding requests and concerns of the Judiciary, the House of Representatives, the Senate, and the citizens of the State, and believes it has fashioned a budget that is fiscally responsible and provides an equitable allocation of limited State resources to programs that will improve the quality of life for the citizens of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 203, 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. 203, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1306 Ways and Means on H.B. No. 195

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations of the Office of Hawaiian Affairs during the 1993-1995 fiscal biennium.

In considering the operating budget request of the Office of Hawaiian Affairs, your Committee was aware of several significant factors which are pervasive throughout the State. Of particular importance were the events leading to the centennial observation of the overthrow of the sovereign Hawaiian Kingdom in 1893, the centennial observation itself, and the subsequent calls for action and continued resolve concerning solutions to past and present injustices suffered by the Hawaiian Community. The Legislature's support of the centennial observation and associated activities leading to and following the observation demonstrates the Legislature's continued commitment to resolving issues concerning the Hawaiian and Native Hawaiian people.

Your Committee is also keenly aware that current international, national and local economic conditions dictate that all budget requests be reviewed in a fiscally responsible manner. The recent Council on Revenues report released in March 1993, projected that revenues would be lower than past projections and continues to forecast a slight negative growth factor for the fiscal biennium. The Legislature is committed to approve not only a budget which addresses the needs of the people of Hawaii, but also reflects a zero-growth objective. For these reasons, your Committee is unable to accommodate many program requests which have merit but will negatively impact the economic condition of the State.

Your Committee finds that the need for a conservative approach was reflected in the budgets submitted by the Executive, Judiciary and Legislative Branches. Your committee is concerned that the Office of Hawaiian Affairs chose to submit a proposed budget with limited regard to the economic conditions currently confronting the State and the Legislature. There is particular concern that preparation of the budget by the Office of Hawaiian Affairs was based on assumptions such as inflation which are not representative of actual conditions.

Further, your Committee is concerned that the Office of Hawaiian Affairs' budget request for the 1993-1995 fiscal biennium contained a number of inaccuracies. In 1990, a management and financial audit conducted by the Legislative Auditor found that the Office of Hawaiian Affairs needed to strengthen its budget requests by preparing and submitting more accurate and timely information. Although the format and appearance of the budget documents have improved, your Committee finds that the Office of Hawaiian Affairs continues to submit requests which are inaccurate. Methods used to calculate budget requests were inconsistent. There were several instances where adjustments to the budget were not identified, such as program terminations and reductions in the base budget. In other instances, requested funding increases such as wage adjustments were simply included in the budget tables but not identified within the budget requests. The Office of Hawaiian Affairs' responses to requests for additional information were also inconsistent. Some responses were timely, while others were submitted only after repeated requests or submitted too late to be seriously considered in the budget preparation process.

The Office of Hawaiian Affairs was invested at inception with a considerable amount of autonomy. Nevertheless, the Office of Hawaiian Affairs is a State agency, and like all other governmental entities has the responsibility and obligation to operate in a fiscally responsible manner. Clearly, the level of responsibility will increase as the office receives greater amounts of ceded land funds.

Despite the inconsistencies and inaccuracies, your Committee endeavored to evaluate each request based on its merits. All requests were considered with respect to other Office of Hawaiian Affairs budget items, the State's commitment to issues affecting Hawaiians and Native Hawaiians, and the economic constraints currently facing the State.

Your Committee's evaluation of the Office of Hawaiian Affairs used the following guidelines in making its final decisions:

- Given the present economic situation, the Office of Hawaiian Affairs' budget was adjusted to reflect the Legislature's objective of a zero-growth budget.

- The Office of Hawaiian Affairs should continue to identify, pursue and expand utilization of existing community resources which are available to Hawaiians and Native Hawaiians before creating its own programs. Programs such as Alu Like, Inc., and the Center for Gifted Native Hawaiian Children (Na Pua No'eau) have established track records, financial support, and established systems to deliver services. The Office of Hawaiian Affairs should work closely with groups of this type for effective delivery of services and benefits to Hawaiians and Native Hawaiians. Your Committee has funded several requests which demonstrate the Office of Hawaiian Affairs' utilization of such resources.

- The Office of Hawaiian Affairs identified several areas which meet their criteria to be fully funded with special funds. Your Committee evaluated these programs and funded several with special funds only. Your Committee notes that there is no definitive criteria for what qualifies for special funding, but has accepted the Office Hawaiian Affairs' statements confirming the eligibility of these specific program requests for the purposes of this budget.

- Your Committee emphasizes that the various programs within the Office of Hawaiian Affairs should coordinate their actions to assure efficiency of operation, assurance of work completion and complete and compatible data, and should demonstrate that the work will achieve its objectives. For these reasons, several data collection requests have been denied until a more coordinated proposal can be prepared.

- Your committee also funded requests which will result in increased funding from other sources such as the Native Hawaiian Revolving Loan Fund program.

SUMMARY

Your Committee believes that the budget was carefully formulated, and is realistic and fiscally responsible under the State's current economic condition. Several significant programs have been funded and many existing programs have continued funding which will not impair their performance.

The Committee encourages the Office of Hawaiian Affairs to work closely with other community groups and services to develop an effective support network for Hawaiians and Native Hawaiians.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 195, 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. 195, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1307 Agriculture on H.B. No. 51

The purpose of this bill is to prohibit the possession or use of gill nets in any embayment, estuary, or marine life conservation district of the State.

Testimony in support of the bill was submitted by the Department of Land and Natural Resources and private citizens.

Your Committee finds that gill netting is an extremely effective and indiscriminate method of fishing, trapping a great number of marine life that the gill net user may not want. However, your Committee feels that the ban proposed in this bill is overly broad and would leave very few areas available to use gill nets. Your Committee believes that if managed properly, gill netting could be practiced while still maintaining a sufficient level of conservation of natural resources.

Your Committee has amended the bill by:

- (1) Mandating that a person engaged in gill net fishing may utilize a gill net for a maximum of four hours within a twenty-four hour period and must inspect the net every two hours;
- (2) Deleting the provisions requiring the Department of Land and Natural Resources to adopt rules to regulate gill nets; and
- (3) Deleting the definitions of embayment, estuary, and marine life conservation district.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 51, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 51, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Tanaka, Hagino, Mizuguchi and Solomon.

SCRep. 1308 (Joint) Consumer Protection and Planning, Land and Water Use Management on H.B. No. 435

The purpose of this bill is to establish additional disclosure requirements, on a temporary basis, pertaining to the sale of insurance in the State.

This bill would require that an insurer notify the Insurance Commissioner within 3 days after it believes its financial condition is hazardous to the policyholder or the public. The Insurance Commissioner shall then notify the Legislature within 3 days after it has determined insolvency.

Your Committees find that this bill would allow the Insurance Commissioner and the Legislature to make a quicker response to problems that may be arising in the insurance industry.

Your Committees received testimony in support of this bill from the Insurance Commissioner; and State Farm Insurance. The Insurers Council had no objection to this bill, stating that they want to cooperate.

Your Committees on Consumer Protection and Planning, Land and Water Use Management, are in accord with the intent and purpose of H.B. No. 435, 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.

SCRep. 1309 (Joint) Consumer Protection and Judiciary on H.B. No. 928

The purpose of this bill is to extend the drop dead provision for certain sections of Act 2, First Special Session Laws of Hawaii 1986, relating to tort reform.

Your Committees have amended this bill to extend the drop dead provision for another two years to 1995. Your Committees have also amended this bill to make Section 3 of Act 2, First Special Session Laws of Hawaii 1986, the roll back provision, permanent.

Your Committees have further amended this bill to include a study by the Auditor to review the effects of Hawaii's tort reform law.

Your Committees on Consumer Protection and Judiciary are in accord with the intent and purpose of H.B. No. 928, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 928, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1310 Consumer Protection on H.B. No. 25

The purpose of this bill is to require the minutes of the board of directors meeting be available within seven days after board approval.

Your Committee feels that it is more appropriate to place this requirement in section 514A-83.4, Hawaii Revised Statutes, and has amended this bill accordingly. Your Committee has also amended this bill by amending section 514A-21, Hawaii Revised Statutes to clarify an ambiguity in the section as it relates to leasehold condominium projects.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs and Kuakini Medical Center.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 25, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 25, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1311 Consumer Protection on H.B. No. 232

The purpose of this bill is to amend the definition of "precious or semiprecious metal" in section 486M-1, Hawaii Revised Statutes, by excluding bullion and bullion type coins.

Act 120, Session Laws of Hawaii 1991, amended the definition of "precious or semiprecious metal" to include bullion and bullion type coins. This amendment was made due to a last minute request by the Honolulu Police Department. While their intentions were good, the Honolulu Police Department probably did not realize the potential impact this would have on the metal dealers and coin dealers.

The vast majority of coins and similar items purchased by dealers in the normal course of their business are not specifically identifiable, and therefore, submission of reports to law enforcement authorities as required by this chapter would be of little help.

Your Committee finds that the business is relatively volatile. Mandating that a coin or precious metal dealer hold a bullion or bullion type coin for ten days as required by this chapter may impose a definite hardship to the dealer.

Your Committee finds that the coin dealers are honest and they often self-police their own profession. If coins of substantial value are stolen, the coin dealers are the first to warn each other of the stolen items and will refuse to purchase or trade stolen items.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 232, 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. 1312 Consumer Protection on H.B. No. 313

The purpose of this bill is to extend the sunset law for time share plans to 1999.

Your Committee feels that time share plan managers should be accountable to owners of time share plans or units. Your Committee has amended this bill by adding a new section to Chapter 514, Hawaii Revised Statutes, which would provide for management and financial accountability for time share plans. Your Committee also made technical amendments to this bill.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 313, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 313, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1313 Consumer Protection on H.B. No. 433

The purpose of this bill is to exempt from physician licensure requirements, first responder personnel certified by the Department of Health to provide automatic defibrillation to cardiac arrest victims when such services are rendered under the medical oversight of a Hawaii licensed physician.

First responders are usually the first personnel on location when a victim has suffered a heart attack. In the majority of cases, the heart stoppage occurs when the heart's normal rhythmical beat is replaced by a chaotic purposeless quivering that is termed ventricular fibrillation. The automatic defibrillator would be used in cases where a victim has ventricular fibrillation. The defibrillator would deliver a jolt of electric current throughout the heart to stop the ventricular fibrillation. Timing is critical when a defibrillator is used, the sooner the jolt is delivered, the better the chances for recovery.

Your Committee feels that the automatic defibrillator would be an important addition to emergency response if a first responder would be allowed to use it. Lives may be saved through its proper use.

Your Committee has made technical amendments to this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 433, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 433, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1314 Consumer Protection on H.B. No. 438

The purpose of this bill is to increase from four to five the number of active certified public accountants on the State Board of Public Accountancy.

Your Committee feels that a board consisting of five active members may be better able to contribute to the profession because they should be more aware of the current trends and changes to accountancy than four active members.

The Board of Public Accountancy did not oppose this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 438, 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. 1315 Consumer Protection on H.B. No. 446

The purpose of this bill to allow the Board of Medical Examiners to accept various examinations as a medical licensing examination.

Your Committee has amended this bill to clarify the types of examinations or combinations of examinations that are available to physicians.

Your Committee received testimony in support of this bill from the Board of Medical Examiners and the Hawaii Medical Association.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 446, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1316 Consumer Protection on H.B. No. 690

The purpose of this bill is to establish a new chapter for the governance and management of cooperative housing corporations.

Your Committee has amended this bill by:

1. Amended the definition of "cooperative housing corporation" for the purpose of style;
2. Deleting provisions which would have altered existing property rights;
3. Providing that bylaws may be amended only by a two-thirds vote of the shareholder;
4. Deleting provisions for articles of incorporation;
5. Clarifying the election of the board of directors;
6. Clarifying proxy provisions;
7. Changing the advance notice for maintenance fees by to advance notice for common expense assessments;
8. Adding or clarifying provisions relating to the restatement of articles of incorporation and amendments of bylaws or proprietary leases; and
9. Making other technical amendments for purposes of style and clarity.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 690, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 690, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1317 Consumer Protection on H.B. No. 773

The purpose of this bill is to remove the responsibility of an agent or broker to pay to the liquidator any unpaid uncollected unearned premium when the insurer is in insolvency proceedings.

Your Committee finds that this bill would relieve insurance agents or brokers from a potential financial burden, because under the current provisions, they may be forced to make payment from their own personal resources to the liquidator.

Your Committee has amended this bill by removing amendments to subsections (b), (c), and (d) of section 431:15-323, Hawaii Revised Statutes. Your Committee has further amended this bill by removing Section 2. Several nonsubstantive technical amendments were also made to this bill.

Your Committee notes that the correct terminology is "uncollected unpaid unearned premium" without using commas in the series, because the words serve as adjectives to describe a type of premium.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 773, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 773, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1318 Consumer Protection on H.B. No. 775

The purpose of this bill is to:

- (1) Require motor vehicle insurers in this State to implement a fifteen percent rate reduction pursuant to Section 431:10C-202.5, and setting forth a specific rate reduction scheme for motor vehicle insurers who have failed to implement the rate reduction;
- (2) Change the standard the commissioner must follow when reviewing exemption petitions from "imminent danger of insolvency" on the part of the insurer to a standard based on "a fair and reasonable rate of return";
- (3) Extend the rate reduction requirement for an additional year for those insurers who failed to reduce their rates in accordance with Section 432:10C-202.5; and
- (4) Add a prohibition against fee splitting between health care providers.

Your Committee has amended this bill by:

1. Amending Section 1 of the bill to add three new sections to Article 10C of Chapter 431, Hawaii Revised Statutes to limit nonrenewals and renewals of policies;
2. Amending Section 2 of the bill to decrease the penalties for driving without a no-fault insurance policy;
3. Amending Section 3 of the bill to address stacking of uninsured motorist coverage and underinsured motorist coverage;
4. Amending Section 4 of the bill to require insurers to factor in their rate filings, savings as a result of Acts 123 and 124, Session Laws of Hawaii 1992; and
5. Making technical amendments.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 775, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 775, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1319 Consumer Protection on H.B. No. 1034

The purpose of this bill is to prohibit price increases on all commodities and residential dwelling units when there is a disaster declaration by the Governor or a natural disaster watch issued by the state or county civil defense.

In the aftermath of Hurricane Iniki, it was learned that some people were engaging in price gouging, taking advantage of the disaster to make a quick profit. Your Committee feels this bill would protect the public from these people by prohibiting this type of activity.

Your Committee has amended this bill by:

1. Amending Section 1 of this bill by:
 - A. Amending the definition of habitable residential dwelling unit;
 - B. Deleting the definition of natural disaster watch; and
 - C. Adding a definition for severe weather warning;
2. Deleting Section 2 of the bill;
3. Deleting as a duty of the coordinator under section 209-5, Hawaii Revised Statutes, the duty to identify habitable residential dwelling units;
4. Amending the title of section 209-9, Hawaii Revised Statutes;
5. Providing an exception to rent increases when the tenant has agreed in writing to an increase prior to the disaster declaration or severe weather warning;
6. Providing that the prohibition against price increases shall remain in effect until twenty four hours after the severe weather warning has been canceled, or the disaster declaration has been changed; and
7. Making other technical amendments.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1034, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1034, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1320 Consumer Protection on H.B. No. 1583

The purpose of this bill is to clarify several ambiguous points in Chapter 486, Hawaii Revised Statutes, to update Hawaii law to correspond with current national consensus standards for uniformity in weights and measures, and to update and clarify penalties.

Your Committee finds that the additional grounds for civil penalty would help the Department of Agriculture in its enforcement efforts.

Your Committee received testimony in support of this bill from the Department of Agriculture.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1583 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1321 Consumer Protection on H.B. No. 1624

The purpose of this bill is to require that persons desiring to obtain lands under Chapter 516, Hawaii Revised Statutes, must be bona fide residents of the State and reside on the lot purchased.

Your Committee feels that there may be cases where a resident may temporarily be absent from the home and would be precluded from acquiring the fee interest due to this absence. Your Committee has amended this bill to require that the person reside on the lot for a period of two years from the date of purchase except in hardship circumstances as determined by the Housing Finance and Development Corporation on a case by case basis.

Your Committee has also amended this bill by adding language which would:

1. Strengthen and clarify the statutory right of first refusal for condominiums and cooperative projects;

2. Allow a lessor to negotiate with the board of directors, if the lessor voluntarily desires to sell the leased fee interest under a condominium or cooperative, to first negotiate in good faith with the board of directors of the condominium or cooperative project for one hundred twenty days; and
3. Provide for the conditions of applicability of Chapter 514C, Hawaii Revised Statutes, as to sales of apartments or condominiums to individual unit owners or third parties.

It is your Committee's intent and your Committee wants to make clear by this Committee Report, that this bill is not intended to preempt any county regulation in this area, especially in the area of mandatory conversion. Also, it is not your Committee's intent to interfere with any cases which may be pending on this matter in the courts.

Your Committee also wants to make clear that this bill is not intended to apply retroactively from its effective date.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1624, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1624, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1322 Consumer Protection on H.B. No. 1629

The purpose of this bill is to correct an inconsistency in the present Lemon Law.

Specifically, this bill repeals the alternative of repair of a vehicle as a remedy in an arbitration decision under the Lemon Law. Consumers have had difficulty getting their vehicles adequately repaired even under an arbitration decision mandating the dealer to repair the vehicle. They have had to bring their vehicle back for numerous repair attempts. The repeal of this alternative leaves the remedies of replacement of the vehicle or refund of the purchase price as alternatives under an arbitration decision.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1629, 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. 1323 Consumer Protection on H.B. No. 1638

The purpose of this bill is to clarify the State's laws regarding corporations, nonprofit corporations, and partnerships.

Your Committee feels the amendments in this bill create more uniformity in the body of laws dealing with business entities. This bill would also delete references to repealed sections or chapters which are currently referred to in various chapters dealing with business entities.

Your Committee has made numerous technical amendments to this bill for the purposes of style and clarity.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1638, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1638, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1324 Consumer Protection on H.B. No. 1732

The purpose of this bill is to regulate out-of-state entities engaging in the practice of pharmacy.

This bill would require out-of-state entities who ship, mail, or deliver pharmaceutical products to obtain a permit prior to extending its business or practice within this State. Your Committee feels this bill would regulate out-of-state activities sufficiently to protect Hawaii's consumers.

Your Committee has amended this bill by deleting some of the requirements for an out-of-state entity to obtain a permit. Your Committee has also amended this bill for purposes of style and clarity.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1732, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1732, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1325 Consumer Protection on H.B. No. 1734

The purpose of this bill is to clarify the requirements for obtaining an acupuncture license.

Your Committee has heard this subject matter in a prior hearing on a Senate Bill and is still bothered that the medical and osteopathic professions feel that training under their respective specialties would justify an exemption under the licensing requirements of chapter 436E-3.5, Hawaii Revised Statutes.

In 1989, the Legislature provided these boards with the opportunity to come together for the purpose of jointly developing the certification procedure for licensed physicians and osteopaths in order to exempt them from the licensing law for acupuncturists. Your Committee discovered that nothing was done since 1989 to develop procedures, and instead, the two professions are coming back to the Legislature to exempt themselves from the licensing laws for acupuncture because they feel their profession encompasses acupuncture. Your Committee is quite disturbed that the Legislature gave the two professions an opportunity to work with the Board of Acupuncture to develop procedures.

Your Committee has serious questions about the soundness of assuming that a licensed physician or osteopath is qualified to practice in acupuncture because the physician or osteopath is licensed in their own profession. Your Committee heard testimony on a Senate Bill which indicated that acupuncture is not a part of the normal curriculum of any medical or osteopath school. Your Committee finds that the wishes of the Legislature were ignored, and therefore, your Committee has amended this bill by deleting its contents and requiring everyone to be licensed by the Board of Acupuncture.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1734, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1734, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1326 Consumer Protection on H.B. No. 1881

The purpose of this bill is to amend Chapter 467B, Hawaii Revised Statutes, regulating solicitation of funds from the public.

This bill addresses concerns with regard to the United States Supreme Court case, Riley v. National Federation of the Blind of North Carolina, Inc., et. al., 108 S.Ct. 2667 (1988). The Riley case held, among other things, that the solicitation of charitable contributions is a form of speech protected by the First Amendment of the United States Constitution. Your Committee feels this bill would ensure that a person's First Amendment rights are protected while at the same time addressing the State's concerns for public welfare. Your Committee also feels that the general public should have assurances that contributions they are making are being used for their intended purposes.

Your Committee has amended this bill by changing the effective date to July 1, 1994. Your Committee has also amended this bill by requiring filing of financial statements and reports to be filed on and after July 1, 1995.

Your Committee has further amended this bill by making numerous technical amendments for purposes of style and clarity.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1881, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1881, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1327 Consumer Protection on H.B. No. 1883

The purposes of this bill are to: amend provisions of existing law relating to barbering to clarify procedures and practices for application and maintenance of a barber's license; repeal or amend duplicating sections of chapter 436B, Hawaii Revised Statutes; and delete provisions relating to barbering which are inconsistent with chapter 92F, Hawaii Revised Statutes.

This bill would:

1. Establish new qualification standards for barbers, apprentice barbers, and barber shops;
2. Establish new temporary permit provisions to replace existing standards, which have been difficult to administer; and
3. Require additional clock hours for licensure.

In addition to making technical changes that have no substantive effect, your Committee has amended this bill by clarifying that the fifteen hundred clock hour qualification requirement may be met as an apprentice holding an apprentice permit or as a student in a school which has a barbering curriculum, or any combination thereof. It is your Committee's intent that only classes related to barbering would be applied towards accumulation of clock hours. Your Committee also amended this bill by deleting a proposed proviso for licensure of an apprentice prior to January 1, 1994 in Section 4 of this bill, and making the proviso a separate section of this bill.

It is your Committee's intent that the fifteen hundred clock hour requirement will not be applied until the Board of Barbers has adopted its rules in regard to that requirement. Your Committee feels that the Board of Barbers should make every effort to adopt rules for the fifteen hundred clock hour by January 1, 1994 or as soon as possible.

Your Committee on Consumer Protection is in accord with the intent and purposes of H.B. No. 1883, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1883, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1328 Consumer Protection on H.B. No. 1971

The purpose of this bill is to prohibit certain activities related to the promotion or sale of time share plans or units.

These booths are set up to look like "activities booths" to offer cheap rates on tourist attractions, when in fact it is disguising the high pressure tactics of time share salespersons. It is a come-on for unwary tourists who think the booths are for selling activities rather than time shares. This bill would require that time share booths be conspicuously identified as such with a sign.

Your Committee recognizes that the tourist industry is an important industry to Hawaii and anything that would mislead our visitors, is not conducive to this industry. Your Committee finds that this bill offers some protection to our visitors from misleading information or promotions. This bill would regulate the kind of representations that can be made to tourists.

Your Committee has amended this bill by adding language which would prohibit time share promoters or sellers from selling tourist related activities below their acquisition cost.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1971, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1971, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1329 Consumer Protection on H.B. No. 603

The purpose of this bill is to require an insurer to give six months notice prior to withdrawal from this State.

Your Committee finds that the recent insolvency of domestic insurers has severely threatened the stability of Hawaii's insurance industry. Due to massive property claims attributed to Hurricane Iniki, and a worldwide shortage of reinsurance capital, a number of insurers conducting business in Hawaii, particularly homeowners' insurers, have had to suspend the issuance of new policies to consumers.

Therefore, your Committee notes that the withdrawal of insurers from the State under the current conditions of Hawaii's insurance industry will have serious and disruptive effects on the consuming public. However, your Committee believes that if an insurer intends to withdraw from the State, prior notification to both the Insurance Commissioner and the general public would lessen the negative impacts of insurer withdrawal by providing a time period in which:

- (1) Consumers may acquire policies from other insurers; and
- (2) The State may develop solutions to improve the conditions of Hawaii's insurance market.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs and the Hawaii Independent Insurance Agents Association.

Your Committee has amended the bill by modifying the title of Section 431:3-215, Hawaii Revised Statutes, for clarity and by making a technical amendment. Your Committee has further amended this bill by repealing section 431:16-115, Hawaii Revised Statutes.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 603, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1330 Consumer Protection on H.B. No. 1889

The purpose of this bill is to allow motor vehicle dealers to obtain the required inventory of flooring line of credit from a financing source other than a federally insured financial institution.

This bill would permit current motor vehicle dealers and new applicants to obtain a bond, in lieu of a flooring or inventory line of credit, as an alternative form of security.

Your Committee has amended this bill by inserting language contained in S.B. No. 801, S.D. 1. A number of automobile manufacturers are part of large conglomerates, which may include a financial entity. This bill would allow dealers to obtain their line of credit from these financial entities. Your Committee feels requiring the financial source to have at least a \$50,000,000 net worth would ensure the financial credibility of the financial source.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1889, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1889, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1331 Consumer Protection on H.B. No. 2008

The purpose of this bill is to set the legal rate of interest on State obligation to adequately reflect the cost of money.

Section 478-2, Hawaii Revised Statutes, sets the legal interest rate at ten percent. This rate was established in 1982, when the prime rate was sixteen and one-half percent. Today the prime rate is about six percent, but the legal interest rate remains at ten percent.

Your Committee feels that the interest rate for the State's obligations should reflect the current conditions of the market, and your Committee feels this bill would allow the interest rate to be adjusted.

Your Committee has amended this bill by incorporating the definition of "prime rate" within Section 478-2. Your Committee has also made technical amendments to this bill.

Your Committee received testimony in support of this bill from the Department of Budget and Finance.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2008, H.D. 1, as amended herein, and recommends 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 Committee.

SCRep. 1332 (Joint) Consumer Protection and Ways and Means on H.B. No. 1890

The purpose of this bill is to establish a hurricane pool to assist Hawaii's homeowners and businesses recover losses if another hurricane passes through this State.

Your Committees have rejected the establishment of a hurricane pool for the following reason. The State would permanently assume the liability of losses due to a hurricane, and at the same time the insurance industry would be relieved of this risk. Your Committees were never given any assurances that the insurance industry would ever take this risk away from the State, nor any assurances that if the hurricane pool was eventually eliminated, insurance companies would offer hurricane coverage.

Your Committees have amended this bill by deleting its contents in its entirety and providing for a hurricane reinsurance program. This bill, as amended would establish a nonprofit corporation, the Hawaii Reinsurance Assistance Corporation (Corporation), within the Department of Budget and Finance. The Corporation would provide homeowners and hurricane reinsurance to trusts established by counties participating in this state program. The trusts established by the counties would in turn provide homeowners and hurricane coverage to residents in the respective counties.

A county will be required to choose between establishing its own insurance program or participate in the state program. This bill provides enabling legislation for the counties to establish their own insurance programs, if they so desire.

Your Committees feel State involvement is necessary to provide for the public welfare on the issue of homeowners insurance since insurance companies are having difficulty providing homeowners insurance at affordable rates.

Your Committees on Consumer Protection and Ways and Means are in accord with the intent and purpose of H.B. No. 1890, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1890, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1333 Consumer Protection on H.B. No. 66

The purpose of this bill is to provide for emergency gasoline procurement and distribution.

Your Committee has amended this bill by adding language to:

1. Establish a new chapter on fair wholesale pricing of petroleum products;
2. Regulate as a public utility the refining, importing, and distribution of petroleum products as an energy fuel source;
3. Provide for regulation by the public utilities commission;
4. Require gasoline dealers to register with the public utilities commission rather than obtaining a certificate of public convenience and necessity;
5. Prohibit any producer or refiner of petroleum products from operating a retail service station; and
6. Direct the Auditor to conduct a study into the feasibility of establishing a regulatory commission of the petroleum industry.

Your Committee feels this bill, as amended, is the starting point for dealing with problems which may be occurring in the petroleum industry due to lack of competition in the importation, manufacture, and supply of petroleum products to consumers in this State. Your Committee believes it is the lack of alternate supplies of petroleum products which may be causing problems for distributors and retailers to effectively deal with changes in the market, such as environmental concerns, niche markets for full-service stations, and self-service stations.

Your Committee desires to further its discussion on the divorcement issue since its effect may change the marketing of petroleum products in this State.

Your Committee included a study by the Auditor for the purpose of investigating whether the impact of limited competition on prices of petroleum products in Hawaii and also to determine whether the petroleum industry may require its own regulatory commission.

Your Committee received testimony in its hearing which revealed that a large petroleum company recently released many local people from their jobs. Your Committee has concerns on this issue, since several years ago, this company promised that it would form a partnership with the State and the people of Hawaii. Now that this company has changed, it has decided to conduct its management from elsewhere, leaving many people, especially our local people, in the cold. Although, your Committee may not address this issue in this bill, it may look into this matter in the future.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 66, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 66, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1334 Consumer Protection on H.B. No. 1628

The purpose of this bill is to recodify the laws relating to financial institutions.

Laws governing financial institutions were first enacted in the 1930's and have been amended in a piecemeal fashion to accommodate changes in regulation and in the marketplace. This measure is a comprehensive proposal which seeks to simplify, modernize, and harmonize the laws governing financial institutions.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Bankers Association, the Hawaii League of Savings Institutions, the Hawaii Financial Services Association, Inc., the Corporate Trustees Association.

According to testimony submitted, the regulators and the affected industries have labored for three years to produce the proposal that has been submitted. This measure balances the interests of financial institutions to provide services to the community, but more importantly, preserves and enhances the rights and enforcement tools of regulators to keep financial institutions safe and sound. This measure also permits financial institutions to engage in modern practices and services that are of benefit to the community, consumers, and businesses.

Your Committee has amended this bill by deleting Section 1 of the bill and inserting Section 1 of S.B. No. 829, S.D. 1, with additional inclusions to the Senate version as follows:

1. Adding language to require the board of directors of a financial institution to consist of at least five directors, with at least one director being a resident of the State;
2. Adding language to allow a financial services loan company to collect fees or premiums for the sale or referral of credit related insurance products;
3. Adding language to restrict the examination of a financial institution holding company; and
4. Making technical amendments.

Your Committee has also made numerous technical amendments to the other sections of the bill.

Your Committee feels that any examination of a financial institution holding company, when conducted by the Commissioner of Financial Institutions, should be a reasonable examination. It is not the intent of your Committee, through the passage of this bill, to authorize the Commissioner to conduct examinations of financial institution holding companies on a regular basis. It is your Committee's intent that in cases where a financial institution holding company is a publicly traded corporation and is regulated by the Securities and Exchange Commission, the Commissioner should first review all publicly available information to determine whether to conduct an examination; at which time if the Commissioner feels there is good cause to continue, your Committee feels the Commissioner should conduct an examination.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1628, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1628, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1335 Consumer Protection on H.B. No. 1736

The purpose of this bill is to make various housekeeping amendments to the State's Insurance Code.

Your Committee finds that several of the statutes are outdated and contain ambiguities. In addition, your Committee notes that deposits and license fees have not been increased since 1978, and need to be adjusted. This bill updates provisions, corrects ambiguities, and streamlines the law to facilitate the administration of the Insurance Code.

Upon due consideration, your Committee has amended this bill by deleting the amendment to section 432:1-402, Hawaii Revised Statutes, that would clarify the intent that mutual benefit societies be required to adhere to the Insurance Code's investment standards. Your Committee has further amended this bill by making several technical, nonsubstantive amendments.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1736, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1736, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1336 Consumer Protection on H.B. No. 1880

The purpose of this bill is to permit commercial banks to engage in the sale of securities and insurance.

Testimony on this measure was submitted by the Commissioner of Financial Institutions, Bank of Hawaii, the Hawaii Insurers Council, the Hawaii State Association of Life Underwriters, the Hawaii Independent Insurance Agents, and the Hawaii Association of Domestic Life Insurers.

Your Committee has amended this bill in order to address specific concerns and issues that have been raised on this subject. Based upon the testimony received, your Committee has been advised that underwriting of reinsurance in foreign countries by commercial banks is restricted by federal laws. This measure has, accordingly, been limited to permit the exercise of insurance powers only in territories and countries where a commercial bank has a presence but which are not specifically bound by the full scope of federal restrictions.

Your Committee has also amended this bill to ensure that an approval process is established in the statute. In order to ensure that these activities are conducted safely and soundly, the commissioner of financial institutions is given broad discretion to impose conditions and to promulgate rules specifically in the areas covered by this bill. These provisions and conditions provide the commissioner of financial institutions with the authority to require separate subsidiaries, to require full disclosures, to require separate records and files as necessary and to limit the investment of capital and surplus in any subsidiaries engaging in these activities.

In order to provide coordinated regulatory efforts this measure also provides the insurance commissioner and the commissioner of securities with the authority to share examination reports and other regulatory reports to provide comprehensive regulation of these activities. These amendments, in addition to traditional examination powers, will provide regulators with greater oversight regarding the safety and soundness of the commercial bank and any affiliates or subsidiaries which may be engaging in these activities.

Your Committee has amended the effective date of this bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1880, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1880, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1337 (Joint) Consumer Protection and Health on H.B. No. 1754

The purpose of this bill is to require accident and sickness, group and blanket disability, mutual benefit society, and health insurance policies to provide coverage for immunizations recommended by the Immunizations Practices Advisory Committee of the United States Department of Health and Human Services (IPAC) and the American Academy of Pediatrics (AAP).

This bill allows the Department of Health to determine which recommendation applies in the event that the recommendations of the IPAC and AAP differ, and excludes immunizations from the minimum benefit restrictions of the insurance policies.

Your Committees find that this bill clarifies specific immunization requirements for children and ensures equitably shared costs, by requiring the health insurance industry to assist with immunization coverage and reimbursement.

Testimony in support of this measure was received from the Department of Health. Testimony in opposition to this bill was submitted by the Hawaii Medical Service Association.

While your Committees understand that the health care industry would like to retain the authority to determine which immunizations deserve coverage, your Committees believe that this bill will contribute to improved public health in Hawaii by ensuring that our infants receive the immunizations recommended by the two foremost national organizations concerned with this issue.

Your Committees on Consumer Protection and Health are in accord with the intent and purpose of H.B. No. 1754, H.D. 2, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Graulty and Solomon.

SCRep. 1338 Ways and Means on H.B. No. 777

The purpose of this bill is to authorize the establishment of limited liability companies in the State.

A limited liability company is a hybrid form of entity. It is treated like a corporation for limited liability purposes but for federal tax purposes it is treated like a partnership. This allows pass-through taxation without liability exposure for the owners.

Your Committee may want to continue discussion of this subject matter in conference and therefore has amended this bill to make it defective for this purpose.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 777, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 777, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Blair, Fernandes Salling, Fukunaga, Hagino and Holt.

SCRep. 1339 Ways and Means on H.B. No. 628

The purpose of this bill is to repeal or modify various special and revolving funds administered under the various departments and agencies of the State.

Your Committee finds that in its 1993 report to the legislature, the office of the state auditor disclosed that eighteen state agencies currently control nearly \$1,500,000,000 in over one hundred sixty special and revolving funds which largely escape legislative and public scrutiny. The auditor concluded that that these funds distort the State's financial picture, reduce executive branch accountability, and reduce the legislature's flexibility to allocate scarce revenues to meet current needs.

Your Committee finds that this bill, as presently drafted, does not proceed to implement the reforms to the degree recommended by the auditor to regain full control over state agency spending. In this regard, your Committee has amended this bill by reincorporating substantial segments of the recommendations made by the office of the auditor in its report to the legislature.

Your Committee has further amended this bill by modifying the proposed provision relating to the automatic repeal of various existing and newly established special and revolving funds which appear in section 75 of this bill. Your Committee has included new language in the section to provide for the continuance of special and revolving funds created as a requirement of receiving federal, public, or private funds.

Your Committee has further amended this bill by changing its effective date to July 1, 1993. Although this amendment advances, by one fiscal year, the effective date of this measure, your Committee wishes to assure the programs affected that sufficient budgetary allotments have been made in the proposed budget to compensate for the funds being lapsed in this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 628, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 628, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1340 Ways and Means on H.B. No. 759

The purpose of this bill is to provide a one-time incentive for public employees to take advantage of early retirement.

Specifically, the bill would allow any public employee with twenty-five years as a contributory member of the Employees' Retirement System, or thirty years as a noncontributory member, to take full early retirement, with three additional years of service credit tacked on, regardless of age.

Current retirement age is fifty-five, and those who retire earlier are penalized by a decrease in their monthly retirement allowance.

Your Committee finds that this bill is not intended to give public employees a special benefit but is a means of reducing the public payroll and constitutes an appropriate policy mechanism to redesign and reshape delivery of public services. Your Committee sees a need to downsize government to realistically accommodate the tax base; however, your Committee is also aware of the potential impact downsizing may have on service delivery. This bill will balance downsizing with provision of needed services by enabling reallocation of payroll savings to worthwhile programs that are currently experiencing funding difficulties.

Your Committee is keenly aware that large-scale retirement in itself will not accomplish the goal of downsizing government payrolls; only elimination of positions will do that. In consideration of that and other policy issues, your Committee has amended this bill as follows:

- (1) Required formal application for the retirement and bonus by September 30, 1993, with all retirements effective June 30, 1994. With this amendment, public agencies will have ample time to fill those positions that are retained, and the accounting chores accompanying mass retirement will be significantly streamlined and reduced;

- (2) Extended the bonus offer to class C noncontributory members with twenty-five rather than thirty years of service;
- (3) Provided that the early retirement and bonus will not be available to incumbents of state positions established by law, i.e. political appointees;
- (4) Required that with the exception of jobs in the Department of Education and the University of Hawaii, forty percent of all executive branch positions vacated pursuant to this measure will be abolished, thirty percent will be frozen for one year, and then may be reallocated through the budget where needed most, and thirty percent will be continued;
- (5) Provided for abolition of forty percent of Judiciary jobs vacated and retention of thirty percent, and put thirty percent on a one-year freeze;
- (6) Granted the Department of Education and the University of Hawaii the authority to determine the extent of participation in the early retirement bonus and provided that at least half of the Department's vacated non-teaching positions will be reallocated to classroom-related functions;
- (7) Required funding of reallocated positions to be in amounts corresponding to the average salary of the governmental unit from which the incumbent retired;
- (8) Required that all moneys already appropriated for abolished or frozen positions be returned to the appropriate general fund;
- (9) Provided that liquidation of additional benefits shall commence on July 1, 1997;
- (10) Directed a report from the Director of Finance prior to the 1995 Regular Session; and
- (11) Changed the effective date to July 1, 1993, giving potential retirees three months to file a formal application.

It is the intent of your Committee that once a member has applied for retirement under this measure, the application may not be rescinded without forfeiting the three-year bonus.

As amended, your Committee believes that this measure is responsive to the public purpose of appropriately downsizing government without jeopardizing essential services. Your Committee also believes that this measure presents an efficient means of accomplishing the purpose.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 759, 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. 759, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Fukunaga and Hagino.

SCRep. 1341 Ways and Means on H.B. No. 1119

The purpose of this bill is to conform the building accessibility requirements of sections 103-50 and 103-50.5, Hawaii Revised Statutes, relating to public contracts, to the federal Americans with Disabilities Act, P.L. 101-336 and to increase membership on the Architectural Access Committee established in section 103-50.5 from three to five.

The bill also appropriates \$103,000 for fiscal year 1993-1994, and \$94,000 for the following year.

Your Committee has amended this bill by:

- (1) Prohibiting the State from accepting donations of buildings failing to comply with the administrative guidelines adopted under the Americans with Disabilities Act; unless the costs of bringing the buildings into compliance are borne by the donor; and
- (2) Requiring the comptroller to provide the legislature with an annual report of the number and types of buildings donated or being donated to the State during the year, and of the costs, if any, of bringing such buildings into compliance with the guidelines under the Americans with Disabilities Act.

Your Committee finds that these amendments are necessary to ensure that the building accessibility requirements apply even to projects constructed with private moneys that are subsequently donated to the State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1119, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1119, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 1342 Ways and Means on H.B. No. 1473

The purpose of this bill is to distribute utility restoration and repair costs incurred as a result of a state-declared emergency among utility service ratepayers on a statewide basis.

Under this bill, any utility that would have to increase rates applicable to the ratepayers on a particular island by more than fifteen percent due to damage to the utility's facilities and associated restoration and repair costs resulting from a

state-declared emergency, would be eligible to apply to the Public Utilities Commission (PUC) for recovery of these costs through a monthly surcharge assessed on a statewide basis. In addition, this bill would:

- (1) Limit the surcharge to not more than fifteen percent of the average ratepayer's regular assessment;
- (2) Allow the PUC to exclude from assessment ratepayers on an island with rates substantially higher than other islands;
- (3) Require a utility meeting the surcharge criteria to apply for PUC approval of the assessment;
- (4) Require the PUC to ensure that the amounts collected by the utility through the surcharge will not exceed its net restoration and repair costs;
- (5) Provide a ten year time limit on assessment of the surcharge; and
- (6) Authorize the PUC to revise the surcharge to reflect changes in actual restoration and repair costs or outside sources of recovery.

Your Committee recognizes that state-declared emergencies such as Hurricane Iniki can devastate the operations and facilities of utilities that provide vital services to the State. In the aftermath of disasters such as Iniki, these utilities face immense costs to restore and repair their damaged facilities and must recover the costs from their customers through substantial rate increases.

Your Committee finds that assessing net restoration and repair costs solely upon utility customers directly served by the utility facilities damaged in a disaster imposes an extreme financial burden on persons who may have already suffered significant physical, mental, emotional, and financial hardship as a result of the disaster. Your Committee determines that to alleviate this hardship, it is necessary that the costs of restoring and repairing utilities be shared and borne by the entire community.

Your Committee has amended this bill by clarifying the language to address legal concerns raised by the Attorney General. In addition, your Committee has further amended this bill by requiring utility companies authorized to assess the surcharge to state separately the amount of the assessment on each affected ratepayer's monthly bill, in order to inform consumers about this additional fee.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1473, 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. 1473, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1343 Ways and Means on H.B. No. 1686

The purpose of this bill is to appropriate \$882,353.24 for fiscal year 1993-1994 to be deposited into the criminal injuries compensation fund to compensate victims of criminal acts, or their service providers, as determined and authorized by the criminal injuries compensation commission.

Your Committee finds that this appropriation is necessary to compensate victims, or dependents of deceased victims, or other persons who have suffered pecuniary loss or incurred expenses on account of hospital, medical, funeral, or burial expenses as a result of the victims' injury or death.

Your Committee has amended this bill by changing the appropriated amount to \$1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1686, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1344 Ways and Means on H.B. No. 1975

The purpose of this bill is to assist residents of the Hamakua Coast on the Big Island affected by the recent closing of the Hamakua Sugar Company.

Over the last several months, negotiations have been underway to develop an overall strategy to address the effects on Hamakua coast residents of the closing of the Hamakua Sugar Company, which took effect March 31, 1993. To date, this anticipated "package" has not yet been finalized.

Some believe that the final "package", among other things, will address the following:

- (1) Housing - the need to ensure that the four hundred plus families currently residing in employee housing will not become homeless;
- (2) Health - the need to ensure that employees, family members, and pensioners will continue to receive affordable medical services; and

- (3) Temporary employment - the possibility of extending harvesting operations for an additional eighteen-month period to permit the final harvest of the existing crops. A February 1993, Hawaiian Sugar Planters' Association (HSPA) inspection team estimated that if operations were extended for eighteen months, Hamakua Sugar Company could harvest some sixteen thousand acres of remaining sugar cane that could provide some \$42 million in income (based on 7.5 tons of sugar per acre; and \$355/ton). Electrical power income could add another \$7.5 million. In summary, extending operations for another eighteen-month period could produce approximately \$50 million in income. At the same time, HSPA has projected expenditures estimated at \$37 million.

When the final "package" is developed, it is essential that the legislature has a "vehicle" to incorporate the proposed legislation and thereby allow for public input through the regular legislative process. Of utmost importance then is having an appropriate bill available for this purpose. It is your Committee's intent that this bill serve as the primary "vehicle" for incorporating the final Hamakua "package", given the bill's broad title.

Your Committee has amended this bill on page 5, line 3 by adding the phrase "other needs as they arise" to allow more flexibility in assisting the Hamakua coast residents. Your Committee also has made technical, nonsubstantive changes to the bill for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and the purpose of H.B. No. 1975, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1975, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1345 Ways and Means on H.B. No. 2017

The purpose of this bill is to make various amendments to the funds and accounts provision of the Hawaiian Homes Commission Act, including eliminating the ceiling for loans made out of the Hawaiian home general loan fund; changing the titles of various funds formerly known as "special funds" to "trust funds"; and allowing the transfer of certain assets of a fund to other funds under the jurisdiction of the Hawaiian homes commission.

Your Committee finds that this bill updates, clarifies, and makes technical amendments to the section of the Hawaiian Homes Commission Act that establishes and governs the funds and accounts of the Hawaiian homes commission.

Your Committee has amended this bill by reversing the action of this measure to redesignate the funds of the Hawaiian homes commission as "trust funds". By doing this, the funds under the commission will continue to be known as "special funds".

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2017, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2017, S.D. 2.

Signed by all members of the Committee except Senators Fukunaga and Hagino.

SCRep. 1346 Ways and Means on H.B. No. 2156

The purpose of this bill, as received, is to facilitate public school system improvements by implementing budgeting and funding reforms, developing accountability and assessment programs, creating personnel incentives, and enhancing school facility improvements.

Your Committee finds that progress has been made in the last several years toward providing autonomy and flexibility to the public school system through the adoption of school/community-based management (SCBM). The amendments proposed by this measure are part of the continuum of education policy reforms that must be made in order to facilitate SCBM becoming a reality.

Your Committee further finds that the establishment of separate allotment procedures and authority for the Department of Education to carry-over funds for the schools are necessary components of SCBM. While this flexibility will assist with the implementation of programs at the school-level, your Committee is also cognizant that, along with this flexibility, statewide standards for accountability and student assessment must be implemented to assure that quality education is available to all students.

Creating incentives for enhancing the commitment of school personnel to the students and the individual schools is also imperative at this time. Therefore, your Committee recognizes that the traditional methods of providing compensation and benefits through collective bargaining must be adjusted within the scope of the present law.

The physical environment of our schools and classrooms is a critical factor which impacts student learning and achievement. Therefore, your Committee agrees that innovative financing mechanisms and programs must be created to immediately address the backlog of construction and renovation projects, provide new computer-based teaching technology, as well as ensure the day-to-day maintenance of the classrooms.

Finally, your Committee wishes to note that while the reforms proposed by this measure primarily focus on processes, the ultimate goal of our efforts should be to develop a school system more oriented on educational outcomes and student performance.

Extensive testimony regarding this measure was submitted to your Committee, and has been considered during the Committee's deliberations and discussion on this measure. Your Committee, therefore, has amended this bill by:

- (1) Including language in SECTION 1 which indicates that the legislature's intent in making reforms is to focus on outcomes, rather than processes;
- (2) Changing the carryover provision in SECTION 2 to allow the Department of Education to carryover any unexpended funds from the first fiscal year to the second fiscal year of any biennium, provided that the funds shall lapse at the close of the second fiscal year, and provided further that the Department reports the carryover to the Director of Finance and the Legislature;
- (3) Deleting the language establishing the performance standards commission and related provisions in SECTION 6 and substituting provisions which require the Board of Education, through the Superintendent, to submit annual educational status reports which will include performance standards developed and adopted by the Board, school-by-school assessments of educational outcomes and student performance, summaries of school improvement plans, summary descriptions of school demographics comparing conditions among Hawaii schools and with schools in other states, summaries of resource allocations and expenditures of funds, and other assessments undertaken by the Board;
- (4) Deleting the provisions relating to merit pay in SECTION 8 and replacing them with provisions for performance-based pay, subject to the agreement of all parties, and providing that adjustments shall recognize the efforts of and encourage public school employees to adopt a student-centered approach, demonstrate improvement in student and school performance, provide continuous commitment to educational initiatives, and achieve other educational outcomes agreed to by the parties;
- (5) Adding a new section to Chapter 296 in SECTION 10, which would allow the reallocation by the Board of Education, through the Superintendent, of a minimum of one-half of all state and district positions vacated between July 1, 1993 and June 30, 1995 to the school level or for direct student service positions, provided that the Department submits to the Department of Budget and Finance an annual report of the reallocations;
- (6) Allowing the Board of Education, through the Superintendent, to employ temporary teachers or other personnel for a period not to exceed two years, provided that such expenditures may not exceed budget allocations;
- (7) Changing the status of the incentive and innovation grant special fund to a trust fund to allow for private donations;
- (8) Setting a term of four years for the members of the incentive and innovation grants committee;
- (9) Deleting the seven per cent figure in connection with the earmarking of general excise tax revenues, and leaving the amount blank to encourage further discussion;
- (10) Including an amendment to section 171-30 to allow the Department of Accounting and General Services to acquire a nonstate owned facility or space located in a nonstate owned building which is designated by the Board of Education for use by or as a public school;
- (11) Allowing, rather than mandating, the Department of Education to establish a pilot classroom cleaning program, including the school councils in the development of the program, and ensuring that full-time custodial employees are not displaced by the program;
- (12) Deleting the appropriation amounts for performance-based and retention pay adjustments, to allow for further discussion of the amounts needed; and
- (13) Imposing surcharges on telecommunications providers and cable operators for a period of ten years to finance the purchase of modern educational technology for the public schools.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2156, 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. 2156, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1347 Judiciary on H.B. No. 179

The purpose of this bill is to amend Chapter 291C, Hawaii Revised Statutes, by adding a new part dealing with "high occupancy vehicle lanes." A "high occupancy vehicle lane" is defined as a lane of a roadway that is restricted primarily for vehicles with more than one occupant. This bill authorizes the issuance of citations by mail to the registered owners of vehicles which were seen utilizing high occupancy vehicle lanes without the requisite number of occupants. Additionally, the bill makes amendments to other sections of the Hawaii Revised Statutes to conform to the new part dealing with "high occupancy vehicle lanes." This bill also establishes minimum and maximum fines and establishes registered owner's responsibilities and lessee's liability.

The Department of Transportation, the Honolulu Police Department and the Chamber of Commerce of Hawaii testified in support of this measure.

Your Committee finds that high occupancy vehicle lanes were established as an attempt to alleviate traffic backlogs and to shorten commuting times. Your Committee finds that high occupancy lanes are a commendable concept, but because of conflicting reports as to its effectiveness in different parts of the State your Committee believes that high occupancy lanes may not be the absolute and final solution to relieving traffic congestion.

Nevertheless, until a more definite and feasible solution to the traffic congestion problem is found, your Committee believes that enforcement of high occupancy vehicle lane restrictions will encourage compliance with the minimum occupancy requirement and maximize the efficient movement of vehicles on our highways.

However, your Committee finds that this bill may be overzealous in its attempt to address the problem of high occupancy lane violations and may create complications. Consequently, your Committee has amended the bill to better define the Department of Transportation's authority to implement high occupancy lanes and to make violations of high occupancy lane regulations a traffic violation that is not a moving violation.

Your Committee also believes this subject area may need further discussion and deliberation, and intends that this bill be submitted to conference for such purposes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 179, 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. 179, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Grauly and Reed.

SCRep. 1348 Judiciary on H.B. No. 321

The purpose of this bill is to protect and reaffirm the public right to access the State's coastal and inland recreational areas under Chapter 115, Hawaii Revised Statutes, and to make clear that access to Hawaii's shores and mountains is an important public interest that may not be unduly restricted.

Your Committee recognizes that Chapter 115, Hawaii Revised Statutes, was enacted to guarantee the people of Hawaii access to the State's coastal and inland recreational areas. Your Committee initially felt that counties could not restrict public access trails, however, an opinion by the Attorney General has concluded that counties may restrict a public access.

Your Committee wants to emphasize that this bill is intended to send a clear indication that while the counties may restrict public access, the restriction must be based on compelling interests of public health, welfare, or safety and address particular factual situations.

Hawaii's land is precious. Those areas which belong to everyone should be available to everyone. Your Committee believes and wants to reaffirm that Chapter 115, Hawaii Revised Statutes, is intended to provide free and unrestricted access to everyone who enjoys recreational activities relating to Hawaii's shorelines and mountains.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 321, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1349 Judiciary on H.B. No. 789

The purpose of this bill is to amend section 291C-161, Hawaii Revised Statutes, to clarify that the court may require a person to attend a driver retraining course as an additional penalty for violation of the Statewide Traffic Code.

Your Committee received testimony in support of this bill from the Department of Transportation, the Judiciary, and the Police Department and the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that district court judges have imposed driver education as a sentencing alternative for traffic offenses; however, under current law, a driver education penalty is not expressly provided. This housekeeping measure eliminates any confusion or doubt by clearly authorizing the court to impose driver retraining instruction as an additional penalty.

Your Committee has amended the bill to add provisions for the purpose of prohibiting confidentiality in agreements reached in actions based on financial fraud, a defective product or an environmental hazard. The bill is also amended to allow the court to order the testimony of a child be taken by a video camera in a room other than the courtroom and broadcast by television in the courtroom and to establish a hearsay exception for incompetent and uncommunicative child abuse victims.

Further amendments to the bill are (1) to amend the laws relating to suits against the State, its political subdivisions, and their officers, so as to provide meaningful access to the courts upon claims for equitable relief under the Bill of Rights of the Hawaii Constitution, (2) to provide a vehicle for prompt litigation, and appellate review, of claims of immunity by governmental entities and their officers, and (3) to clarify the law relating to the immunity of prosecutorial officers of the State and counties in civil suits against them.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 789, 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. 789, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1350 Judiciary on H.B. No. 1088

The purpose of this bill is to amend the legal principle of joint and several liability for joint tortfeasors who cause injury or death to others. The bill amends Section 663-10.9, Hawaii Revised Statutes, enacted in 1986.

Your Committee concurs that it is appropriate to amend Section 663-10.9 at this time. However, your Committee finds that it is more prudent to fine tune the existing provisions of the law rather than to effect drastic changes at this time. Accordingly, your Committee has amended Section 663-10.9 to delete current exemptions for intentional torts, torts relating to environmental pollution and torts relating to aircraft accidents. In addition, your Committee has retained the concept proposed in this bill that joint tortfeasors whose individual degree of negligence is less than or equal to the degree of negligence of the person seeking the recovery shall be liable in direct proportion to the degree of negligence assigned to the joint tortfeasor, but your Committee has amended that proposed provision to require that the joint tortfeasor be found to be less than 10% negligent regardless of the degree of negligence assigned to the person seeking recovery of damages.

Your Committee has also retained the provisions of the bill relating to motor vehicle accidents involving the maintenance and design of highways, but has amended the provision affecting joint tortfeasors who have had reasonable prior notice of dangerous conditions, since public policy is better served by holding tortfeasors who know of dangerous conditions responsible for their negligence in failing to take reasonable precautions to prevent injury or death to others.

Your Committee finds that the provisions enacted in 1986 relating to the abolition of joint and several liability were a good start in addressing the issue and have worked reasonably well in preventing any crisis involving joint and several liability. Therefore, absent justification for its wholesale replacement, your Committee finds it more prudent to amend existing principles of joint and several liability to better serve the public interest. Your Committee finds that its amendments serve to fairly balance the interests of those injured or killed by joint tortfeasors while fairly regulating the imposition of joint and several liability against joint tortfeasors who have harmed or killed others.

Your Committee also finds that most states have either abolished or limited the interspousal tort immunity rule, recognizing that marital harmony no longer exists in many cases in which a person would wish to sue a spouse, as in instances of domestic violence. Thus, the interspousal tort immunity rule serves as a bar to a legitimate claim for compensation where injuries are inflicted upon one spouse by the other.

Additionally, the interspousal tort immunity rule denies a married person the right to bring an action against his or her spouse even when such a suit is desired by both spouses. An accident victim may sue to receive compensation for medical, psychological, and other expenses from the insurance company of the person at fault. If, however, the victim is the spouse of the person who caused the accident, the interspousal tort immunity rule prohibits the injured spouse from suing for compensation, although any other injured party possesses the right to bring suit.

Consequently, your Committee has amended the bill to remove the prohibition against tort suits between spouses, to more fairly and equitably protect married persons.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1088, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1088, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1351 Judiciary on H.B. No. 1597

The purpose of this bill is to facilitate payment of child support from an inmates' trust account maintained by the Director of Public Safety. Chapter 353, Hawaii Revised Statutes is amended by adding a new section to provide for payment of child support, and section 353-22, Hawaii Revised Statutes, is amended to include child support payments as subject to garnishment.

The Attorney General submitted testimony in support of this bill. The Department of Public Safety opposed the bill on the grounds that it will impose an undue burden on its staff and because of the adverse impact on the inmates.

Your Committee finds that this bill rectifies a current problem whereby prison inmates, through the current garnishment prohibition of section 353-22, HRS, can avoid their legal obligations to support their children. The measure acknowledges that prison inmates receive small amounts of money and limits the inmates' payments accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1597, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1352 Judiciary on H.B. No. 1630

The purpose of this bill is to authorize the Department of Commerce and Consumer Affairs to issue citations for unlicensed activity regulated under chapter 436B, Hawaii Revised Statutes.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs. Testimony was submitted by the Contractors License Board opposing section 2 of the bill which deleted the provision that required individuals to meet the experience requirement in order to get a license. The Department of Commerce and Consumer Affairs deferred to the Contractors License Board pertaining to section 2 of the bill.

Your Committee finds the need to establish a citation procedure to provide quick response to deal with unlicensed activity. This measure would enable the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs to more effectively and efficiently deal with unlicensed activity.

Your Committee has amended the bill by:

- (1) Deleting the sentence which begins on line 10, page 1, because it duplicates lines 6-10;
- (2) Providing that civil penalties be "no more than" the stated amounts to give the director some discretion when penalizing violators;
- (3) Requiring that the director be subjected to ordinary evidentiary requirements by deleting lines 15-20 on page 3;
- (4) Providing for the bill's repeal on June 30, 1995;
- (5) Deleting section 2 of the bill and thus restoring existing statutory language. Your Committee finds that the deletion of the paragraph, which requires an individual to have experience before an application can be filed, may have overreaching effect and allow individuals with no experience to apply for a license; and
- (6) Making technical changes that have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1630, 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. 1630, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1353 Judiciary on H.B. No. 1636

The purpose of this bill is to authorize the Motor Vehicle Repair Industry Board to issue citations for violations of chapter 437B, Hawaii Revised Statutes.

Your Committee received testimony in support of this bill from the Motor Vehicle Repair Industry Board.

The number of unlicensed motor vehicle mechanics and repair dealers is on the increase, and this bill would allow the Motor Vehicle Repair Industry Board to effectively deal with this unlicensed activity.

Your Committee has amended the bill by:

- (1) Deleting the sentence which begins on line 10, page 1, because it duplicates lines 6-10;
- (2) Providing that civil penalties be "no more than" the stated amounts to give the director some discretion when penalizing violators;
- (3) Requiring that the director be subject to ordinary evidentiary requirements by deleting lines 7-12 on page 3;
- (4) Providing for the bill's repeal on June 30, 1995; and
- (5) Making technical changes that have no substantive effect.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1636, 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. 1636, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Grauly and Reed.

SCRep. 1354 Judiciary on H.B. No. 1659

The purpose of this bill is to amend Chapter 398, Hawaii Revised Statutes, to give the director of the Department of Labor and Industrial Relations rule making authority in accordance with Chapter 91.

Your Committee received testimonies in support of the bill from the Department of Labor and Industrial Relations, the Hawaii Government Employees Association (HGEA/AFSCME) and the Chamber of Commerce of Hawaii. The Retail Merchants of Hawaii submitted testimony requesting the measure be deferred until more analysis is done on the impact of recently enacted Federal family law legislation.

Chapter 398, the Family Leave Law, was enacted to grant qualified employees the right to take time off from work without pay upon the birth or adoption of a child of the employee or to care for the employee's child, spouse, or parent, at the time of a serious health condition. Qualified employees are those who have been employed by the employer for at least six consecutive months.

Private sector employees are not scheduled to be covered until January 1, 1994, but the Family Leave Law is currently in effect for public sector employers with the Department of Labor and Industrial Relations responsible for enforcement and administration of the law. Your Committee finds that giving rule making authority pursuant to Chapter 91 to the Department of Labor and Industrial Relations is inappropriate at this time. Therefore, your Committee has amended the bill by removing the section which gives the department rule making authority.

Your Committee agrees that additional time is needed to allow for both the private sector and the Department to review and evaluate the impact on Hawaii's law of the recently enacted federal legislation in this area. Consequently, with assent by the Department, the Chamber of Commerce and the HGEA/AFSCME, your Committee has amended the bill by postponing the application of Chapter 398 on private sector employers from January 1, 1994 to July 1, 1994.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1659, 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. 1659, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1355 Judiciary on H.B. No. 1671

The purpose of this bill is to:

- (1) Prohibit the release of non-native fish and other aquatic organisms into State waters;
- (2) Prohibit the intentional taking, breaking, or damaging of coral;
- (3) Restrict commercial aquarium fish collectors from using thrownets or traps to catch aquarium fish;
- (4) Prohibit noncommercial aquarium fish collectors from taking more than five fish or aquatic organisms per person per day; and
- (5) Provide penalties for the release of non-native fish or aquatic life into State waters or for taking or damaging stony coral.

Testimony in support of this bill was presented by the Department of Land and Natural Resources and the Department of Agriculture.

Your Committee finds that, due to the recent increase in the number of aquarium fish and other aquatic life released into the wild, several alien species have become established in State waters, thereby adversely affecting our delicate ecosystem. This bill will enable the Department of Land and Natural Resources to confiscate non-native species and help prevent their release into State waters, and complement the Department of Agriculture's existing program dealing with alien or illegal species. Your Committee further finds that by prohibiting the intentional breaking or damaging of coral, our precious ocean and marine environment will be protected.

Your Committee has amended the bill to conform the description of nets and traps permissible for use by fish collectors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 1671, 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. 1671, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1356 (Joint) Judiciary and Ways and Means on H.B. No. 1988

The purpose of the bill as originally received is to set forth procedures for the withdrawal of signatures from an election petition, to allow the chief election officer to make voting systems and election services available to state agencies and private agencies, and to set forth procedures for a substitution of an alternative vice presidential candidate.

Your Committees find that adoption of procedures for withdrawal of signatures in a petition would greatly alleviate the present uncertainty in the law. However, your Committees have amended the bill by establishing an objective standard for removal of names after a petition has been filed, rather than allowing discretion with its inherent uncertainty and risk of court challenge.

Your Committees also find that permitting the chief election officer to make voting systems and elections services available to state agencies and private agencies will serve to reduce the cost of government. Your Committees further find that providing a statutory method for the substitution of Vice Presidential candidates will fill a gap in the present law.

Your Committees have also determined that there is a need for some flexibility regarding election dates after Hurricane Iniki devastated much of Kauai. Had the catastrophe occurred closer to the election date, the right of many to vote might have been impaired. Your Committees have amended the bill by providing the chief election officer and the county clerk the ability to postpone an election to ensure that the right of the people to vote is preserved.

To further preserve the people's right to vote, your Committees have further amended the bill by adding provisions to allow the chief election officer and clerk of a county to require that all voting be by absentee ballot when a natural disaster or other extreme emergency substantially impairs the ability of the people in a precinct, district or county to vote. The provisions will also facilitate the availability, use, and administration of absentee voting by, among other things, permitting the use of ballots by facsimile with certain affirmations, and removing the conditions to which people must affirm in order to vote absentee.

Your Committees have further amended the bill to provide that voter registration information be provided to students prior to their attaining the age of eighteen years.

Your Committees on Judiciary and Ways and Means are in accord with the intent and purpose of H.B. No. 1988, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1988, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Grauly, Solomon, Reed and Tungpalan.

SCRep. 1357 Judiciary on H.B. No. 1990

The purpose of this bill is to provide more diverse representation on the Office of Hawaiian Affairs' (OHA) Board of Trustees.

Specifically, the bill enables qualified residents of Lanai to represent Molokai and qualified residents of Niihau to represent Kauai on OHA's Board of Trustees.

Testimony in support of the bill was received from the Lieutenant Governor and OHA.

Your Committee finds that Section 13D-1, Hawaii Revised Statutes, precludes residents of Lanai and Niihau from running for representative seats on OHA's Board of Trustees. Your Committee believes that the proposed amendments will correct this anomaly and enhance representation on the Board of Trustees.

Your Committee has amended the bill to provide that representatives elected from the islands of Lanai and Niihau shall represent those islands as well as the respective islands of Molokai and Kauai.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1990, 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. 1990, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Gaulty, Solomon and Reed.

SCRep. 1358 Judiciary on H.B. No. 2026

The purpose of this bill is to amend the State's air pollution laws contained in Chapter 342B, Hawaii Revised Statutes (HRS).

Specifically, the bill:

- (1) Amends the definition of "covered source" to allow the Director of Health to determine standards governing what constitutes a "covered source";
- (2) Adds a new section that exempts odors emanating from agricultural operations from Chapter 342B, HRS;
- (3) Eliminates the amount of time allowed for a person to request a public hearing and for public comment under Chapter 342B, HRS, from sixty to a blank number of days;
- (4) Amends the definition of "regulated air pollutant" by adding nitrogen oxides;
- (5) Amends Section 342B-29(c), HRS, by inserting provisions that assess a fee of not less than \$100 per ton on emissions by covered sources in excess of 8000 tons per year;
- (6) Adds a subsection (f) to Section 342B-29, HRS, to establish agricultural burning fees;
- (7) Clarifies the civil and criminal penalty provisions of Chapter 342B, HRS;
- (8) Repeals the definition of "modification"; provided that the repeal shall be effective only after a definition of the same term, which conforms with certain guidelines, is adopted by the Department of Health;
- (9) Requires the Department of Health to make information and data on emissions regulated under Chapter 342B, HRS, available to the public during normal office hours; and
- (10) Repeals Section 342B-34, HRS, exempting agricultural burning from the chapter.

Your Committee has amended the bill by:

- (1) Requiring the amount of time allowed for a person to request a public hearing and for public comment under Chapter 342B, HRS, to be thirty days;
- (2) Requiring that all covered sources pay fees for emissions by removing the cap that covered sources not be assessed fees for emissions in excess of 4000 tons per year;
- (3) Eliminating the authority to establish agricultural burning fees;
- (4) Eliminating the section that repeals Section 342B-34, HRS, which exempts agricultural burning from the chapter;
- (5) Changing section 15 of the bill to provide that all provisions of the bill shall take effect upon approval; and
- (6) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee believes that the proposed amendments will protect Hawaii's air quality.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2026, 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. 2026, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Gaulty and Reed.

SCRep. 1359 Judiciary on H.B. No. 2116

The purpose of this bill is to establish guidelines for the court with regard to the division of property in a divorce proceeding. The court is to follow the guidelines in a divorce proceeding, to the extent the resulting distribution is just and equitable under all of the circumstances of the case.

Your Committee finds that guidelines will assist the public by reducing the uncertainty of property divisions, facilitating prompt settlement of divorce cases and lowering costs for the parties. Further, your Committee believes judicial resources will be conserved if the parties can settle these types of issues without resort to trial.

In all marriages, it is essential to acknowledge that each party to a marriage has contributed to the marriage, economically or otherwise. Often, one spouse may bring more material assets into the marriage in the form of property or earnings, while the other spouse may make non-quantifiable or intangible contributions in the form of services. Intangible contributions may include, among other things, comfort, companionship, child-rearing, housekeeping, and managing the assets of the marital estate. Intangible contributions may also include employment or educational opportunities lost or forsaken due to the need to finance the spouse's higher education. Often, those opportunities cannot be recaptured because of age or familial obligations.

These intangible contributions significantly support and enhance the earning power of the primary wage earner and contribute to the accumulation of wealth, and your Committee wishes to make clear that it strongly supports the recognition of their value, and that such value should be reflected in any division of the marital estate.

It is your Committee's belief that marriage is a partnership to which both parties bring their financial resources as well as their individual energies and efforts. In divorce proceedings regarding division and distribution of the parties' estate, partnership principles can guide the family court's choices.

The extent to which intangible contributions can be weighed adequately to reflect their relevant importance to the partnership is difficult and sometimes leads to inconsistent results. Prior to *Gussin v. Gussin*, 73 Haw. __, 836 P.2d 484 (1992) rev'g 9 Haw. App. __, 836 P.2d 498 (1991), the family court determined property distribution on a case by case basis based on guidelines established in a series of opinions from the Hawaii Intermediate Court of Appeals. However, the Supreme Court of Hawaii, in *Gussin*, held that the courts lacked the statutory authority to establish guidelines. To resolve this dilemma, your Committee has amended the bill to grant the family court the specific authority to establish guidelines on the distribution of property. Your Committee believes this the best method to fulfill the intent of the bill because the court is in the best position to determine what the guidelines should be and there exists case law precedents in this area.

Your Committee believes that the court should provide written opinions explaining reasons for deviating from guidelines, to better aid the public in understanding the court's interpretations and applications of the guidelines. This method will also provide uniformity in decisions and promote discernible standards for different family court judges to follow, as well as providing essential information by which the appellate courts can apply a meaningful standard of appellate review of a family court's determination of what is just and equitable in light of all of the circumstances of the case.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2116, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2116, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1360 Judiciary on H.B. No. 1250

The purpose of this bill is to expand the scope of section 707-716 of the Hawaii Penal Code, which pertains to first degree terroristic threatening, to include employees of private schools.

Section 707-716, Hawaii Revised Statutes, makes it a class C felony to make (1) repeated threats against the same person or persons for the same reasons, (2) threats as part of a common scheme against different persons, (3) threats against a public servant, which includes a public educational worker, or (4) threats with the use of a dangerous weapon. This bill will expand the scope of the statute to include threats against private school personnel.

Your Committee received testimony in support of the bill from the Department of Education.

If the statute is expanded to include one group from the private sector, based on the analogy to a counterpart group in the public sector, the door is opened for other groups to propose or offer similar expansions. Your Committee finds that the private/public analogy urged by the proponents can be applied very widely. Since government secretaries are covered, should nongovernmental secretaries also be included? Since the prosecutors, deputy attorneys general and public defenders are included, should all attorneys be included? If the intention of the bill were to include such private groups, the more logical approach would be to eliminate the different degrees of terroristic threatening, since it will be difficult to otherwise draw the line.

Moreover, your Committee is unwilling to expand the scope of the statute absent a clear record establishing that a particular group is subject to enhanced risk so as to justify enhanced penalties.

Your Committee amended the bill to address the misconception that the current law singles out public educational workers for preferential treatment.

Section 707-716(1)(c) provides in pertinent part:

"(1) A person commits the offense of terroristic threatening in the first degree if he commits terroristic threatening...

(c) Against a public servant, including but not limited to an educational worker...." (emphasis added)

The phrase "including but not limited to" indicates that the provision is intended to be inclusive and not exclusive. The intent of that provision is to protect public servants, of which public school personnel is a subcategory. Therefore, your Committee amended the bill by deleting all references in the current statute to educational workers, since public school personnel are already included within the definition of "public servant."

Your Committee also amended the bill to clarify that the enhanced penalty only applies when a person commits the offense against a public servant, as defined in section 710-1000, Hawaii Revised Statutes, in response to acts or refusals to act which were within the scope of employment or official duties of the public servant. Thus, if the conduct of the defendant had no relationship to the public servant's employment or duties, the enhanced penalty would not apply even if the defendant's conduct occurred during normal business hours and on the premises of the public servant's workplace or over a public servant's telephone. By the same logic, if there was a relationship to the public servant's employment or duties, the enhanced penalty would apply even if the conduct occurred after normal business hours and away from the public servant's workplace.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 1250, 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. 1250, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1361 Judiciary on H.B. No. 1594

The purpose of this bill is to clarify the circumstances under which an agency may disclose, to another government agency, government records that are protected from public disclosure; to clarify that criminal history record information is not exempt from access by the individual to whom it pertains; and to clarify that the exceptions set forth in section 92F-13, Hawaii Revised Statutes, apply only to requests under part II of chapter 92F, and that the exemptions set forth in section 92F-22, apply only to requests under part III of chapter 92F.

Testimony in support of the bill was received by your Committee from representatives of the Office of Information Practices, the Department of Personnel Services, and the Prosecuting Attorney and the Department of Personnel of the City and County of Honolulu.

Your Committee finds that under current law, section 92F-19(a)(3) permits disclosure of a wide range of inter-agency confidential information when the disclosure is not in fact proper for the performance of the requesting agency's duties, is completely incompatible with the original purposes for which the information was collected, or is completely inconsistent with the conditions or reasonable expectations of use under which the individual provided the information to an agency. The bill, therefore, requires, as one of the several specified conditions authorizing inter-agency disclosure, that the disclosure be (1) reasonably proper for the performance of the requesting agency's duties and functions; and also (2) either (a) compatible with the purpose for which the information was collected or (b) consistent with the conditions or reasonable expectations of use under which the information was provided.

Further, the bill appropriately adds a provision to the current law authorizing an agency to disclose information to other agencies, other states, or the federal government for purposes of a civil or criminal law enforcement activity authorized by law when disclosure is pursuant to an agreement or a written request. The bill further authorizes, under appropriate restrictions and under certain circumstances, the disclosure of otherwise confidential information to a foreign government pursuant to an executive agreement, compact, treaty, or statute, and to the various county councils, or any committee or subcommittee thereof which has a legitimate need for the information.

Your Committee also finds that chapter 92F does not require an agency to disclose criminal history record information to the individual to whom it pertains. This appears to be in conflict with section 846-13, Hawaii Revised Statutes, which does permit an individual to review the individual's criminal history record information. Your Committee finds that the conflict should be eliminated so that individuals be permitted to review criminal history record information that pertains to them for the purpose of determining its accuracy and completeness.

Your Committee has amended the bill to include foreign law enforcement agencies as authorized to receive records and that requests for records may be made verbally under specified conditions. Your Committee has further amended the bill to authorize disclosure of records to the Department of Personnel Services or a County Personnel Department for designated purposes. Other nonsubstantive technical changes have been made for the purpose of clarity and style, including changing the ambiguous word "proper" to "necessary" on page 2, line 14.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1594 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1594, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Grauly, Solomon and Reed.

SCRep. 1362 (Majority) Ways and Means on H.B. No. 625

The purpose of this bill is to create the Aloha hall of merit for persons who have achieved national or international recognition for prominence in the inductee's field, or who have devoted themselves to the betterment of the State, embodied the concept of the Aloha spirit, provided extraordinary services to the State, and brought honor to the State.

Your Committee approved the concept of state recognition for individuals who have provided service to the State. An honorary award of this type is a gracious gesture of Aloha in recognition of people who have made a positive contribution to the State.

Your Committee has amended this bill by substituting a simpler program under which the honorees shall be entitled "Emissaries of Hawaii of the People of Hawaii." The governor is authorized to print certificates and cause miniature poi pounders to be made for persons held in great affection and esteem by the people of Hawaii. The certificates and poi pounders may be awarded by the governor at the governor's discretion, or by the president of the senate or speaker of the house by resolution, to honor persons who have contributed to the attainment of statehood for Hawaii, persons who have devoted themselves to the betterment of Hawaii, persons who have brought honor to Hawaii, and heads of state and other dignitaries considered with affection by the people of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 625, 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. 625, H.D. 1, S.D. 2.

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

SCRep. 1363 (Majority) Ways and Means on H.B. No. 1296

The purpose of this bill is to require state and county agencies to give preference in awarding public works contracts to qualified local contractors as long as their bids are no more than five per cent higher than the bids of nonlocal contractors.

The bill defines a "nonlocal bidder" as a contractor who has not filed and paid state taxes for two years if the bid is \$5,000,000 or less and for four years if the bid is over \$5,000,000 and defines a "qualified local bidder" as a contractor who has filed and paid such state taxes within the same timeframes.

Your Committee has amended the bill to clarify that the requirement for the payment of state taxes is based on whether any is "owed" to the State. Your Committee has also provided for the repeal of this law after three years and made technical, nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1296, 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. 1296, H.D. 1, S.D. 2.

Signed by all members of the Committee.
Senators Blair and George did not concur.

SCRep. 1364 Ways and Means on H.B. No. 1505

The purpose of this bill is to extend the deadline set forth in Act 314, Session Laws of Hawaii 1991, from January 1, 1994, to December 31, 1994.

Your Committee finds that the extension is necessary to give the department of land and natural resources sufficient time to complete negotiations and enter into long-term leases on state lands with Kalapana residents of Hawaiian ancestry, dispossessed or displaced from their homes following the recent volcanic eruptions on the island of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1505, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1365 Ways and Means on H.B. No. 1653

The purpose of this bill as received was to establish the Hawaii Emergency Planning and Community Right-to-Know Act, to protect the health, safety, and welfare of the residents of this State from the release of hazardous substances, or pollutants or contaminants into the environment.

Your Committee has amended this bill by:

(1) Adding program operation provisions:

- (A) Requiring all moneys to meet the general operating needs and expenses of the emergency planning and community right-to-know program of the department of health, including moneys for environmental health education and program enhancement, to be allocated by the legislature through appropriations out of the state general fund;
- (B) Requiring the department of health to include in its budgetary request for each upcoming fiscal period, the amounts necessary to effectuate the purposes of this program, including environmental health education and program enhancement;
- (C) Requiring the department of health, with the assistance of the department of budget and finance and department of accounting and general services, to prepare a report for the legislature concerning the amount of moneys collected during the preceding fiscal year, the amount of moneys collected to date during the

current fiscal year, and the amount of moneys to be collected during the upcoming fiscal year, pursuant to law (both existing and proposed), and accruing to the credit of the state general fund; and

- (D) Requiring the department of health to submit the foregoing report to the legislature not less than twenty days prior to the convening of each regular session of the legislature;
- (2) Adding provisions establishing an environmental response tax of 5 cents on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any end user, other than a refiner, of petroleum product. Specifically, these provisions:
 - (A) Establish procedures for administering the tax;
 - (B) Require the moneys generated by the tax to be deposited into the environmental response revolving fund;
 - (C) Require the tax to be discontinued when the total balance of the fund exceeds \$5,000,000, and to be reinstated if the total balance of the fund declines to less than \$2,000,000; and
 - (D) Provide that the revenues generated by the tax and deposited into the fund are to be used:
 - (i) For oil spill planning, prevention, preparedness, education, research, training, removal, and remediation;
 - (ii) For direct support for county used oil recycling programs; and
 - (iii) To address concerns related to underground storage tanks, including support for the underground storage tank program of the department and funding for the acquisition by the State of a soil remediation site and facility;
- and
- (3) Making technical, nonsubstantive amendments 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. 1653, 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. 1653, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Fukunaga and Hagino.

SCRep. 1366 Ways and Means on H.B. No. 1765

The purpose of this bill is to provide tuition waivers for qualified persons of Hawaiian ancestry in the University of Hawaii system, with the intent of encouraging Hawaiians to pursue studies in the Hawaiian language.

Your Committee has amended this bill by reducing the suggested increase of tuition waivers from eighteen to seventeen per cent of total full-time enrollment during the previous fall semester. This increase of two percentage points over the statutory fifteen per cent would be allowed to occur incrementally at one percentage point each year over the next two years and be allocated in the following manner:

- (1) After school year 1992-1993, one-half per cent of the total full-time enrollment of the previous fall semester may be allocated to underrepresented ethnic minorities and another one-half per cent to students in Hawaiian language courses; and
- (2) After school year 1993-1994, one per cent of the total full-time enrollment of the previous fall semester to each of the same categories--underrepresented ethnic minorities and students in Hawaiian language courses.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1765, 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. 1765, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1367 Ways and Means on H.B. No. 2032

The purposes of this bill are to:

- (1) Expand the pilot project to foster the autonomous operation of Maui Memorial hospital, Hilo hospital, and Kona hospital, to include Kauai Veterans Memorial hospital, Leahi hospital, Maluhia hospital, Kula hospital, and Samuel Mahelona Memorial hospital; and
- (2) Extend the duration of the community hospital autonomy pilot project for another three years or until June 30, 1996.

Specifically, this bill:

- (1) Requires the department of health to formulate policies for the autonomous operation of Maui Memorial hospital, Hilo hospital, Kona hospital, Kauai Veterans Memorial hospital, Leahi hospital, Maluhia hospital, Kula hospital, and Samuel Mahelona Memorial hospital;

- (2) Requires any state agency, except the state health planning and development agency, that may be required to act under state law on a matter affecting the abovementioned hospitals, to waive otherwise applicable policies, rules, or procedures when requested to do so by the director of health unless the agency, within thirty days, can justify to the governor a denial of the request; and
- (3) Exempts the abovementioned hospitals from section 103-22 and sections 103-41 through 103-48, Hawaii Revised Statutes, relating to advertising for bids and purchases to be made in Hawaii whenever public moneys are expended, for the duration of the pilot project.

Testimony in support of this bill was submitted by the department of health, which stated that the community hospital autonomy pilot program has provided significant benefits to Maui Memorial hospital, Hilo hospital, and Kona hospital since its inception in 1990. According to the department, autonomy is a proven means of improving management of the community hospitals. Exemptions from the state requirements for competitive bidding have enabled these three abovementioned hospitals to acquire needed medical equipment far more quickly than was possible in the past, thus reducing administrative overhead and improving patient care.

Your Committee is very dissatisfied with the department of health's management of the community hospital system. Although your Committee would like to move closer to a state of permanent autonomy for hospitals in the community hospital system, such a move cannot be justified in good conscience given the manner in which the department of health has managed the fiscal affairs of the community hospital system.

Your Committee wishes to state in unequivocal terms that it will not recommend the passage of any more mid-year emergency appropriations (i.e., "bail outs") to meet the operating expenses of the community hospital system. These so-called "emergency" appropriations, which totalled \$15,000,000, in fiscal year 1990-1991 (Act 39, Session Laws of Hawaii 1991), and \$15,000,000, in fiscal year 1991-1992 (Act 122, Session Laws of Hawaii 1992), have repeatedly placed your Committee and the legislature in the untenable position of having to reduce or discontinue vital health care services. This is simply too high a price for the people of this State to have to pay.

Your Committee intends to closely monitor the department of health's management of the community hospital system during the interim, and it stands ready to recommend to the legislature whatever actions may be necessary to ensure that the community hospital system does not remain in a perpetual state of "financial crisis". Although the rapid escalation of health care costs in Hawaii is one of many causes for this financial crisis, your Committee finds it more difficult to accept such a "boiler plate" rationale after two years and \$30,000,000 in appropriations to assist the community hospital system.

Your Committee has amended this bill by:

- (1) Decreasing the duration of the community hospital autonomy pilot project from three years to two years, and making conforming amendments to reflect this change;
- (2) Requiring the submission of a final project completion report to the Governor, the President of the Senate, and the Speaker of the House of Representatives prior to the Regular Session of 1995, six-months before the repeal of the law establishing the community hospital autonomy pilot project; and
- (3) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purposes of H.B. No. 2032, 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. 2032, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1368 Ways and Means on H.B. No. 2034

The purpose of this bill is to provide exemptions from statutes that were identified during the community hospitals autonomy pilot program as being impediments to the autonomous operation of community hospitals.

Specifically, this bill:

- (1) Allows the division of community hospitals to transfer special fund and general fund appropriations among the programs administered by the division, among cost elements in a program and between quarters of a fiscal year;
- (2) Authorizes the comptroller to permit health care facilities that are not operated by the State or a county, and are not-for-profit institutions located within the State, to make purchases of property and services through price lists of the department of accounting and general services;
- (3) Allows the comptroller to enter into contracts with any association, consortium, cooperative, or group of privately or publicly owned or operated health care facilities located within the State, which have entered into a contract to jointly purchase property and services, for the procurement of property requirements of any state health care facility;
- (4) Allows the comptroller to permit any association, consortium, cooperative, or group of privately or publicly owned or operated health care facilities located within the State, which have entered into a contract to jointly purchase property and services, to make purchases from price lists of the department of accounting and general services;

- (5) Establishes collections revolving funds at Maui Memorial hospital, Hilo hospital, and Kona hospital, to expedite the collection of patient bills and refunding of credit balances;
- (6) Allows Maui Memorial hospital, Hilo hospital, and Kona hospital to employ or retain attorneys for the purpose of representing the hospitals in civil or administrative litigation, rendering legal counsel to the hospitals, or drafting legal documents for the hospitals;
- (7) Allows the department of health to join public or private purchasing cooperatives, and enter into business relationships with private health care organizers, to reduce the cost of purchasing goods and services;
- (8) Allows the director of health to classify, set compensation and recruit for, and fill positions for the division;
- (9) Requires moneys received by public health facilities from the federal government or private contributions to be deposited in the respective hospital special fund and accounted for in accordance with conditions established by the agencies or persons from whom the moneys were received;
- (10) Allows moneys in trust or revolving funds administered by the community hospitals to be deposited in depositories other than the state treasury;
- (11) Requires revenues of not more than \$1,000, collected from patients and health insurance providers, to be deposited into the revolving funds administered by the community hospitals;
- (12) Increases from twenty-five per cent to seventy-five per cent, the percentage of unrequired special fund revenues in hospital special funds that public health facilities that do not receive general fund augmentation are allowed to retain for payment of their lawful operating expenses;
- (13) Allows the director of health to purchase data processing and telecommunications equipment, and data processing consulting services, for Maui Memorial hospital, Hilo hospital, and Kona hospital, without the review and approval of the director of finance;
- (14) Requires the director of health to establish no more than twelve personnel classes of health care specialties for civil service positions assigned to Maui Memorial hospital, Hilo hospital, and Kona hospital;
- (15) Allows Maui Memorial hospital, Hilo hospital, and Kona hospital to expend not more than \$500,000 each for medical diagnostic or therapeutic equipment without the approval of the director of health or the director of finance; and
- (16) Prohibits this bill from superseding collective bargaining agreements or statutes protecting employee rights or providing employee benefits, and from adversely affecting any employee.

Testimony in support of this measure was submitted by the department of health, which indicated that this bill provides a series of targeted solutions to meet specific management needs at the community hospitals, and that the combined effect of these exemptions will be to improve administrative efficiency, reduce unnecessary bureaucracy, and reduce hospital costs.

Your Committee has amended this bill by:

- (1) Deleting the provisions:
 - (A) Allowing the division of community hospitals to transfer special fund and general fund appropriations among the programs administered by the division;
 - (B) Establishing collections revolving funds at Maui Memorial hospital, Hilo hospital, and Kona hospital;
 - (C) Allowing moneys in trust or revolving funds administered to be deposited in depositories other than the state treasury;
 - (D) Requiring revenues of not more than \$1,000 to be deposited into the revolving funds administered by the community hospitals;
 - (E) Increasing from twenty-five per cent to seventy-five per cent, the percentage of unrequired special fund revenues that public health facilities are allowed to retain for payment of their lawful operating expenses; and
 - (F) Allowing the director of health to purchase data processing and telecommunications equipment, and data processing consulting services, for Maui Memorial hospital, Hilo hospital, and Kona hospital;

and
- (2) Making technical, nonsubstantive amendments 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. 2034, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2034, H.D. 2, S.D. 1.

Signed by all members of the Committee except Senators Fukunaga and Hagino.

SCRep. 1369 Ways and Means on H.B. No. 150

The purpose of this bill is to modify the campaign spending laws to encourage citizen participation in the electoral process.

Among other things, this bill:

- (1) Requires that any loan to a candidate greater than \$100 be documented and disclosed;
- (2) Limits contributions by a person to a candidate to \$2,000 for a two year office, \$6,000 for a four year statewide office, and \$4,000 for a four year nonstatewide office, during an election period which consists of the two year period between general election days for 2 year offices, 4 year period between election days for 4 year offices;
- (3) Requires that loans by a candidate's family, made for campaign purposes to a candidate, be included in the \$50,000 contribution limit to which the candidate is subject;
- (4) Penalizes candidates who knowingly receive and retain funds in excess of the contribution limits by imposing a fine of three times the amount of the excess unless the candidate deposits the excess into the public fund within 45 days of receipt. The fine, if any, and excess is to be deposited into the public fund;
- (5) Distinguishes organizational reports of candidate committees from noncandidate committees and adds a definition for noncandidate committee;
- (6) Adds requirements for a candidate to pay the full filing fee, and to notify the chief election officer and all contributors when the candidate exceeds previously agreed upon expenditure limits. It is the intention of your Committee to promote full disclosure and prevent abuse of the system;
- (7) Clarifies that candidates who fail to be nominated or elected, and elected officials who do not file to become a candidate for reelection are not subject to the provisions of section 11-214;
- (8) Requires that an advertisement close to election cannot contain the phone number of the state or county office of a candidate who is the holder of an elected office;
- (9) Sets the maximum amount of public funds available to a candidate to be 10 per cent of the total expenditure limit established for each office pursuant to section 11-209, Hawaii Revised Statutes;
- (10) Requires applications for public funds be made no later than thirty days after the general election;
- (11) Requires persons who have received contracts from the State aggregating \$250,000 or more to report their contributions; and
- (12) Restricts the political activities of a member of the campaign spending commission. Your Committee finds that these restrictions will reduce the public's perception of impropriety.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 150, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Fukunaga and Hagino.

SCRep. 1370 Ways and Means on H.B. No. 1459

The purpose of this bill is to change the membership of the board of trustees of the employees' retirement system to more accurately reflect the system's constituency.

Currently, the board of trustees consists of two general employees and one teacher elected by the membership; three citizens appointed by the governor, one of whom is a financial expert; and the director of finance. This bill would add a retirant member to the board and grant retirants the right to vote for all elected members. The bill also changes the quorum requirement from four to five members.

Your Committee has amended this bill by deleting language requiring that the retirant member "represent the interests of retirees and beneficiaries". This language is not necessary as all members of the board are supposed to represent the interests of all retirees and beneficiaries. The language also causes confusion as it implies that the nonretirant members do not have to represent the interests of retirees and beneficiaries.

Your Committee has also amended this bill by adding a section to provide for the liquidation of the system's unfunded accrued liability by using earnings in excess of the eight per cent investment yield rate. Currently, excess earnings are used to reduce the amount of contributions owed by the State and counties. This amendment provides for a graduated liquidation schedule wherein twenty-five per cent of the excess earnings will be applied to the unfunded accrued liability beginning July 1, 1993; fifty per cent beginning July 1, 1994; seventy-five per cent beginning July 1, 1997; and one hundred per cent beginning July 1, 1999. This amendment also requires that after the unfunded accrued liability has been liquidated, any balance remaining shall be used exclusively to provide benefits for beneficiaries of the system.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1459, 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. 1459, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1371 Ways and Means on H.B. No. 1904

The purpose of this bill is to make rental income derived by employee benefit plans from real property investments subject to the general excise tax after December 31, 1993.

Rental income derived pursuant to contracts executed prior to January 1, 1994 that do not allow tax or tax increases to be passed on will not be subject to the tax until the contracts are renegotiated, renewed, or extended.

This bill has an effective date of January 1, 1994.

Your Committee has amended this bill to require income derived by employee benefit plans from real property investments in the State to be subject to the general excise tax after June 30, 1993. Income derived by such plans from real property investments pursuant to contracts executed before July 1, 1993 will not be taxed until the contracts are renegotiated, renewed, or extended, or until after December 31, 1998, whichever is earlier. The effective date of the bill has also been changed to July 1, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1904, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1904, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1372 Ways and Means on H.B. No. 1154

The purpose of this bill is to exempt from the general excise tax law amounts received under property and casualty insurance policies for damage or loss of inventory used in the conduct of a trade or business located within the State or a portion thereof that is declared a natural disaster area by the governor pursuant to the state disaster relief and rehabilitation law.

Your Committee agrees with the Committees on Planning, Land and Water Use Management and Consumer Protection that the amounts received by a business or trade to compensate them for lost inventory due to a natural disaster should be exempt from the general excise tax law. Taxing amounts received from an insurer by a trade or business for lost inventory would in essence be taxing the lost inventory twice as the general excise tax has already been paid on the lost inventory. This exemption will provide a significant assistance to businesses affected by Hurricane Iniki.

In addition to providing for business inventory losses, your Committee recognizes that economic recovery in the wake of Iniki is dependent upon the reopening of the hotel facilities. Offering incentives to these facilities will encourage the facilities and businesses located on the facilities to reopen and recover their losses more quickly.

Accordingly, your Committee has amended this bill to establish an exemption from the general excise tax and the transient accommodations tax for qualified facilities providing transient accommodations and businesses located on their premises. Your Committee has also excluded remuneration in excess of \$7,000 paid by employers with respect to employment to individuals employed at those qualified facilities and businesses located on the qualified facilities from the requirement of contribution under the employment security law. This relief is effective from July 1, 1993 to December 31, 1996.

Your Committee has also amended this bill concerning the exemption for business inventory loss by deleting the limitation that disasters be "natural" disasters. Section 209-2, Hawaii Revised Statutes, which provides for gubernatorial declarations of disasters contains no such limitation, and your Committee does not believe that the benefits of the law should be subject to this additional limitation.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1154, 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. 1154, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Fukunaga and Hagino.

SCRep. 1373 Ways and Means on H.B. No. 1697

The purpose of this bill is to levy a one-half per cent use tax surcharge on certain capital goods.

Your Committee finds that currently a leasing company can import capital goods from out-of-state and pay a one-half per cent use tax. If the leasing company purchases the same capital goods from a local dealer, in many instances, the total general excise tax on the goods is one per cent. The one per cent tax paid is a result of the distributor of the capital goods selling the goods to the dealer at wholesale and paying one-half per cent general excise tax for the wholesale sale. The dealer then sells to the leasing company, again at wholesale subject to the one-half per cent general excise tax. The leasing company has a disincentive to purchase from Hawaii dealers and the playing field is not level.

The one-half per cent use tax surcharge will make the playing field level by making the total tax paid on these transactions one per cent in all cases. The leasing company will not make purchase decisions based on the tax paid, but instead on the total purchase price. Hawaii dealers of capital goods will be able to compete on a level playing field with out-of-state sellers.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1697, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Fukunaga and Hagino.

SCRep. 1374 Ways and Means on H.B. No. 1888

The purpose of this bill is to establish special funds under the public utilities commission and the division of consumer advocacy to cover all expenses incurred by the commission and the consumer advocate.

This bill also delineates the funding sources of the respective special funds; allows public utilities to impose a surcharge; increases the public utility fees payable by motor carriers; appropriates \$500,000 to each fund; and requires the public utilities commission to open a docket to examine the telecommunications infrastructure in the State.

Your Committee has amended this bill by consolidating the public utilities commission special fund and the consumer advocacy special fund into a single special fund to be administered by the public utilities commission. Your Committee has provided that the moneys shall be disbursed by the public utilities commission out of the fund to pay for the expenses of the commission and the division only in accordance with appropriations passed by the legislature. Provisions have also been inserted for the lapsing of excess balances at the end of each fiscal biennium and for the reporting of all special fund transactions to the legislature prior to convening of each regular session.

Your Committee has further amended this bill by adding two new sections which call for the Hawaii information network corporation, in cooperation with the board of land and natural resources, to award two organizations, through the competitive bid process, the authority to install interisland fiber optic based telecommunications facilities on state lands and rights-of-way. Your Committee finds that this provision will promote competition in the area of interisland telecommunications.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1888, 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. 1888, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Fukunaga and Hagino.

SCRep. 1375 Ways and Means on H.B. No. 1828

The purpose of this bill is to authorize the convention center authority to develop a world-class convention center facility in or near Waikiki with a developer who has a financial plan in place.

Your Committee finds that the development of a world-class convention center facility is a necessary step toward maintaining Hawaii's status as a world-class visitor destination. The development of such a facility will not only secure the State's position in an increasingly competitive market for visitors worldwide, but it will also enable Hawaii's visitor industry to cater to and accommodate a whole new category of clientele.

Your Committee has amended this bill by deleting the provision that makes the development of the convention center site contingent upon the condition that a financial plan be in place, and by making minor technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1828, 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. 1828, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1376 Ways and Means on H.B. No. 1202

The purpose of this bill is to increase the transient accommodations tax (TAT) to six per cent in 1993, and seven per cent in 1994. In 1993, the additional revenues generated by this increase will be used to advertise, promote, and market tourism. In 1994, and thereafter, the additional revenues will be used primarily to retire any bond debt created by the construction of a convention center, and also to advertise, promote, and market tourism, and to provide Hawaii's students with tourism related job skills training.

Your Committee has amended the bill by deleting its substance and inserting the following provisions to amend the TAT law by:

- (1) Increasing the tax rate from five to six per cent; and
- (2) Amending the revenue distribution formula to require that for fiscal years beginning after 1993-1994 to an unspecified date, an additional one per cent of the revenues collected be retained for the purpose of constructing a convention center and deposited into the general fund.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1202, 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. 1202, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Fukunaga.

LCRep. 1377 Executive Appointments on Gov. Msg. No. 236

Recommending that the Senate advise and consent to the nomination of MULIUF F. HANNEMANN for Director of Business, Economic Development, and Tourism, term to expire December 5, 1994.

Signed by all members of the Committee.

SCRep. 1378 (Joint) Consumer Protection and Legislative Management on S.C.R. No. 53

The purpose of this concurrent resolution is to study the operation and practices of mutual benefit societies and other entities that provide health plans and health services.

Mutual benefit societies are allowed to assume a dual role, they provide health insurance to consumers and are allowed to operate clinics, offices and other facilities.

Your Committees understand that some members of the community feel that this dual role may give mutual benefit societies an unfair advantage by affording their clinics, offices and other facilities reimbursement on a favored basis. Accordingly, your Committees feel this Concurrent Resolution would provide a study which should reveal any inequities in the current operation and practices of mutual benefit societies and other health care entities.

Your Committees have amended this concurrent resolution for purposes of style and clarity.

Your Committees on Consumer Protection and Legislative Management concur with the intent and purpose of S.C.R. No. 53, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 53, S.D. 1.

Signed by all members of the Committees.

SCRep. 1379 Consumer Protection on S.C.R. No. 56

The purpose of this Concurrent Resolution is to request the Legislative Auditor to conduct a study to review whether crane operators should be regulated and whether cranes should be registered.

Crane operators are not required to be licensed. Your Committee heard testimony which indicated that there have been instances where a person has claimed to have the experience and capability to operate a crane and was later found to have misrepresented this fact. Cranes are currently operated throughout the islands and in many instances, in areas which are congested with pedestrians and motor vehicle traffic. There is a potential danger to the public and the workers at the construction site if a load is improperly lifted. Your Committee feels that there should be some type of mechanism to ensure that crane operators are properly trained.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Labor and Industrial Relations, the Hawaii Operating Engineers Industry Stabilization Fund, and the Laborers' International Union of North America, Local 368, AFL-CIO.

Your Committee on Consumer Protection concurs with the intent and purpose of S.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1380 Science, Technology and Economic Development on S.R. No. 74

The purpose of this Resolution is to request the formation of an Economic Conversion Task Force to address the potential shift in the economy from military-supported industries to diversified civilian industries, as a result of the recently announced plan for base closures and consolidations.

Your Committee finds that current national policy proposes the downsizing of the military in favor of converting our limited financial resources to diversify and improve our economy. Your Committee recognizes the impact upon our State's economy could be significant due to the loss of defense-related sources of revenue. Your Committee further finds it appropriate to begin planning for such a redirection of resources through local economic development programs to establish new industries and job opportunities.

Testimony in support of this Resolution was submitted by the Department of Business, Economic Development, and Tourism, the Matsunaga Institute for Peace, the League of Women Voters of Hawaii, and Honolulu City Councilman Gary Gill.

Your Committee has amended this Resolution by:

- (1) Increasing the size of the Task Force from fifteen to sixteen members;
- (2) Delineating the composition of the Task Force by providing a list of groups from which private members should be selected;
- (3) Reducing the time allowed for preparation of a report from twenty-four to eighteen months; and
- (4) Modifying the title and the first paragraph to more accurately reflect the current situation of the recently announced base closures and consolidations.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 74, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 74, S.D. 1.

Signed by all members of the Committee.

SCRep. 1381 Science, Technology and Economic Development on S.C.R. No. 93

The purpose of this Concurrent Resolution is to request the formation of an Economic Conversion Task Force to address the potential shift in the economy from military-supported industries to diversified civilian industries, as a result of the recently announced plan for base closures and consolidations.

Your Committee finds that current national policy proposes the downsizing of the military in favor of converting our limited financial resources to diversify and improve our economy. Your Committee recognizes the impact upon our State's economy could be significant due to the loss of defense-related sources of revenue. Your Committee further finds it appropriate to begin planning for such a redirection of resources through local economic development programs to establish new industries and job opportunities.

Testimony in support of this Concurrent Resolution was submitted by the Department of Business, Economic Development, and Tourism, the Matsunaga Institute for Peace, the League of Women Voters of Hawaii, and Honolulu City Councilman Gary Gill.

Your Committee has amended this Concurrent Resolution by:

- (1) Increasing the size of the Task Force from fifteen to sixteen members;
- (2) Delineating the composition of the Task Force by providing a list of groups from which private members should be selected;
- (3) Reducing the time allowed for preparation of a report from twenty-four to eighteen months; and
- (4) Modifying the title and the first paragraph to more accurately reflect the current situation of the recently announced base closures and consolidations.

Your Committee on Science, Technology and Economic Development 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. 1382 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 84

The purpose of this resolution is to request the University of Hawaii (UH) to report to the legislature on the implications of recognizing American Sign Language (ASL) as a language, offering ASL course for credit, accepting these courses to fulfill the undergraduate foreign language requirement at the UH Manoa campus, and offering coursework in deaf studies.

S.C.R. No. 162 and S.R. No. 136 proposed an identical study to be performed by another agency. Testimony received on those resolutions indicated strong support for this study by the Hawaii state coordinating council on deafness, the commission on persons with disabilities, deaf members of the public, deaf students, and ASL educators. The UH, however, through the provost of Kapiolani Community College, agreed that the UH was the more appropriate agency to handle the study, and is therefore taking responsibility for ensuring that these issues are properly addressed within the university.

Your Committee finds that the position of the deaf community on the importance of ASL and deaf studies is worthy of consideration and would be addressed by this study. Your Committee finds also that there is an increasing need for ASL interpreters in Hawaii under the Americans with Disabilities Act and in the mental health field, as there are currently no mental health professionals qualified to provide one-on-one services to deaf clients. Providing college-level credit for ASL studies would aid in filling these needs locally, rather than trying to recruit from the mainland.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 84 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1383 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 105

The purpose of this resolution is to request the University of Hawaii (UH) to report to the legislature on the implications of recognizing American Sign Language (ASL) as a language, offering ASL course for credit, accepting these courses to fulfill the undergraduate foreign language requirement at the UH Manoa campus, and offering coursework in deaf studies.

S.C.R. No. 162 and S.R. No. 136 proposed an identical study to be performed by another agency. Testimony received on those resolutions indicated strong support for this study by the Hawaii state coordinating council on deafness, the commission on persons with disabilities, deaf members of the public, deaf students, and ASL educators. The UH, however, through the provost of Kapiolani Community College, agreed that the UH was the more appropriate agency to handle the study, and is therefore taking responsibility for ensuring that these issues are properly addressed within the university.

Your Committee finds that the position of the deaf community on the importance of ASL and deaf studies is worthy of consideration and would be addressed by this study. Your Committee finds also that there is an increasing need for ASL interpreters in Hawaii under the Americans with Disabilities Act and in the mental health field, as there are currently no mental health professionals qualified to provide one-on-one services to deaf clients. Providing college-level credit for ASL studies would aid in filling these needs locally, rather than trying to recruit from the mainland.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 105 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1384 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 136

The purpose of this resolution is to request the legislative reference bureau to study issues relating to the institution of courses at the University of Hawaii on American sign language and deaf studies.

Your Committee has passed out a different measure requesting the same study to be done by the University of Hawaii (UH). Your Committee finds that UH is the more appropriate entity to handle this study, which essentially involves reporting on matters completely internal to the UH.

Your Committee has therefore amended this resolution substantially to request a joint study by the UH board of regents and the board of directors of the research corporation of the UH on their respective roles and relationship in the conduct of sponsored research and training projects. Apparently there is some overlap now between the two, which leads to duplication of services and cost and procedural inefficiencies. This study would aid in maximizing the benefits of these externally sponsored contracts and grants to the university and to the State.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 136, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 136, S.D. 1.

Signed by all members of the Committee.

SCRep. 1385 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 162

The purpose of this resolution is to request the legislative reference bureau to study issues relating to the institution of courses at the University of Hawaii on American sign language and deaf studies.

Your Committee has passed out a different measure requesting the same study to be done by the University of Hawaii (UH). Your Committee finds that UH is the more appropriate entity to handle this study, which essentially involves reporting on matters completely internal to the UH.

Your Committee has therefore amended this concurrent resolution substantially to request a joint study by the UH board of regents and the board of directors of the research corporation of the UH on their respective roles and relationship in the conduct of sponsored research and training projects. Apparently there is some overlap now between the two, which leads to duplication of services and cost and procedural inefficiencies. This study would aid in maximizing the benefits of these externally sponsored contracts and grants to the university and to the State.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 162, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 162, S.D. 1.

Signed by all members of the Committee.

SCRep. 1386 (Joint) Planning, Land and Water Use Management and Higher Education, Culture, Arts and Historic Preservation on S.R. No. 213

The purposes of this resolution are to:

- (1) Urge the recognition of Barbers Point Naval Air Station as the most practical and ideal location for the siting of the University of Hawaii - West Oahu; and
- (2) Request the legislative reference bureau to conduct a study on the feasibility of siting the University of Hawaii - West Oahu campus and the purchase of one thousand acres by the State of Hawaii at Barbers Point Naval Air Station.

Your Committees received testimony in support of this resolution from the University of Hawaii, the Estate of James Campbell, the representative from the 42nd representative district, and the councilmember from the 9th council district of the city and county of Honolulu.

According to the University of Hawaii, a "site selection study" for the West Oahu campus is presently being conducted by a private consulting firm. Very generally, the objectives of a "site selection study" are to identify potential project sites, compare and evaluate each site under consideration, and summarize and compile all determinations for selection of the project site by the user agency--in this particular case the University of Hawaii.

Your Committees believe that Barbers Point Naval Air Station is the most practical and ideal location for the siting of the University of Hawaii - West Oahu, and would like a study on the feasibility of siting the University of Hawaii - West Oahu campus and the purchase of one thousand acres by the State of Hawaii at Barbers Point Naval Air Station.

Your Committees have amended this resolution by:

- (1) Adding a provision requesting the legislative reference bureau to submit its findings and recommendations to the legislature not less than twenty days prior to the convening of the regular session of 1994; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committees on Planning, Land and Water Use Management and Higher Education, Culture, Arts and Historic Preservation concur with the intent and purposes of S.R. No. 213, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 213, S.D. 1.

Signed by all members of the Committees.

SCRep. 1387 (Joint) Planning, Land and Water Use Management and Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 248

The purposes of this concurrent resolution are to:

- (1) Urge the recognition of Barbers Point Naval Air Station as the most practical and ideal location for the siting of the University of Hawaii - West Oahu; and
- (2) Request the legislative reference bureau to conduct a study on the feasibility of siting the University of Hawaii - West Oahu campus and the purchase of one thousand acres by the State of Hawaii at Barbers Point Naval Air Station.

Your Committees received testimony in support of this concurrent resolution from the University of Hawaii, the Estate of James Campbell, the representative from the 42nd representative district, and the councilmember from the 9th council district of the city and county of Honolulu.

According to the University of Hawaii, a "site selection study" for the West Oahu campus is presently being conducted by a private consulting firm. Very generally, the objectives of a "site selection study" are to identify potential project sites, compare and evaluate each site under consideration, and summarize and compile all determinations for selection of the project site by the user agency--in this particular case the University of Hawaii.

Your Committees believe that Barbers Point Naval Air Station is the most practical and ideal location for the siting of the University of Hawaii - West Oahu, and would like a study on the feasibility of siting the University of Hawaii - West Oahu campus and the purchase of one thousand acres by the State of Hawaii at Barbers Point Naval Air Station.

Your Committees have amended this concurrent resolution by:

- (1) Adding a provision requesting the legislative reference bureau to submit its findings and recommendations to the legislature not less than twenty days prior to the convening of the regular session of 1994; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committees on Planning, Land and Water Use Management and Higher Education, Culture, Arts and Historic Preservation concur with the intent and purposes of S.C.R. No. 248, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as S.C.R. No. 248, S.D. 1.

Signed by all members of the Committees.

SCRep. 1388 Health on S.R. No. 108

The purpose of this Resolution is to urge President Clinton to provide funding for the Healthy Families America (HFA) initiative.

HFA has demonstrated that early home intervention helps families avoid problems such as abuse and neglect, poor child health, and lack of school readiness, and consequently reduces dependence on public assistance in future years. However, funding is not specifically earmarked for this initiative.

Your Committee finds that HFA, an offshoot of Hawaii's Healthy Start program, is effective and merits close consideration by the Clinton Administration and Congress.

Your Committee has amended this Resolution by making technical changes that have no substantive effect.

Your Committee on Health 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.

SCRep. 1389 Health on S.C.R. No. 133

The purpose of this Concurrent Resolution is to urge President Clinton to provide funding for the Healthy Families America (HFA) initiative.

HFA has demonstrated that early home intervention helps families avoid problems such as abuse and neglect, poor child health, and lack of school readiness, and consequently reduces dependence on public assistance in future years. However, funding is not specifically earmarked for this initiative.

Your Committee finds that HFA, an offshoot of Hawaii's Healthy Start program, is effective and merits close consideration by the Clinton Administration and Congress.

Your Committee has amended this Concurrent Resolution by making technical changes that have no substantive effect.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 133, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 133, S.D. 1.

Signed by all members of the Committee.

SCRep. 1390 Health on S.R. No. 211

The purpose of this Resolution is to request the Department of Health and business and community organizations to collaborate on development and implementation of model workplace smoking policies.

The Resolution further expresses support for voluntary efforts to promote clean air in the workplace.

Your Committee has long advocated smoking policies and has helped put them in place in government offices. County employees are further protected by ordinances. It is now time for the private sector to implement smoking policies in private workplaces in order to protect workers from deadly environmental tobacco smoke.

Your Committee has amended this Resolution, and its title, by deleting references to development of model smoking policies. In view of the fact that the American Cancer Society, the American Heart Association, and the American Lung Association have each developed model workplace smoking policies, your Committee is requesting the Department of Health, the Chamber of Commerce, and business and community organizations to focus on voluntary implementation. Enough time has already been spent in development, and there are plenty of good policies to choose from.

Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Health 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. 1391 Health on S.C.R. No. 242

The purpose of this Concurrent Resolution is to request the Department of Health and business and community organizations to collaborate on development and implementation of model workplace smoking policies.

The Concurrent Resolution further expresses support for voluntary efforts to promote clean air in the workplace.

Your Committee has long advocated smoking policies and has helped put them in place in government offices. County employees are further protected by ordinances. It is now time for the private sector to implement smoking policies in private workplaces in order to protect workers from deadly environmental tobacco smoke.

Your Committee has amended this Concurrent Resolution, and its title, by deleting references to development of model smoking policies. In view of the fact that the American Cancer Society, the American Heart Association, and the American Lung Association have each developed model workplace smoking policies, your Committee is requesting the Department of Health, the Chamber of Commerce, and business and community organizations to focus on voluntary implementation. Enough time has already been spent in development, and there are plenty of good policies to choose from.

Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

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. 1392 Health on S.C.R. No. 88

The purpose of this Concurrent Resolution is to request the Auditor to study and report on regulation of respiratory care services in Hawaii.

The Auditor will examine the need for and proposed effects of regulating the practice of respiratory therapy and whether doing so would be consistent with regulatory policy, and comment on the preferred method, taking into consideration the form of regulation proposed in H.B. No. 1519 introduced in the 1993 Regular Session.

Your Committee finds that respiratory care is a broad, highly skilled area of health care practice that utilizes sophisticated machinery and techniques and is performed wherever health care is provided in the community. Your Committee further finds that lack of uniform definitions, standards, and licensing related to respiratory care could

potentially place consumers at risk. A study is needed to determine whether some form of regulation is needed to protect the general public.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 88 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1393 Health on S.C.R. No. 125

The purpose of this Concurrent Resolution is to request the Family Support Action Committee, in cooperation with the State Planning Council on Developmental Disabilities, to submit to the Legislature an implementation plan to enhance and expand support services for families of persons with disabilities.

The implementation plan will include a description of the target group, identification of families who need but are currently ineligible for support services, creation of services, integration of families and persons with disabilities into community and school life, flexible funding sources and uses, and parental/consumer oversight and choice in programs and services. The Department of Health will help by developing recommendations regarding the implementation plan's administrative infrastructure.

Pursuant to H.C.R. No. 314 adopted by the Legislature in 1990, the Hawaii State Planning Council on Developmental Disabilities submitted a report regarding a plan to expand family support services to families of persons with disabilities. The Family Support Action Committee was subsequently created to address the plan.

Your Committee finds that while all families have inherent strengths, those that include a member with a disability or special needs face additional difficulties that sometimes require assistance. The implementation plan requested by this Concurrent Resolution will help ensure that these families are identified and receive the services they need.

Your Committee has amended this Concurrent Resolution by making some technical changes that have no substantive effect.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 125, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 125, S.D. 1.

Signed by all members of the Committee.

SCRep. 1394 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 117

The purpose of this resolution is to direct the Legislative Reference Bureau to conduct a study to determine the cost of operating an Historic Preservation Commission in each county of the State.

Your Committee acknowledges concern regarding the potential cost to the State of operating an Historic Preservation Commission in each county, and finds that this concurrent resolution will provide a thorough cost assessment prior to the enactment of any legislation.

Your Committee has amended this resolution to provide that the study include the cost of operating the Historic Preservation Commissions, as proposed or enacted by the various counties, rather than as proposed by S.B. No. 1398.

This amendment addresses the fact that an alternative to the proposal embodied in S.B. No. 1398, would be to allow the counties to place their commissions in a county entity stipulated by ordinance. In addition, the amendment recognizes the fact that both Maui and Kaua'i counties presently operate commissions under their respective planning departments.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord 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. 1395 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 142

The purpose of this concurrent resolution is to direct the Legislative Reference Bureau to conduct a study to determine the cost of operating an Historic Preservation Commission in each county of the State.

Your Committee acknowledges concern regarding the potential cost to the State of operating an Historic Preservation Commission in each county, and finds that this concurrent resolution will provide a thorough cost assessment prior to the enactment of any legislation.

Your Committee has amended this concurrent resolution to provide that the study include the cost of operating the Historic Preservation Commissions, as proposed or enacted by the various counties, rather than as proposed by S.B. No. 1398.

This amendment addresses the fact that an alternative to the proposal embodied in S.B. No. 1398, would be to allow the counties to place their commissions in a county entity stipulated by ordinance. In addition, the amendment recognizes the fact that both Maui and Kaua'i counties presently operate commissions under their respective planning departments.

Your Committee on Higher Education, Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.C.R. No. 142, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.C.R. No. 142, S.D. 1.

Signed by all members of the Committee.

SCRep. 1396 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 112

The purpose of this Resolution is to direct the Auditor to evaluate the State and counties' compliance with the provisions of Section 103-50 and 103-50.5, Hawaii Revised Statutes (HRS), relating to the construction of accessible public buildings.

Testimony in support of the measure was received from the Architectural Access Committee and the Commission on Persons with Disabilities.

Your Committee has amended the measure by adding provisions that direct the Auditor to:

- (1) Study the viability of including Section 103-50, HRS, standards in the county permit processes;
- (2) Research compliance procedures in other states; and
- (3) Recommend an appropriate enforcement agency and provide cost estimates for program funding.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 112, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 112, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Kobayashi, B., Levin, Tanaka and Tungpalan.

SCRep. 1397 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 137

The purpose of this Concurrent Resolution is to direct the Auditor to evaluate the State and counties' compliance with the provisions of Section 103-50 and 103-50.5, Hawaii Revised Statutes (HRS), relating to the construction of accessible public buildings.

Testimony in support of the measure was received from the Architectural Access Committee and the Commission on Persons with Disabilities.

Your Committee has amended the measure by adding provisions that direct the Auditor to:

- (1) Study the viability of including Section 103-50, HRS, standards in the county permit processes;
- (2) Research compliance procedures in other states; and
- (3) Recommend an appropriate enforcement agency and provide cost estimates for program funding.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 137, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.C.R. No. 137, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Kobayashi, B., Levin, Tanaka and Tungpalan.

SCRep. 1398 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 116

The purpose of this Resolution is to direct the Auditor to conduct a management audit of the Department of Hawaiian Home Lands (DHHL) every five years.

Testimony in support of the measure was received from a number of concerned citizens.

Your Committee has amended the measure by deleting the provisions that require the Auditor to audit the DHHL every five years and by deleting the reference to a controller position at the DHHL since one does not exist.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 116, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 116, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Kobayashi, B., Levin, Tanaka and Tungpalan.

SCRep. 1399 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 141

The purpose of this Concurrent Resolution is to direct the Auditor to conduct a management audit of the Department of Hawaiian Home Lands (DHHL) every five years.

Testimony in support of the measure was received from a number of concerned citizens.

Your Committee has amended the measure by deleting the provisions that require the Auditor to audit the DHHL every five years and by deleting the reference to a controller position at the DHHL since one does not exist.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 141, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.C.R. No. 141, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Kobayashi, B., Levin, Tanaka and Tungpalan.

SCRep. 1400 Health on S.R. No. 73

The purpose of this Resolution is to request the Department of Health to study and develop options for enhanced patient care at Kohala Hospital.

Areas of study include physician/patient rotation, adult day health services, an On Lok program, lease of the Hospital to a major health care system, free medical student tuitions in exchange for dedicated service, rotation of medical residents into the Hospital, establishment of relationships with University medical programs, and maximization of private funding. The Department would submit a report to the 1994 Legislature.

Your Committee finds that Kohala Hospital's clientele is mostly elderly patients and that future use will likely be primarily for long-term care. In anticipation of these needs, every effort should be made to enhance patient care.

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

- (1) Requested the Department to develop a five-year strategic plan for patient care at Kohala Hospital, and changed the title of this Resolution to reflect this request;
- (2) Requested the Department to include options for enhanced patient care in the 1993 hospital strategic plans;
- (3) Requested the Department to indicate which options are contingent upon additional funding or cannot be developed without new funding; and
- (4) Requested a report or draft summary of findings and recommendations for the 1994 Regular Session.

Your Committee on Health concurs with the intent and purpose of S.R. No. 73, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 73, S.D. 1.

Signed by all members of the Committee.

SCRep. 1401 Health on S.C.R. No. 92

The purpose of this Concurrent Resolution is to request the Department of Health to study and develop options for enhanced patient care at Kohala Hospital.

Areas of study include physician/patient rotation, adult day health services, an On Lok program, lease of the Hospital to a major health care system, free medical student tuitions in exchange for dedicated service, rotation of medical residents into the Hospital, establishment of relationships with University medical programs, and maximization of private funding. The Department would submit a report to the 1994 Legislature.

Your Committee finds that Kohala Hospital's clientele is mostly elderly patients and that future use will likely be primarily for long-term care. In anticipation of these needs, every effort should be made to enhance patient care.

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

- (1) Requested the Department to develop a five-year strategic plan for patient care at Kohala Hospital, and changed the title of this Concurrent Resolution to reflect this request;
- (2) Requested the Department to include options for enhanced patient care in the 1993 hospital strategic plans;
- (3) Requested the Department to indicate which options are contingent upon additional funding or cannot be developed without new funding; and
- (4) Requested a report or draft summary of findings and recommendations for the 1994 Regular Session.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 92, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 92, S.D. 1.

Signed by all members of the Committee.

SCRep. 1402 Health on S.R. No. 89

The purpose of this Resolution is to request the Governor to establish an ad hoc task force to discuss and explore concerns relating to non-ionizing electromagnetic radiation.

The task force would be comprised of representatives from the general public, business, labor, environmental groups, and various scientific and medical disciplines, and will submit a report to the 1994 Legislature.

At present there are no comprehensive or conclusive studies on the effects of electromagnetic radiation on humans.

Your Committee finds that an inquiry of the kind proposed by this Resolution is necessary to appropriately address public concerns relating to the potentially harmful effects of non-ionizing electromagnetic radiation.

Your Committee has amended this Resolution by replacing the proposed gubernatorial ad hoc task force with an ad hoc advisory task force organized by the Department of Health with broad participation from across the spectrum of the public and private sectors.

This larger, more inclusive group, in addition to generally reviewing public concerns, will also review Department of Health policies, specify areas of agreement and disagreement especially with regard to implementation of ameliorative measures, and allow for minority input in its report to the 1994 Legislature. Low frequency electromagnetic fields will be the focus of the study; radio and TV broadcast equipment and cellular telephones will not be studied.

Your Committee on Health 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 except Senator Grauly.

SCRep. 1403 Health on S.C.R. No. 152

The purpose of this Concurrent Resolution is to request the Governor to establish an ad hoc task force to discuss and explore concerns relating to non-ionizing electromagnetic radiation.

The task force would be comprised of representatives from the general public, business, labor, environmental groups, and various scientific and medical disciplines, and will submit a report to the 1994 Legislature.

At present there are no comprehensive or conclusive studies on the effects of electromagnetic radiation on humans.

Your Committee finds that an inquiry of the kind proposed by this Concurrent Resolution is necessary to appropriately address public concerns relating to the potentially harmful effects of non-ionizing electromagnetic radiation.

Your Committee has amended this Concurrent Resolution by replacing the proposed gubernatorial ad hoc task force with an ad hoc advisory task force organized by the Department of Health with broad participation from across the spectrum of the public and private sectors.

This larger, more inclusive group, in addition to generally reviewing public concerns, will also review Department of Health policies, specify areas of agreement and disagreement especially with regard to implementation of ameliorative measures, and allow for minority input in its report to the 1994 Legislature. Low frequency electromagnetic fields will be the focus of the study; radio and TV broadcast equipment and cellular telephones will not be studied.

Your Committee on Health 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.

SCRep. 1404 Education, Labor and Employment on S.R. No. 87

The purpose of this Resolution is to request the Department of Education to allow and provide for the transportation of Hawaiian language immersion program students between school districts on the same island.

Your Committee finds that the Hawaiian language immersion program is an appropriate mechanism for the promotion of Hawaiian language and culture to public school students who wish to participate. Your Committee further finds that the efficacy of the program is diminished by logistical problems involving the dispersion of Hawaiian language immersion program instructors and students at limited school sites within the school districts.

Your Committee has amended this Resolution by:

(1) Changing the title to read "REQUESTING THE DEPARTMENT OF EDUCATION TO ALLOW AND PROVIDE FOR TRANSPORTATION OF HAWAIIAN LANGUAGE IMMERSION PROGRAM STUDENTS BETWEEN SCHOOL DISTRICTS ON THE SAME ISLAND";

(2) Correcting the Act number referenced in the fourth WHEREAS clause; and

(3) Citing Senate Resolution No. 158, S.D.1, which was the companion to H.R. No. 295, H.D.1., in the fifth WHEREAS clause.

Your Committee on Education, Labor and Employment 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.

SCRep. 1405 Education, Labor and Employment on S.C.R. No. 110

The purpose of this Concurrent Resolution is to request the Department of Education to allow and provide for the transportation of Hawaiian language immersion program students between school districts on the same island.

Your Committee finds that the Hawaiian language immersion program is an appropriate mechanism for the promotion of Hawaiian language and culture to public school students who wish to participate. Your Committee further finds that the efficacy of the program is diminished by logistical problems involving the dispersion of Hawaiian language immersion program instructors and students at limited school sites within the school districts.

Your Committee has amended this Concurrent Resolution by:

(1) Changing the title to read "REQUESTING THE DEPARTMENT OF EDUCATION TO ALLOW AND PROVIDE FOR TRANSPORTATION OF HAWAIIAN LANGUAGE IMMERSION PROGRAM STUDENTS BETWEEN SCHOOL DISTRICTS ON THE SAME ISLAND";

(2) Correcting the Act number referenced in the fourth WHEREAS clause; and

(3) Citing Senate Resolution No. 158, S.D.1, which was the companion to H.R. No. 295, H.D.1., in the fifth WHEREAS clause.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of S.C.R. No. 110, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 110, S.D. 1.

Signed by all members of the Committee.

SCRep. 1406 Education, Labor and Employment on S.R. No. 203

The purpose of this Resolution is to request the U.S. Congress to extend the federal emergency unemployment benefits provided as a result of Hurricane Iniki.

Your Committee finds that the federal Disaster Unemployment Assistance program provided twenty-six weeks of unemployment benefits through the Federal Emergency Management Agency for persons who are not covered under the state unemployment compensation program. Your Committee further finds that the unemployment benefits under the state program have been extended for an additional twenty weeks, and therefore, benefits under the federal program should be extended as well.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of S.R. No. 203 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1407 Education, Labor and Employment on S.C.R. No. 233

The purpose of this Concurrent Resolution is to request the U.S. Congress to extend the federal emergency unemployment benefits provided as a result of Hurricane Iniki.

Your Committee finds that the federal Disaster Unemployment Assistance program provided twenty-six weeks of unemployment benefits through the Federal Emergency Management Agency for persons who are not covered under the state unemployment compensation program. Your Committee further finds that the unemployment benefits under the state program have been extended for an additional twenty weeks, and therefore, benefits under the federal program should be extended as well.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of S.C.R. No. 233 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1408 Education, Labor and Employment on S.C.R. No. 46

The purpose of this Concurrent Resolution is to request the Auditor to study the feasibility of allowing teachers with twenty-five years of service to retire at any age without loss of benefits.

Your Committee finds that the teaching profession requires a level of commitment from educators throughout their careers which is not often seen in other public employees. Your Committee further finds that this commitment and personal sacrifice often made by teachers puts them at higher risk of "burn-out" after a lengthy career in the public schools. Your Committee agrees that the option of early retirement for teachers should be assessed to determine if they should receive the same consideration for retirement after twenty-five years of services as is currently offered to certain other "high-risk" categories of public service.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of S.C.R. No. 46 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1409 Health on S.C.R. No. 58

The purpose of this Concurrent Resolution is to request the Department of Health to establish a formal plan and mechanism for reviewing and adjusting ambulance fees.

While billing and collection of fees for emergency ambulance services is a complex and sometimes frustrating process, it is incumbent on the Department to maximize revenues in order to offset a reasonable percentage of operating costs. Your Committee believes that this can be achieved by establishing and implementing a formal mechanism of regular fee reviews and adjustments.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 58 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1410 Health on S.R. No. 137

The purpose of this Resolution is to request the Legislative Reference Bureau to study and report on the efficacy of placing the policy, planning, and regulatory functions of the State's mental health service delivery system under a different form of governance.

These responsibilities are currently carried out by the Behavioral Health Administration of the Department of Health.

The Bureau would consider various options including formation of a public corporation or mental health authority and would consult closely with other state agencies. The Bureau's report, due twenty days prior to the 1994 Regular Session, would include recommendations for proposed legislation, executive action, or fund allocation necessary to support a new governance mechanism.

In a 1992 publication on problems besetting the community hospitals, the Auditor reported that state laws and policies have resulted in unrealistic budgets, cash flow problems, recurrent deficits, and poor financial management, and indicated that state personnel policies also hamper timely recruitment and hiring of appropriately trained personnel. To remedy these problems, the Auditor recommended formation of a community hospitals public corporation.

Your Committee believes that a change in governance of the mental health service delivery system may also be warranted and would like to have specific information regarding viable options.

In order to obtain this information in an efficient and timely manner, your Committee has amended this Resolution by deleting references to participation of other agencies and reports of those agencies to the Bureau. Your Committee believes that the Bureau alone is quite capable of satisfactorily completing the task.

As amended, the Bureau will study the means employed by other states to organize and operate their mental health systems, particularly states that operate with significant autonomy and effectiveness. The Bureau will also look at locales which received positive recommendations during the 1992 conference "Hawaii Public Law 99-660 Implementation Initiative" sponsored by the Department of Health Adult Mental Health Division. In so doing, your Committee is confident that the Bureau will be able to appropriately consider and suggest options for governance, administration, and funding, including formation of a public corporation or mental health authority.

Your Committee has further amended this Resolution by requesting a report to the Department of Health, as well as the Legislature, by August 1, 1993, and by making some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.R. No. 137, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 137, S.D. 1.

Signed by all members of the Committee.

SCRep. 1411 Health on S.C.R. No. 163

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to study and report on the efficacy of placing the policy, planning, and regulatory functions of the State's mental health service delivery system under a different form of governance.

These responsibilities are currently carried out by the Behavioral Health Administration of the Department of Health.

The Bureau would consider various options including formation of a public corporation or mental health authority and would consult closely with other state agencies. The Bureau's report, due twenty days prior to the 1994 Regular Session, would include recommendations for proposed legislation, executive action, or fund allocation necessary to support a new governance mechanism.

In a 1992 publication on problems besetting the community hospitals, the Auditor reported that state laws and policies have resulted in unrealistic budgets, cash flow problems, recurrent deficits, and poor financial management, and indicated that state personnel policies also hamper timely recruitment and hiring of appropriately trained personnel. To remedy these problems, the Auditor recommended formation of a community hospitals public corporation.

Your Committee believes that a change in governance of the mental health service delivery system may also be warranted and would like to have specific information regarding viable options.

In order to obtain this information in an efficient and timely manner, your Committee has amended this Concurrent Resolution by deleting references to participation of other agencies and reports of those agencies to the Bureau. Your Committee believes that the Bureau alone is quite capable of satisfactorily completing the task.

As amended, the Bureau will study the means employed by other states to organize and operate their mental health systems, particularly states that operate with significant autonomy and effectiveness. The Bureau will also look at locales which received positive recommendations during the 1992 conference "Hawaii Public Law 99-660 Implementation Initiative" sponsored by the Department of Health Adult Mental Health Division. In so doing, your Committee is confident that the Bureau will be able to appropriately consider and suggest options for governance, administration, and funding, including formation of a public corporation or mental health authority.

Your Committee has further amended this Concurrent Resolution by requesting a report to the Department of Health, as well as the Legislature, by August 1, 1993, and by making some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 163, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.C.R. No. 163, S.D. 1.

Signed by all members of the Committee.

SCRep. 1412 Tourism, Recreation and Transportation on S.C.R. No. 55

The purpose of this Concurrent Resolution is to support efforts to develop, expand, and renovate Keahole Airport as a mainland and international direct port of entry to the island of Hawaii.

Your Committee finds that Keahole Airport has the potential to accommodate aircraft engaged in long-range overseas domestic and international traffic. When the extension of the runway is completed, aircraft will be able to land and takeoff on non-stop flights between the island of Hawaii and the rest of the world. In addition, plans for improvements to the passenger terminal building indicate that facilities could be provided for customs and immigration inspection services within the proposed building.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 55 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1413 Tourism, Recreation and Transportation on S.C.R. No. 115

The purpose of this concurrent resolution is to direct an audit of the Hawaii Visitors Bureau.

Your Committee finds that the periodic evaluation of a major state contractor such as the Hawaii Visitors Bureau is necessary to ensure the efficient and effective allocation of public funds.

The Hawaii Visitors Bureau and the Department of Business, Economic Development, and Tourism testified that they would cooperate fully with the Auditor in this audit.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 115 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1414 Planning, Land and Water Use Management on S.R. No. 186

The purpose of this Resolution is to urge contractors to return deposits paid by Kauai residents who were placed on waiting lists to have their homes repaired or reconstructed.

Your Committee finds that there is a shortage of available construction workers to perform repairs or reconstruction of homes on Kauai and if contractors return a homeowner's deposit, the homeowner would have the ability to reprioritize their finances or find other available contractors.

Your Committee received testimony in support of this measure from the Mayor of Kauai, the Contractors Association of Kauai, the Kauai Business Council, and the Construction Industry Legislative Organization.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 186 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1415 Planning, Land and Water Use Management on S.C.R. No. 216

The purpose of this Concurrent Resolution is to urge contractors to return deposits paid by Kauai residents who were placed on waiting lists to have their homes repaired or reconstructed.

Your Committee finds that there is a shortage of available construction workers to perform repairs or reconstruction of homes on Kauai and if contractors return a homeowner's deposit, the homeowner would have the ability to reprioritize their finances or find other available contractors.

Your Committee received testimony in support of this measure from the Mayor of Kauai, the Contractors Association of Kauai, the Kauai Business Council, and the Construction Industry Legislative Organization.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 216 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1416 Planning, Land and Water Use Management on S.R. No. 19

The purpose of this Resolution is to support the preservation of native Hawaiian forests.

This Resolution requests the counties to provide real property tax incentives to promote protection and proliferation of native Hawaiian forests.

According to the Department of Land and Natural Resources, a real property tax classification for forest land does not currently exist, except for tree farms within the county of Hawaii. This has resulted in an economic incentive for deforestation of the land in order to take advantage of lower tax rates that exist for other uses of the land.

Your Committee finds that although more than 900,000 acres of land are protected within the State's Forest Reserve and Natural Area Reserves system, there are still over 610,000 acres of privately owned land within the conservation district that need similar protection and management. Your Committee believes that the provision of real property tax incentives will encourage landowners to take positive steps to protect and preserve native Hawaiian forests containing endangered wildlife and unique ecosystems.

Your Committee received testimony in support of the intent of this Resolution from the Department of Land and Natural Resources and the Hawaii County Council.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 19 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1417 Planning, Land and Water Use Management on S.C.R. No. 22

The purpose of this Concurrent Resolution is to support the preservation of native Hawaiian forests.

This Concurrent Resolution requests the counties to provide real property tax incentives to promote protection and proliferation of native Hawaiian forests.

According to the Department of Land and Natural Resources, a real property tax classification for forest land does not currently exist, except for tree farms within the county of Hawaii. This has resulted in an economic incentive for deforestation of the land in order to take advantage of lower tax rates that exist for other uses of the land.

Your Committee finds that although more than 900,000 acres of land are protected within the State's Forest Reserve and Natural Area Reserves system, there are still over 610,000 acres of privately owned land within the conservation district that need similar protection and management. Your Committee believes that the provision of real property tax incentives will encourage landowners to take positive steps to protect and preserve native Hawaiian forests containing endangered wildlife and unique ecosystems.

Your Committee received testimony in support of the intent of this Concurrent Resolution from the Department of Land and Natural Resources and the Hawaii County Council.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 22 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1418 Planning, Land and Water Use Management on S.C.R. No. 42

The purpose of this Concurrent Resolution is to authorize a sixty-five year lease of the Kapalama Development Complex.

Your Committee finds that this Concurrent Resolution would allow the Department of Transportation to proceed with the development of the former Kapalama Military Reservation in accordance with the Honolulu Waterfront Master Plan. Your Committee feels that providing a long-term lease of sixty-five years would allow the State to attract developers for this development tract.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Transportation.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 42 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1419 Planning, Land and Water Use Management on S.C.R. No. 194

The purpose of this Concurrent Resolution is to request the Speaker of the House of Representatives and the President of the Senate to appoint a joint interim committee to examine the issues relating to the protection of important agricultural lands within the State.

This Concurrent Resolution requires the interim committee to solicit community input on these issues through a series of public hearings on all major islands, and requests that the committee assess its work within the context of an evaluation of the State land use regulation and management system currently being conducted by the Office of State Planning pursuant to Act 300, Session Laws of Hawaii 1992.

The Land Evaluation and Site Assessment (LESA) Commission was established in 1983 to implement the state constitutional mandate to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands. The Commission published a report in 1986 that formulated a system to identify and classify agricultural lands of importance to the State, but legislation to modify existing land use laws to fulfill the constitutional mandate has yet to be enacted.

Your Committee finds that the establishment of an interim legislative committee to examine the issues and work out existing concerns will enable the development of proposed legislation for next session that is mutually acceptable to both houses of the Legislature.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 194 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1420 Health on S.C.R. No. 85

The purpose of this Concurrent Resolution is to request implementation of recommendations regarding services and programs for children with severe emotional handicaps and mental illnesses.

Specific tasks, such as identification and assessment, policy development, and establishment of working relationships, are assigned to the Child and Adolescent Mental Health Division and the Statewide Interdepartmental Cluster for Services to Children to be carried out within specific time frames. The Concurrent Resolution also stresses the importance of generating new funding sources.

Your Committee finds that Hawaii lags behind the rest of the country in providing for children with severe emotional handicaps and mental illnesses. The actions requested by this Concurrent Resolution will enable better, more responsive policies and service delivery in this crucial area of mental health.

Your Committee has amended this Concurrent Resolution by providing uniform task completion dates, and by clarifying the request to secure, rather than create, funding from new untapped sources.

Your Committee has also made some nonsubstantive technical changes for the purpose of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 85, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 85, S.D. 1.

Signed by all members of the Committee.

SCRep. 1421 Health on S.R. No. 95

The purpose of this Resolution is to express support for holding the 1998 International Conference on AIDS in Hawaii.

The World Health Organization estimates that by the year 2000 most new AIDS cases worldwide will come from Asia and the Pacific, and Hawaii, as a major gateway to Asia and the Pacific with responsive and progressive HIV/AIDS policies and services, would be an ideal host for the Conference.

Your Committee has amended this Resolution by providing that active promotion of Hawaii as the Conference host will only commence if the Department of Health, based on specific information about Conference requirements, determines that Hawaii will be able to meet the Conference's needs for facilities and resources.

Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Health 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. 1422 Health on S.C.R. No. 119

The purpose of this Concurrent Resolution is to express support for holding the 1998 International Conference on AIDS in Hawaii.

The World Health Organization estimates that by the year 2000 most new AIDS cases worldwide will come from Asia and the Pacific, and Hawaii, as a major gateway to Asia and the Pacific with responsive and progressive HIV/AIDS policies and services, would be an ideal host for the Conference.

Your Committee has amended this Concurrent Resolution by providing that active promotion of Hawaii as the Conference host will only commence if the Department of Health, based on specific information about Conference requirements, determines that Hawaii will be able to meet the Conference's needs for facilities and resources.

Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 119, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 119, S.D. 1.

Signed by all members of the Committee.

SCRep. 1423 Judiciary on S.C.R. No. 235

The purpose of this Concurrent Resolution is to invite the Chief Justice to present a State of the Judiciary address to the Legislature on the second Wednesday of every regular session.

Your Committee received testimony in support of the Concurrent Resolution from the Judiciary, and a Director and a member of the American Judicature Society.

Your Committee find that information from the Chief Justice as to the current status and projected plans of the Judiciary would assist the Legislature during each session to better understand and meet the Judiciary goals.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 235 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Ikeda and Koki.

SCRep. 1424 Education, Labor and Employment on S.R. No. 6

The purpose of this Resolution is to support the DELTA-HAWAII project proposal to be submitted to the National Telecommunications and Information Administration.

Your Committee finds that the DELTA-HAWAII project proposal seeks to obtain funds for network and switching equipment which will permit the existing Hawaii Interactive Television (HITS) and State Video Conference systems to be interconnected. Your Committee further finds that this interconnection will expand the network to include more local users and enable linkages with international users.

Testimony in support of this Resolution was submitted by the Department of Budget and Finance, Hawaii Information Network Corporation, Hawaii Public Broadcasting Authority, and DELTA-HAWAII.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of S.R. No. 6 and recommends its adoption.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 1425 Education, Labor and Employment on S.C.R. No. 9

The purpose of this Concurrent Resolution is to support the DELTA-HAWAII project proposal to be submitted to the National Telecommunications and Information Administration.

Your Committee finds that the DELTA-HAWAII project proposal seeks to obtain funds for network and switching equipment which will permit the existing Hawaii Interactive Television (HITS) and State Video Conference systems to be interconnected. Your Committee further finds that this interconnection will expand the network to include more local users and enable linkages with international users.

Testimony in support of this Concurrent Resolution was submitted by the Department of Budget and Finance, Hawaii Information Network Corporation, Hawaii Public Broadcasting Authority, and DELTA-HAWAII.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of S.C.R. No. 9 and recommends its adoption.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 1426 Education, Labor and Employment on S.R. No. 161

The purpose of this Resolution is to request the Department of Budget and Finance to examine the feasibility of consolidating similar employee benefit programs administered by three separate state entities.

Your Committee finds that the Employees' Retirement System, the Hawaii Public Employees Health Fund, and the Deferred Compensation Plan have overlapping constituencies, maintain similar records, and process similar actions on

separate data bases. Your Committee further finds that more effective and efficient administration as well as sharing staff expertise and developing technologies are among the potential benefits of consolidation.

Testimony in support of this Resolution was submitted by the Department of Budget and Finance and the Hawaii Public Employees' Health Fund.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of S.R. No. 161 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 1427 Education, Labor and Employment on S.C.R. No. 188

The purpose of this Concurrent Resolution is to request the Department of Budget and Finance to examine the feasibility of consolidating similar employee benefit programs administered by three separate state entities.

Your Committee finds that the Employees' Retirement System, the Hawaii Public Employees' Health Fund, and the Deferred Compensation Plan have overlapping constituencies, maintain similar records, and process similar actions on separate data bases. Your Committee further finds that more effective and efficient administration as well as sharing staff expertise and developing technologies are among the potential benefits of consolidation.

Testimony in support of this Concurrent Resolution was submitted by the Department of Budget and Finance and the Hawaii Public Employees' Health Fund.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of S.C.R. No. 188 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 1428 Planning, Land and Water Use Management on S.R. No. 156

The purpose of this Resolution is to request the City and County of Honolulu to allocate funds for a flood control project in Waihee Valley in windward Oahu.

Your Committee finds that the flooding in Waihee Valley over the past several decades has caused major damage and destruction to property and the environment, loss of life, and economic hardship to area residents. Your Committee believes that steps must be taken to protect this pristine watershed area and ensure the safety and welfare of the residents of Kahaluu.

However, your Committee determines that before requesting the allocation of county funds, it would be more prudent to determine the necessity of a flood control project in Waihee Valley and if a project is deemed necessary, for the City and County of Honolulu to develop an appropriate flood control plan. Accordingly, your Committee has amended the title and body of this Resolution to reflect this determination.

Your Committee on Planning, Land and Water Use Management 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. 1429 Planning, Land and Water Use Management on S.C.R. No. 183

The purpose of this Concurrent Resolution is to request the City and County of Honolulu to allocate funds for a flood control project in Waihee Valley in windward Oahu.

Your Committee finds that the flooding in Waihee Valley over the past several decades has caused major damage and destruction to property and the environment, loss of life, and economic hardship to area residents. Your Committee believes that steps must be taken to protect this pristine watershed area and ensure the safety and welfare of the residents of Kahaluu.

However, your Committee determines that before requesting the allocation of county funds, it would be more prudent to determine the necessity of a flood control project in Waihee Valley and if a project is deemed necessary, for the City and County of Honolulu to develop an appropriate flood control plan. Accordingly, your Committee has amended the title and body of this Concurrent Resolution to reflect this determination.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 183, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 183, S.D. 1.

Signed by all members of the Committee.

SCRep. 1430 Planning, Land and Water Use Management on S.R. No. 50

The purpose of this Resolution is to request Hawaii's congressional delegation to urge the General Services Administration to transfer the land and buildings of the Coast Guard Loran Station to the Department of Land and Natural Resources.

The site in question was acquired by the federal government from the Kamehameha Schools/Bishop Estate in 1970 and was decommissioned earlier this year. Your Committee finds that the Estate is interested in having this property returned, since it is no longer being used for the purpose originally intended under the condemnation, and has already written to the Coast Guard expressing its interest in the property.

Therefore, your Committee has amended this Resolution by deleting language related to federal procedures for disposition of the site and recommendations for its future use, and replaced it with language urging the General Services Administration to return the site to the Kamehameha Schools/Bishop Estate on mutually agreeable terms. Your Committee has further amended this measure by providing that if an agreement cannot be reached by the parties, that the State shall be afforded the first opportunity to obtain the parcel. Finally, several technical, nonsubstantive amendments have been made for purposes of clarity and style.

If the Coast Guard Loran Station is returned to the Kamehameha Schools/Bishop Estate, your Committee requests that the Estate confer with the community to determine the use of the site.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 50, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 50, S.D. 1.

Signed by all members of the Committee.

SCRep. 1431 Planning, Land and Water Use Management on S.C.R. No. 63

The purpose of this Concurrent Resolution is to request Hawaii's congressional delegation to urge the General Services Administration to transfer the land and buildings of the Coast Guard Loran Station to the Department of Land and Natural Resources.

The site in question was acquired by the federal government from the Kamehameha Schools/Bishop Estate in 1970 and was decommissioned earlier this year. Your Committee finds that the Estate is interested in having this property returned, since it is no longer being used for the purpose originally intended under the condemnation, and has already written to the Coast Guard expressing its interest in the property.

Therefore, your Committee has amended this Concurrent Resolution by deleting language related to federal procedures for disposition of the site and recommendations for its future use, and replaced it with language urging the General Services Administration to return the site to the Kamehameha Schools/Bishop Estate on mutually agreeable terms. Your Committee has further amended this measure by providing that if an agreement cannot be reached by the parties, that the State shall be afforded the first opportunity to obtain the parcel. Finally, several technical, nonsubstantive amendments have been made for purposes of clarity and style.

If the Coast Guard Loran Station is returned to the Kamehameha Schools/Bishop Estate, your Committee requests that the Estate confer with the community to determine the use of the site.

Your Committee on Planning, Land and Water Use Management 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. 1432 Planning, Land and Water Use Management on S.R. No. 102

The purpose of this Resolution is to establish a marine life conservation district (MLCD) in leeward Oahu.

The Department of Land and Natural Resources and the Department of Transportation supported the intent of this Resolution. Testimony in opposition was submitted by Save Our Surf and several private citizens.

After due consideration, your Committee has amended this Resolution by deleting its contents and replacing it with language requesting the City and County of Honolulu to consider condemnation proceedings to acquire the land and improvements at the Chiyoda Pacific golf course site in Makakilo, Oahu.

Your Committee finds that the undeveloped portion of the golf course site is causing serious health, safety, and environmental problems, and that the condemnation of this property will greatly benefit area residents.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 102, S.D. 1.

Signed by all members of the Committee.

SCRep. 1433 Planning, Land and Water Use Management on S.C.R. No. 113

The purpose of this Concurrent Resolution is to establish a marine life conservation district (MLCD) in leeward Oahu.

The Department of Land and Natural Resources and the Department of Transportation supported the intent of this Concurrent Resolution. Testimony in opposition was submitted by Save Our Surf and several private citizens.

After due consideration, your Committee has amended this Concurrent Resolution by deleting its contents and replacing it with language requesting the City and County of Honolulu to consider condemnation proceedings to acquire the land and improvements at the Chiyoda Pacific golf course site in Makakilo, Oahu.

Your Committee finds that the undeveloped portion of the golf course site is causing serious health, safety, and environmental problems, and that the condemnation of this property will greatly benefit area residents.

Your Committee on Planning, Land and Water Use Management 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. 1434 Judiciary on S.C.R. No. 169

The purpose of this Concurrent Resolution is to urge a study of the statutes governing penal responsibility and fitness to proceed.

Your Committee received testimony relative to this Concurrent Resolution from the Department of Public Safety, the Department of Health, the Honolulu City Prosecutor and the Mental Health Association.

Your Committee finds that recent decisions of the United States Supreme Court necessitate a review of the penal responsibility statutes and the desirability of adopting measures to provide for a jury verdict of "guilty but mentally ill".

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 169 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Koki and Reed.

LCRep. 1435 Executive Appointments on Gov. Msg. No. 235

Recommending that the Senate advise and consent to the nomination of ROBERT P. TAKUSHI for Comptroller, term to expire December 5, 1994.

Signed by all members of the Committee except Senator George.

LCRep. 1436 Executive Appointments on Gov. Msg. Nos. 279, 280, 281, 282, 283, and 307

Recommending that the Senate advise and consent to the nominations of the following:

THERESA NANI FERNANDEZ to the Advisory Council for Children and Youth, term to expire June 30, 1996 (Gov. Msg. No. 279);

DIANA M. BUCKLEY, PATRICIA M. COOK, MARTIN C. EBY, VAL T. IWASHITA, Ed.D., SAT JOT KHALSA and COLETTE M. MIYAMOTO-KAJIWARA to the Advisory Council for Children and Youth, terms to expire June 30, 1997 (Gov. Msg. No. 279);

VINCENT S. AOKI, M.D., to the Drug Product Selection Board, term to expire June 30, 1996 (Gov. Msg. No. 280);

JAMES T. MIYAHARA, Ph.D., and JULIE KUBO to the Drug Product Selection Board, terms to expire June 30, 1997 (Gov. Msg. No. 280);

KENGO TAKATA to the Education Commission of the States, term to expire June 30, 1997 (Gov. Msg. No. 281);

RON HARRIS-WHITE and AMY J. TOYOMURA TSUJIOKA to the Hawaii Education Council, terms to expire June 30, 1997 (Gov. Msg. No. 282);

SANDRA H. EBESU to the Hawaii Labor Relations Board, term to expire June 30, 1999 (Gov. Msg. No. 283);

CLYDE T. KODANI to the Board of Regents, University of Hawaii, term to expire June 30, 1996 (Gov. Msg. No. 307); and

MOMI CAZIMERO and LILY K. YAO to the to the Board of Regents, University of Hawaii, terms to expire June 30, 1997 (Gov. Msg. No. 307).

Signed by all members of the Committee.

SCRep. 1437 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 4

The purpose of this Resolution is to request the President and the Congress of the United States to take immediate steps to resolve matters relating to Hawaiian lands and federal trust obligations.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands, the Office of State Planning, the Office of Hawaiian Affairs, the Hawaiian Civic Political Action Committee, and the Hawaii Chapter of the National Rainbow Coalition.

Your Committee has amended the measure by making numerous stylistic amendments to strengthen the intent and resolve of the measure.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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 except Senators Fernandes Salling and Tungpalan.

SCRep. 1438 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 5

The purpose of this Concurrent Resolution is to request the President and the Congress of the United States to take immediate steps to resolve matters relating to Hawaiian lands and federal trust obligations.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands, the Office of State Planning, the Office of Hawaiian Affairs, the Hawaiian Civic Political Action Committee, and the Hawaii Chapter of the National Rainbow Coalition.

Your Committee has amended the measure by making numerous stylistic amendments to strengthen the intent and resolve of the measure.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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 except Senators Fernandes Salling and Tungpalan.

SCRep. 1439 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 7

The purpose of this Resolution is to urge gender balance in appointments to boards and commissions of the State.

Testimony in support of the measure was received from the Office of the Governor and the Hawaii Green Party.

Your Committee finds that women comprise approximately fifty-one percent of the State's population, yet their representation on State boards and commissions are not indicative of this statistic. This measure will provide legislative support for the furtherance of gender equality in the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 7 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1440 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 10

The purpose of this Concurrent Resolution is to urge gender balance in appointments to boards and commissions of the State.

Testimony in support of the measure was received from the Office of the Governor and the Hawaii Green Party.

Your Committee finds that women comprise approximately fifty-one percent of the State's population, yet their representation on State boards and commissions are not indicative of this statistic. This measure will provide legislative support for the furtherance of gender equality in the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 10 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1441 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 10

The purpose of this Resolution is to request the City and County of Honolulu and the Counties of Hawaii, Maui, and Kauai to undertake all actions necessary to support the conversion to water-conserving devices.

Testimony in support of the measure was received from the Board of Water Supply.

Your Committee has amended the measure to allow the counties the opportunity to develop financial incentives for utilizing water-conserving devices.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 10, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 10, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1442 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 13

The purpose of this Concurrent Resolution is to request the City and county of Honolulu and the Counties of Hawaii, Maui, and Kauai to undertake all actions necessary to support the conversion to water-conserving devices.

Testimony in support of the measure was received from the Board of Water Supply.

Your Committee has amended the measure to allow the counties the opportunity to develop financial incentives for utilizing water-conserving devices.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 13, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 13, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1443 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 18

The purpose of this Resolution is to support efforts to achieve sovereignty for native Hawaiians through federal initiatives.

Testimony in support of the measure was received from the Office of State Planning, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and the Hawaiian Civic Political Action Committee.

Your Committee finds that although the State has acknowledged its past wrongdoings and has accepted its trust obligations with regard to native Hawaiians, the federal government has not. This measure would express the Legislature's support for rectifying this injustice.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 18 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1444 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 21

The purpose of this Concurrent Resolution is to support efforts to achieve sovereignty for native Hawaiians through federal initiatives.

Testimony in support of the measure was received from the Office of State Planning, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and the Hawaiian Civic Political Action Committee.

Your Committee finds that although the State has acknowledged its past wrongdoings and has accepted its trust obligations with regard to native Hawaiians, the federal government has not. This measure would express the Legislature's support for rectifying this injustice.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 21 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1445 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 39

The purpose of this Resolution is to express support for Hawaiians and part Hawaiians entering the field of teaching.

Testimony in support of the measure was received from the Department of Education, the University of Hawaii, and the Office of Hawaiian Affairs.

Your Committee has amended the measure by making a technical amendment.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 39, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 39, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1446 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 47

The purpose of this Concurrent Resolution is to express support for Hawaiians and part Hawaiians entering the field of teaching.

Testimony in support of the measure was received from the Department of Education, the University of Hawaii, and the Office of Hawaiian Affairs.

Your Committee has amended the measure by making a technical amendment.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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 Senators Fernandes Salling and Tungpalan.

SCRep. 1447 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 48

The purpose of this Resolution is to discourage the feeding of pestiferous birds.

Testimony in support of the measure was received from the Department of Health, the Pestiferous Bird Committee, and the Waikiki Improvement Association.

Your Committee finds that the measure would help curb the proliferation of pestiferous birds.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 48 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1448 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 60

The purpose of this Concurrent Resolution is to discourage the feeding of pestiferous birds.

Testimony in support of the measure was received from the Department of Health, the Pestiferous Bird Committee, and the Waikiki Improvement Association.

Your Committee finds that the measure would help curb the proliferation of pestiferous birds.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 60 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1449 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 93

The purpose of this Resolution is to request the use of energy-efficient lighting in State building lighting fixtures.

Your Committee finds that the concept of utilizing energy-efficient lighting fixtures in State buildings has merit. In 1992, the Department of Business, Economic Development, and Tourism, was designated as the lead agency to coordinate the Environmental Protection Agency's Green Lights Program in Hawaii. The Green Lights Program and this measure have substantially similar objectives.

In light of this, your Committee has amended the measure by requesting that all State agencies cooperate with the Department of Business, Economic Development, and Tourism's Green Lights Program.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 93, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 93, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1450 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 117

The purpose of this Concurrent Resolution is to request the use of energy-efficient lighting in State building lighting fixtures.

Your Committee finds that the concept of utilizing energy-efficient lighting fixtures in State buildings has merit. In 1992, the Department of Business, Economic Development, and Tourism, was designated as the lead agency to coordinate the Environmental Protection Agency's Green Lights Program in Hawaii. The Green Lights Program and this measure have substantially similar objectives.

In light of this, your Committee has amended the measure by requesting that all State agencies cooperate with the Department of Business, Economic Development, and Tourism's Green Lights Program.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 117, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1451 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 118

The purpose of this Resolution is to support the the restoration of human, civil, property, and sovereign rights of Hawaii's indigenous people.

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

Your Committee has amended the measure by adding the Secretary of the Interior to the transmittal clause.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs 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 except Senators Fernandes Salling and Tungpalan.

SCRep. 1452 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 143

The purpose of this Concurrent Resolution is to support the the restoration of human, civil, property, and sovereign rights of Hawaii's indigenous people.

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

Your Committee has amended the measure by adding the Secretary of the Interior to the transmittal clause.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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 Senators Fernandes Salling and Tungpalan.

SCRep. 1453 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 141

The purpose of this Resolution is to urge the United States Congress to reauthorize and strengthen the Endangered Species Act.

Testimony in support of the measure was received from the National Audubon Society, the Hawaii Green Party, Life of the Land, the Hawaii Chapter of the National Rainbow Coalition, and numerous other concerned individuals.

Your Committee has amended the measure by replacing the word "strengthen" with the word "enhance" wherever it appears in the measure.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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 except Senators Fernandes Salling and Tungpalan.

SCRep. 1454 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 167

The purpose of this Concurrent Resolution is to urge the United States Congress to reauthorize and strengthen the Endangered Species Act.

Testimony in support of the measure was received from the National Audubon Society, the Hawaii Green Party, Life of the Land, the Hawaii Chapter of the National Rainbow Coalition, and numerous other concerned individuals.

Your Committee has amended the measure by replacing the word "strengthen" with the word "enhance" wherever it appears in the measure.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 167, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 167, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1455 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 176

The purpose of this Resolution is to urge the Philippine Consulate to expedite property verification for Filipino veterans.

Your Committee finds that the United States Congress enacted legislation authorizing the naturalization of all aliens serving in the United States military during World War II. Many Filipino freedom fighters have been waiting a long time for the naturalization process to transpire since the passage of this legislation. Naturalization would allow them to receive social security benefits, if they can prove they own no property in the Philippines.

Your Committee has amended the measure by changing the title and the text of the measure to reflect that responsibility for expediting the naturalization process lies with the United States State Department, and has amended the transmittal clause to include the State Department, the United States Ambassador to the Philippines, and Hawaii's congressional delegation.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 176, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 176, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1456 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 206

The purpose of this Concurrent Resolution is to urge the Philippine Consulate to expedite property verification for Filipino veterans.

Your Committee finds that the United States Congress enacted legislation authorizing the naturalization of all aliens serving in the United States military during World War II. Many Filipino freedom fighters have been waiting a long time for the naturalization process to transpire since the passage of this legislation. Naturalization would allow them to receive social security benefits, if they can prove they own no property in the Philippines.

Your Committee has amended the measure by changing the title and the text of the measure to reflect that responsibility for expediting the naturalization process lies with the United States State Department, and has amended the transmittal clause to include the State Department, the United States Ambassador to the Philippines, and Hawaii's congressional delegation.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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 except Senators Fernandes Salling and Tungpalan.

SCRep. 1457 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 184

The purpose of this Resolution is to urge the Department of Land and Natural Resources to ban the mass outdoor releases of helium-filled, latex and mylar balloons.

Testimony in support of the measure was received from the Department of Land and Natural Resources.

Your Committee has amended the measure by creating a task force that will investigate the environmental impacts of mass balloon releases.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 184, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 184, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1458 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 214

The purpose of this Concurrent Resolution is to urge the Department of Land and Natural Resources to ban the mass outdoor releases of helium-filled, latex and mylar balloons.

Testimony in support of the measure was received from the Department of Land and Natural Resources.

Your Committee has amended the measure by creating a task force that will investigate the environmental impacts of mass balloon releases.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 214, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 214, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Tungpalan.

SCRep. 1459 (Joint) Science, Technology and Economic Development and Planning, Land and Water Use Management on S.R. No. 128

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism to study the feasibility of establishing a Rural Development Corporation.

Your Committees find that the community-wide impacts from the recent closure of Hamakua Sugar is an unfortunate example of the lack of economic development efforts focussed specifically on rural areas within our State. Your Committees further find that immediate attention must be given to our rural areas in order to alleviate and prevent these type of devastating losses in our rural communities.

Testimony in support of the intent of this Resolution was submitted by the Department which noted that funds were not available in the Department's budget to conduct the study.

Upon further consideration of the testimony, your Committees have amended this Resolution by:

(1) Changing the title to read, "REQUESTING A STUDY ON THE FEASIBILITY OF ESTABLISHING A RURAL DEVELOPMENT CORPORATION";

(2) Requesting that the study be conducted by the Office of State Planning with the assistance of the Department of Business, Economic Development, and Tourism, and the Hawaii Community Development Authority; and

(3) Requesting that the study determine the feasibility and need for a rural development corporation, and whether the Hawaii Community Development Authority has the present statutory authority to act as such or if a new agency should be established by statute or executive order of the Governor.

Your Committees on Science, Technology and Economic Development and Planning, Land and Water Use Management concur with the intent and purpose of S.R. No. 128, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 128, S.D. 1.

Signed by all members of the Committees.

SCRep. 1460 (Joint) Science, Technology and Economic Development and Planning, Land and Water Use Management on S.C.R. No. 155

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism to study the feasibility of establishing a Rural Development Corporation.

Your Committees find that the community-wide impacts from the recent closure of Hamakua Sugar is an unfortunate example of the lack of economic development efforts focussed specifically on rural areas within our State. Your Committees further find that immediate attention must be given to our rural areas in order to alleviate and prevent these type of devastating losses in our rural communities.

Testimony in support of the intent of this Concurrent Resolution was submitted by the Department which noted that funds were not available in the Department's budget to conduct the study.

Upon further consideration of the testimony, your Committees have amended this Concurrent Resolution by:

(1) Changing the title to read, "REQUESTING A STUDY ON THE FEASIBILITY OF ESTABLISHING A RURAL DEVELOPMENT CORPORATION";

(2) Requesting that the study be conducted by the Office of State Planning with the assistance of the Department of Business, Economic Development, and Tourism, and the Hawaii Community Development Authority; and

(3) Requesting that the study determine the feasibility and need for a rural development corporation, and whether the Hawaii Community Development Authority has the present statutory authority to act as such or if a new agency should be established by statute or executive order of the Governor.

Your Committees on Science, Technology and Economic Development and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 155, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 155, S.D. 1.

Signed by all members of the Committees.

SCRep. 1461 Science, Technology and Economic Development on S.R. No. 85

The purpose of this Resolution is to support efforts in Hawaii to utilize and export alternative, sustainable energy systems, products, and technologies.

Your Committee finds that Hawaii's dependence upon imported oil is a primary basis for continuing research and development of alternative sustainable energy technologies. Your Committee further finds that the University of Hawaii's Pacific Business Center is working to develop cost-effective renewable energy resources for commercial use in Hawaii and to export these technologies to our Pacific Island neighbors.

Testimony in support of this Resolution was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 85 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1462 Science, Technology and Economic Development on S.C.R. No. 107

The purpose of this Concurrent Resolution is to support efforts in Hawaii to utilize and export alternative, sustainable energy systems, products, and technologies.

Your Committee finds that Hawaii's dependence upon imported oil is a primary basis for continuing research and development of alternative sustainable energy technologies. Your Committee further finds that the University of Hawaii's Pacific Business Center is working to develop cost-effective renewable energy resources for commercial use in Hawaii and to export these technologies to our Pacific Island neighbors.

Testimony in support of this Concurrent Resolution was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 107 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1463 Science, Technology and Economic Development on S.R. No. 215

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism to develop an action plan to assist Hawaii's film industry.

Your Committee finds that the film industry provides job opportunities and supports a wide range of local businesses in Hawaii. Your Committee further finds that the Department of Business, Economic Development, and Tourism has been developing a long-range plan for Hawaii's film industry, but implementation of the plan has been postponed due to lack of funding.

Testimony in support of this Resolution was submitted by the Department of Business, Economic Development, and Tourism, Movie Production Trucks Inc., and the Film and Video Association of Hawaii.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 215 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1464 Science, Technology and Economic Development on S.C.R. No. 245

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism to develop an action plan to assist Hawaii's film industry.

Your Committee finds that the film industry provides job opportunities and supports a wide range of local businesses in Hawaii. Your Committee further finds that the Department of Business, Economic Development, and Tourism has been developing a long-range plan for Hawaii's film industry, but implementation of the plan has been postponed due to lack of funding.

Testimony in support of this Concurrent Resolution was submitted by the Department of Business, Economic Development, and Tourism, Movie Production Trucks Inc., and the Film and Video Association of Hawaii.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 245 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1465 Tourism, Recreation and Transportation on S.R. No. 98

The purpose of this Resolution is to urge the Department of Land and Natural Resources to make every effort to comply with the consultant's recommendation to acquire lands on the Ka'u side and the Mauka sides of the Keolonahihi State Historic Park complex.

Your Committee recognizes the need to maintain the cultural and historical setting of the chiefly compound at Holualoa by creating a buffer from modern development, and believes that every effort should be made to preserve the historic Hawaiian site before development encroaches upon the area, making public acquisition prohibitively expensive and destroying the integrity of the site.

Your Committee received testimony in support of this Resolution from the Friends of Keolonahihi, Hawaiian Researchers Ohana, and Heidi Meeker. Although the Department of Land and Natural Resources supports the intent of this Resolution, it is unable to lend its support due to the anticipated shortfall of revenue to the State.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 98 and recommends that it be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 1466 Tourism, Recreation and Transportation on S.C.R. No. 122

The purpose of this Concurrent Resolution is to urge the Department of Land and Natural Resources to make every effort to comply with the consultant's recommendation to acquire lands on the Ka'u side and the Mauka sides of the Keolonahihi State Historic Park complex.

Your Committee recognizes the need to maintain the cultural and historical setting of the chiefly compound at Holualoa by creating a buffer from modern development, and believes that every effort should be made to preserve the historic Hawaiian site before development encroaches upon the area, making public acquisition prohibitively expensive and destroying the integrity of the site.

Your Committee received testimony in support of this Concurrent Resolution from the Friends of Keolonahihi, Hawaiian Researchers Ohana, and Heidi Meeker. Although the Department of Land and Natural Resources supports the intent of this Concurrent Resolution, it is unable to lend its support due to the anticipated shortfall of revenue to the State.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 122 and recommends that it be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 1467 Judiciary on S.R. No. 138

The purpose of this measure is to request the Supreme Court of Hawaii to improve the procedures and rules relating to all aspects of depositions to ensure the integrity, accuracy, and timely production of deposition transcripts.

Your Committee finds that the importance of depositions to the outcome of a case cannot be overemphasized and that the accuracy and timely production of depositions are essential to the concept of fairness and justice in our court system.

Your Committee finds that this measure is necessary to improve on the procedures involved in taking, transcribing, reporting, monitoring, and using of depositions.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 138 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda and Iwase.

SCRep. 1468 Judiciary on S.C.R. No. 28

The purpose of this Concurrent Resolution is to request the Lieutenant Governor to determine the reasons for the relative low number of qualified voters who actually cast ballots.

Your Committee received testimony relative to the Concurrent Resolution from the Lieutenant Governor.

Your Committee finds that a key characteristic of a free democratic society is that its residents can cast a ballot for those who will govern them.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 28 and recommends that it be adopted.

Signed by all members of the Committee except Senators Ikeda and Iwase.

SCRep. 1469 Judiciary on S.C.R. No. 32

The purpose of this Concurrent Resolution is to request the Child Support Enforcement Agency to respond to previous management and financial audits.

Your Committee received testimony in support of the Concurrent Resolution from the Attorney General.

Your Committee finds a weakness in the financial management of the Child Support Enforcement Agency that attacks the basic integrity of that governmental function. Your Committee sees an immediate need to correct deficiencies in the agency's collection and disbursement of financial support to children in need.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 32 and recommends that it be adopted.

Signed by all members of the Committee except Senators Ikeda and Iwase.

SCRep. 1470 Judiciary on S.C.R. No. 87

The purpose of this Concurrent Resolution is to encourage participation in the election process by a program of same day voter registration.

Your Committee received testimony relative to the Concurrent Resolution from the Lieutenant Governor, the Hawaii Rainbow Coalition and an interested citizen.

Your Committee finds that other states successfully provide same day voter registration and in some instances, twenty per cent of the votes cast were by same day registrants. Your Committee sees a need for a study to determine the impact of these programs in Hawaii.

Your Committee has amended the Concurrent Resolution to make technical changes for the purpose of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.C.R. No. 87, as amended herein, and recommends that it be adopted in the form attached hereto as S.C.R. No. 87, S.D. 1.

Signed by all members of the Committee except Senators Ikeda and Iwase.

SCRep. 1471 Judiciary on S.C.R. No. 114

The purpose of this Concurrent Resolution is to request the Judiciary to conduct a study on the feasibility of establishing a night court in Waikiki which would operate with extended courtroom hours and deal with the speedy disposition of prostitution-related cases.

Your Committee received testimony supporting this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Waikiki Improvement Association, the Hilton Hotels

Corporation, Crazy Shirts Hawaii and ABC Stores. Testimony opposing this measure was submitted by the Judiciary. The Judiciary was concerned that the study required personnel and resources which it did not have.

Your Committee finds that the presence of prostitutes in Waikiki has a detrimental effect on the ability of Waikiki to attract tourists and adversely affects Hawaii's economy. The backlog of cases in the courts is a contributing factor to the abundance of prostitutes on the streets. Your Committee finds that the implementation of a night court might be a viable solution to both problems.

However, your Committee acknowledges that the Judiciary expressed legitimate concerns, and has therefore amended the measure to ask the Honolulu Police Department to conduct the feasibility study on the possibility of a night court which might or might not be physically located in Waikiki.

Your Committee on Judiciary 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. 114, S.D. 1.

Signed by all members of the Committee except Senators Ikeda and Iwase.

SCRep. 1472 Judiciary on S.C.R. No. 121

The purpose of this Concurrent Resolution is to request that the Judiciary establish limits on the length of time which an appellate court can take to issue opinions.

Your Committee received testimony relative to the Concurrent Resolution from the Judiciary and the Hawaii State Bar Association Legislation Committee.

Your Committee finds that case law is especially crucial in the administration of justice and that lengthy delays in the issuance of appellate decisions cause undue hardship to the case litigants as well as others whose case may rest on a pending appellate court decision.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 121 and recommends that it be adopted.

Signed by all members of the Committee except Senators Ikeda and Iwase.

SCRep. 1473 Judiciary on S.C.R. No. 132

The purpose of this Concurrent Resolution is to promote the establishment of an immigration and customs office at Keahole Airport.

Your Committee received testimony in support of the Concurrent Resolution from the Hawaii Chapter of the Hawaii Hotel Association and the Kona-Kohala Chamber of Commerce.

Your Committee finds that an immigration and customs office at the Keahole Airport will benefit the tourism and agriculture industries and disburse the current burden of the customs office at Honolulu International Airport.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 132 and recommends that it be adopted.

Signed by all members of the Committee except Senators Ikeda and Iwase.

SCRep. 1474 Judiciary on S.C.R. No. 144

The purpose of this Concurrent Resolution is to encourage federal legislation to prohibit state taxation of nonresident pension income.

Your Committee received testimony in support of the Concurrent Resolution from the National Association of Retired Federal Employees.

Your Committee finds that retirees who live on fixed pension income are attracted to Hawaii and that these residents continue to pay state income tax to the state from which they moved even though they no longer enjoy any benefits or amenities of those states.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 144 and recommends that it be adopted.

Signed by all members of the Committee except Senators Ikeda and Iwase.

SCRep. 1475 Judiciary on S.C.R. No. 166

The purpose of this Concurrent Resolution is to establish a vehicle to examine the causes of the existing backlog of domestic violence jury trials and the adverse impact on the victims.

Your Committee received testimony relative to the Concurrent Resolution from the Judiciary, the Commission on the Status of Women, the Honolulu City Prosecutor and two interested citizens.

Your Committee finds a critical need to alleviate the backlog of domestic violence cases pending for jury trial. The victims in these cases are without security and protection from further abuse for many months while these cases await trial.

Your Committee has amended the Concurrent Resolution to add the Department of Public Safety and a representative of the victims to the council membership and to designate the Center for Alternative Dispute Resolution to facilitate meetings of the council.

Your Committee on Judiciary is in accord with the intent and purpose of S.C.R. No. 166, as amended herein, and recommends that it be adopted in the form attached hereto as S.C.R. No. 166, S.D. 1.

Signed by all members of the Committee except Senators Ikeda and Iwase.

SCRep. 1476 (Majority) Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 86

The purpose of this Concurrent Resolution is to request Congress to call a Constitutional Convention for the purpose of proposing an amendment to the United States Constitution requiring a balanced federal budget.

Testimony in support of the measure was received from the Concord Coalition.

Your Committee has amended the measure by adding a drop dead provision. The request would be considered void if no United States Constitutional Convention is called within a ninety day period beginning on January 1, 1994.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 86, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 86, S.D. 1.

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

SCRep. 1477 Governmental Operations, Environmental Protection and Hawaiian Programs on S.R. No. 81

The purpose of this Resolution is to request the Department of Hawaiian Home Lands to determine the feasibility of establishing camping facilities for a fee for eligible homeless Hawaiians on Hawaiian Home Lands.

Testimony in support of the measure was received from the Hawaii Chapter of the National Rainbow Coalition.

Your Committee has amended the measure by deleting its substance and inserting provisions that urge the President and Congress of the United States to explore how federal lands can be used to compensate the Hawaiian Home Lands Trust for uncompensated uses of trust lands.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 81, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 81, S.D. 1.

Signed by all members of the Committee.

SCRep. 1478 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 100

The purpose of this Concurrent Resolution is to request the Department of Hawaiian Home Lands to determine the feasibility of establishing camping facilities for a fee for eligible homeless Hawaiians on Hawaiian Home Lands.

Testimony in support of the measure was received from the Hawaii Chapter of the National Rainbow Coalition.

Your Committee has amended the measure by deleting its substance and inserting provisions that urge the President and Congress of the United States to explore how federal lands can be used to compensate the Hawaiian Home Lands Trust for uncompensated uses of trust lands.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 100, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 100, S.D. 1.

Signed by all members of the Committee.

SCRep. 1479 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 170

The purpose of this Resolution is to request the continuance of the Roadside Spray Task Force.

Your Committee finds that the work of the Roadside Spray Task Force in past years has been very productive and informative. Allowing the Task Force to continue its work will result in the formulation of recommendations for alternatives to herbicide spraying in roadside maintenance.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 170 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1480 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 199

The purpose of this Concurrent Resolution is to request the continuance of the Roadside Spray Task Force.

Your Committee finds that the work of the Roadside Spray Task Force in past years has been very productive and informative. Allowing the Task Force to continue its work will result in the formulation of recommendations for alternatives to herbicide spraying in roadside maintenance.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 199 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1481 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 171

The purpose of this Resolution is to request the County of Hawaii, if it intends to make a deposit for immediate possession of land for the Alenaio Stream Flood Control Project pending condemnation, to exercise good faith in estimating the amount to which affected landowners would be entitled upon condemnation and deposit that amount with the court.

There is a request in the state budget bill for an appropriation to pay for the county's share of the cost of the federal/local flood control project. Your Committee understands that in anticipation of state funding, the Hawaii county council has passed a bill advancing county funds to make a deposit in court based on tax-assessed value of vacant land for immediate possession of the land being condemned for the project. If such a deposit is made, landowners will be displaced from their lands and precluded from finding comparable ones since the deposit fails to take into account the homes and other improvements on the land or severance damages.

Your Committee understands that the county's appraisers are presently valuating the land. This resolution is therefore amended to request that the County use an appraised value in estimating the deposit for immediate possession of land pending condemnation. Your Committee finds that this resolution, as amended, serves two purposes: it urges the county (1) to meet its legal and contractual requirements and (2) to obtain its appraisals as soon as possible so that the Legislature will have accurate information regarding the county's share of the project costs, which includes land acquisition.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 171, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 171, S.D. 1.

Signed by all members of the Committee except Senator Blair.

SCRep. 1482 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 200

The purpose of this Concurrent Resolution is to request the County of Hawaii, if it intends to make a deposit for immediate possession of land for the Alenaio Stream Flood Control Project pending condemnation, to exercise good faith in estimating the amount to which affected landowners would be entitled upon condemnation and deposit that amount with the court.

There is a request in the state budget bill for an appropriation to pay for the county's share of the cost of the federal/local flood control project. Your Committee understands that in anticipation of state funding, the Hawaii county council has passed a bill advancing county funds to make a deposit in court based on tax-assessed value of vacant land for immediate possession of the land being condemned for the project. If such a deposit is made, landowners will be displaced from their lands and precluded from finding comparable ones since the deposit fails to take into account the homes and other improvements on the land or severance damages.

Your Committee understands that the county's appraisers are presently valuating the land. This resolution is therefore amended to request that the County use an appraised value in estimating the deposit for immediate possession of land pending condemnation. Your Committee finds that this resolution, as amended, serves two purposes: it urges the county (1) to meet its legal and contractual requirements and (2) to obtain its appraisals as soon as possible so that the Legislature will have accurate information regarding the county's share of the project costs, which includes land acquisition.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 200, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 200, S.D. 1.

Signed by all members of the Committee except Senator Blair.

SCRep. 1483 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 187

The purpose of this Resolution is to request State assistance in the symbolic reinforcement of cordial relations between Great Britain and Hawaii.

Testimony in support of the measure was received from the Office of International Relations and a number of interested parties.

Your Committee has amended the measure by making stylistic changes for the purpose of clarity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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. 1484 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 217

The purpose of this Concurrent Resolution is to request State assistance in the symbolic reinforcement of cordial relations between Great Britain and Hawaii.

Testimony in support of the measure was received from the Office of International Relations and a number of interested parties.

Your Committee has amended the measure by making stylistic changes for the purpose of clarity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 217, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 217, S.D. 1.

Signed by all members of the Committee.

SCRep. 1485 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 212

The purpose of this Resolution is to request state and county agencies to lease unused land to recycling businesses.

Testimony in support of the measure was received from the Department of Health and the Department of Land and Natural Resources.

Your Committee has amended the measure to request that the Department of Business, Economic Development, and Tourism, with the assistance of the Department of Health evaluate information provided by other state agencies to determine specific sites that could be used to situate recycling businesses.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 212, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 212, S.D. 1.

Signed by all members of the Committee.

SCRep. 1486 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 243

The purpose of this Concurrent Resolution is to request state and county agencies to lease unused land to recycling businesses.

Testimony in support of the measure was received from the Department of Health and the Department of Land and Natural Resources.

Your Committee has amended the measure to request that the Department of Business, Economic Development, and Tourism, with the assistance of Department of Health evaluate information provided by other state agencies to determine specific sites that could be used to situate recycling businesses.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 243, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 243, S.D. 1.

Signed by all members of the Committee.

SCRep. 1487 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on S.R. No. 86

The purpose of this Resolution is to urge the County of Maui, the Department of Land and Natural Resources, and the Department of Health to develop a joint plan for the removal of algae from the beaches and nearshore waters of Maui County.

Your Committees find that the overabundance of algae in the waters of Maui County create an undesirable and unsanitary environment for beachgoers. The removal of excessive algae will maintain an adequate level of cleanliness for the beachgoing community.

Your Committees have amended the measure by deleting "and implement" in the first BE IT RESOLVED paragraph.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management 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.

SCRep. 1488 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on S.C.R. No. 108

The purpose of this Concurrent Resolution is to urge the County of Maui, the Department of Land and Natural Resources, and the Department of Health to develop a joint plan for the removal of algae from the beaches and nearshore waters of Maui County.

Your Committees find that the overabundance of algae in the waters of Maui County create an undesirable and unsanitary environment for beachgoers. The removal of excessive algae will maintain an adequate level of cleanliness for the beachgoing community.

Your Committees have amended the measure by deleting "and implement" in the first BE IT RESOLVED paragraph.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 108, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 108, S.D. 1.

Signed by all members of the Committees.

SCRep. 1489 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Agriculture on S.R. No. 103

The purpose of this Resolution is to accept the invitation to participate in the Pacific Fisheries Legislative Task Force.

Your Committees find that participation in the Pacific Fisheries Legislative Task Force would enable the State to assist in the coordination of state legislation and lend support to a unified position on federal and international laws relating to fishing.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Agriculture concur with the intent and purpose of S.R. No. 103, and recommend its adoption.

Signed by all members of the Committees except Senators Tanaka, Reed, Ikeda and Mizuguchi.

SCRep. 1490 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Agriculture on S.C.R. No. 128

The purpose of this Concurrent Resolution is to accept the invitation to participate in the Pacific Fisheries Legislative Task Force.

Your Committees find that participation in the Pacific Fisheries Legislative Task Force would enable the State to assist in the coordination of state legislation and lend support to a unified position on federal and international laws relating to fishing.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Agriculture concur with the intent and purpose of S.C.R. No. 128, and recommend its adoption.

Signed by all members of the Committees except Senators Tanaka, Ikeda and Mizuguchi.

SCRep. 1491 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Tourism, Recreation and Transportation on S.R. No. 124

The purpose of this Resolution is to urge the Governor to form a task force to recommend protocols to reduce the risk of accidental introductions of alien organisms by ballast water and hull fouling of ships.

Testimony in support of the measure was received from the Department of Health, the University of Hawaii, the Department of Transportation, and the Pacific Fisheries Consultants.

Your Committees find that in order to protect the State's precious waters, protocols must be developed to ensure a continued alien organism free environment.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Tourism, Recreation and Transportation concur with the intent and purpose of S.R. No. 124, and recommend its adoption.

Signed by all members of the Committees except Senators Kobayashi, A., and McCartney.

SCRep. 1492 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Tourism, Recreation and Transportation on S.C.R. No. 150

The purpose of this Concurrent Resolution is to urge the Governor to form a task force to recommend protocols to reduce the risk of accidental introductions of alien organisms by ballast water and hull fouling of ships.

Testimony in support of the measure was received from the Department of Health, the University of Hawaii, the Department of Transportation, and the Pacific Fisheries Consultants.

Your Committees find that in order to protect the State's precious waters, protocols must be developed to ensure a continued alien organism free environment.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Tourism, Recreation and Transportation concur with the intent and purpose of S.C.R. No. 150, and recommend its adoption.

Signed by all members of the Committees except Senators Kobayashi, A., and McCartney.

SCRep. 1493 (Joint) Planning, Land and Water Use Management and Science, Technology and Economic Development on S.C.R. No. 2

The purpose of this Concurrent Resolution is to request the Office of State Planning, with the assistance of the counties, to develop a strategic plan to locate and expand industries on islands other than Oahu.

Your Committees find that with sugar cane cultivation and other agricultural activities subsiding on the neighbor islands, new industries to ensure the continued growth and stability of the islands' economies must be developed. This Concurrent Resolution would provide a strategic plan for the growth and development of industries on the outer islands.

Your Committees received testimony in support of the intent of this Concurrent Resolution from the Office of State Planning and the Department of Business, Economic Development, and Tourism.

Your Committees on Planning, Land and Water Use Management and Science, Technology and Economic Development concur with the intent and purpose of S.C.R. No. 2 and recommend its adoption.

Signed by all members of the Committees except Senators Chang and Mizuguchi.

SCRep. 1494 (Joint) Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 115

The purpose of this Resolution is to determine the fairness of compensation paid by the Department of Land and Natural Resources to the Office of Hawaiian Affairs for the disposition of ceded lands.

Specifically, the Department is requested to report to the 1994 Legislature on its practices related to the methods for determining levels of compensation and assuring that the disposition of ceded lands, whether temporary or long-term, are generating fair market rent or other compensation.

The Department of Land and Natural Resources acknowledges that the compensation for licenses and revocable permits for temporary occupancy of public lands was determined arbitrarily in the past. The Department recently implemented recommendations to base monthly rentals and compensation on fair market value. This will result in substantial increases in revenue to the Office of Hawaiian Affairs (OHA), estimated by the Department to be approximately \$200,000 annually.

The Department also recognizes that the disposition of general leases rather than revocable permits will generate higher rents to both OHA and the state general fund. To this end, the Department has already implemented a program to convert revocable permits to long-term leases either by public auction or direct negotiation. At the present time, more than eighty leases are earmarked for disposition.

Finally, the Department stated that Section 171-11, HRS, permits the setting aside of public lands, including ceded lands on which water wells have been situated, to any department or agency of the State, county, or other political subdivision of the State for public use or purpose without compensation, and that the statutory citation specified in the Resolution is incorrect.

Therefore, your Committees have amended this Resolution by deleting the WHEREAS clauses on page 2 that deal with the three issues addressed by the Department of Land and Natural Resources. In addition, your Committees deleted the fourth WHEREAS clause on page 2 related to the amount of revenues from ceded land use currently being generated that could be paid to a Hawaiian sovereign entity, and made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees on Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of S.R. No. 115, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 115, S.D. 1.

Signed by all members of the Committees.

SCRep. 1495 (Joint) Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 140

The purpose of this Concurrent Resolution is to determine the fairness of compensation paid by the Department of Land and Natural Resources to the Office of Hawaiian Affairs for the disposition of ceded lands.

Specifically, the Department is requested to report to the 1994 Legislature on its practices related to the methods for determining levels of compensation and assuring that the disposition of ceded lands, whether temporary or long-term, are generating fair market rent or other compensation.

The Department of Land and Natural Resources acknowledges that the compensation for licenses and revocable permits for temporary occupancy of public lands was determined arbitrarily in the past. The Department recently implemented

recommendations to base monthly rentals and compensation on fair market value. This will result in substantial increases in revenue to the Office of Hawaiian Affairs (OHA), estimated by the Department to be approximately \$200,000 annually.

The Department also recognizes that the disposition of general leases rather than revocable permits will generate higher rents to both OHA and the state general fund. To this end, the Department has already implemented a program to convert revocable permits to long-term leases either by public auction or direct negotiation. At the present time, more than eighty leases are earmarked for disposition.

Finally, the Department stated that Section 171-11, HRS, permits the setting aside of public lands, including ceded lands on which water wells have been situated, to any department or agency of the State, county, or other political subdivision of the State for public use or purpose without compensation, and that the statutory citation specified in the Concurrent Resolution is incorrect.

Therefore, your Committees have amended this Concurrent Resolution by deleting the WHEREAS clauses on page 2 that deal with the three issues addressed by the Department of Land and Natural Resources. In addition, your Committees deleted the fourth WHEREAS clause on page 2 related to the amount of revenues from ceded land use currently being generated that could be paid to a Hawaiian sovereign entity, and made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees on Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of S.C.R. No. 140, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 140, S.D. 1.

Signed by all members of the Committees.

SCRep. 1496 Planning, Land and Water use Management and Tourism, Recreation and Transportation on S.R. No. 163

The purpose of this Resolution is to request the Department of Land and Natural Resources to assess the feasibility of removing the cement pillars in Kaneohe Bay.

Your Committees find that the pillars disturb the natural environment and are a hazard to users of the Bay. Your Committees have learned that the pillars were erected during World War II to support a long-range communication system in Haiku Valley. The communication towers were dismantled after the war, but the pillars were left in place.

Your Committees believe that those responsible for constructing the pillars should be responsible for removing them, and accordingly, have amended the measure to request the Department of Land and Natural Resources to ask the appropriate federal agency to remove the cement pillars.

Your Committees on Planning, Land and Water Use Management and Tourism, Recreation and Transportation concur with the intent and purpose of S.R. No. 163, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 163, S.D. 1.

Signed by all members of the Committees except Senators Chang and Tanaka.

SCRep. 1497 Planning, Land and Water use Management and Tourism, Recreation and Transportation on S.C.R. No. 190

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to assess the feasibility of removing the cement pillars in Kaneohe Bay.

Your Committees find that the pillars disturb the natural environment and are a hazard to users of the Bay. Your Committees have learned that the pillars were erected during World War II to support a long-range communication system in Haiku Valley. The communication towers were dismantled after the war, but the pillars were left in place.

Your Committees believe that those responsible for constructing the pillars should be responsible for removing them, and accordingly, have amended the measure to request the Department of Land and Natural Resources to ask the appropriate federal agency to remove the cement pillars.

Your Committees on Planning, Land and Water Use Management and Tourism, Recreation and Transportation concur with the intent and purpose of S.C.R. No. 190, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 190, S.D. 1.

Signed by all members of the Committees except Senators Chang and Tanaka.

SCRep. 1498 (Joint) Planning, Land and Water Use Management and Public Safety and Corrections on S.R. No. 210

The purpose of this Resolution is to establish a task force to study the impact of the federal government's decision to close the Barbers Point Naval Air Station.

Your Committees believe that the closure of the Barbers Point Naval Air Station will have a significant impact on economic and employment opportunities for area residents, and land use and development plans for the Kapolei region.

Your Committees received testimony in support of this measure from the Estate of James Campbell.

Your Committees have amended this measure by changing the composition of the task force to provide for increased community input, and by making several technical changes that have no substantive effect.

Your Committees on Planning, Land and Water Use Management and Public Safety and Corrections concur with the intent and purpose of S.R. No. 210, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 210, S.D. 1.

Signed by all members of the Committees except Senator Chang.

SCRep. 1499 (Joint) Planning, Land and Water Use Management and Public Safety and Corrections on S.C.R. No. 240

The purpose of this Concurrent Resolution is to establish a task force to study the impact of the federal government's decision to close the Barbers Point Naval Air Station.

Your Committees believe that the closure of the Barbers Point Naval Air Station will have a significant impact on economic and employment opportunities for area residents, and land use and development plans for the Kapolei region.

Your Committees received testimony in support of this measure from the Estate of James Campbell.

Your Committees have made several technical changes that have no substantive effect.

Your Committees on Planning, Land and Water Use Management and Public Safety and Corrections concur with the intent and purpose of S.C.R. No. 240, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 240, S.D. 1.

Signed by all members of the Committees except Senator Chang.

SCRep. 1500 Planning, Land and Water Use Management on S.R. No. 114

The purpose of this Resolution is to urge the Department of Land and Natural Resources to protect Ka'u cultural sites on the island of Hawaii's Punalu'u coastline.

The Department is requested to address concerns to ensure public access to the area, protect and restore the punawai, and provide for the enforcement of regulations eliminating runoff of fertilizer and sewage effluents.

Your Committee finds that this measure will help to protect unique coastal lands and historic and cultural sites in the area, and ensure the preservation of endemic and endangered species.

Your Committee has amended this measure by deleting references to the purported impact of golf course and other developments on the area as your Committee finds that this issue is outside the intended scope of this Resolution.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 114, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 114, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1501 Planning, Land and Water Use Management on S.C.R. No. 139

The purpose of this Concurrent Resolution is to urge the Department of Land and Natural Resources to protect Ka'u cultural sites on the island of Hawaii's Punalu'u coastline.

The Department is requested to address concerns to ensure public access to the area, protect and restore the punawai, and provide for the enforcement of regulations eliminating runoff of fertilizer and sewage effluents.

Your Committee finds that this measure will help to protect unique coastal lands and historic and cultural sites in the area, and ensure the preservation of endemic and endangered species.

Your Committee has amended this measure by deleting references to the purported impact of golf course and other developments on the area as your Committee finds that this issue is outside the intended scope of this Concurrent Resolution.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 139, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 139, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1502 Planning, Land and Water Use Management on S.R. No. 226

The purpose of this Resolution is to request the Land Use Commission to fully and fairly consider the suitability of reclassifying conservation land in Aina Koa Valley on Oahu to urban use and the environmental and social impacts of further development in the valley.

Your Committee finds that area residents are deeply concerned about the negative impact of further development in the valley, including increased soil movement, water runoff, flooding, noise, and traffic congestion that may have a negative

effect on property values and the quality of life of current residents. It is hoped that the Land Use Commission will carefully weigh the concerns raised by interested parties before making its final decision on Aina Koa Valley.

Your Committee has amended this Resolution by including language stating that:

- (1) The Office of State Planning, in a 1992 report, concluded that the redesignation of conservation district lands is not needed to meet urban land requirements for the next ten years and that urban growth can be accommodated through the redistricting of agricultural lands no longer needed to sustain agricultural industries; and
- (2) According to Section 205-3, HRS, conservation district lands are important to protect, among other things, open space areas whose existing openness, natural condition, or present state of use, if retained, would enhance the present or potential value of abutting or surrounding communities.

In addition, your Committee has made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 226, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 226, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1503 Planning, Land and Water Use Management on S.C.R. No. 257

The purpose of this Concurrent Resolution is to request the Land Use Commission to fully and fairly consider the suitability of reclassifying conservation land in Aina Koa Valley on Oahu to urban use and the environmental and social impacts of further development in the valley.

Your Committee finds that area residents are deeply concerned about the negative impact of further development in the valley, including increased soil movement, water runoff, flooding, noise, and traffic congestion that may have a negative effect on property values and the quality of life of current residents. It is hoped that the Land Use Commission will carefully weigh the concerns raised by interested parties before making its final decision on Aina Koa Valley.

Your Committee has amended this Concurrent Resolution by including language stating that:

- (1) The Office of State Planning, in a 1992 report, concluded that the redesignation of conservation district lands is not needed to meet urban land requirements for the next ten years and that urban growth can be accommodated through the redistricting of agricultural lands no longer needed to sustain agricultural industries; and
- (2) According to Section 205-3, HRS, conservation district lands are important to protect, among other things, open space areas whose existing openness, natural condition, or present state of use, if retained, would enhance the present or potential value of abutting or surrounding communities.

In addition, your Committee has made technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 257, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 257, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1504 Housing on S.R. No. 185

The purpose of this resolution is to request that the Housing Finance and Development Corporation (HFDC) conduct an internal audit to predict how the corporation will be affected by the repeal of Act 15, Session Laws of Hawaii, 1988, and to develop a plan to reduce personnel appropriately.

Act 15 is scheduled to sunset this year, and current legislative measures seek to limit the special development powers of that Act to a specific list of projects. Your Committee believes that it is the appropriate time for HFDC to use its expertise to redesign itself into a body whose size and designated functions are more in line with the upcoming shift of oversight away from the state and back to the individual counties.

Your Committee has amended this measure to reflect its intent that the HFDC seize this opportunity to apply good management practices to advise the legislature of the best future direction for the HFDC.

Your Committee on Housing concurs with the intent and purpose of S.R. No. 185, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 185, S.D. 1.

Signed by all members of the Committee.

SCRep. 1505 Housing on S.C.R. No. 215

The purpose of this resolution is to request that the Housing Finance and Development Corporation (HFDC) conduct an internal audit to predict how the corporation will be affected by the repeal of Act 15, Session Laws of Hawaii, 1988, and to develop a plan to reduce personnel appropriately.

Act 15 is scheduled to sunset this year, and current legislative measures seek to limit the special development powers of that Act to a specific list of projects. Your Committee believes that it is the appropriate time for HFDC to use its

expertise to redesign itself into a body whose size and designated functions are more in line with the upcoming shift of oversight away from the state and back to the individual counties.

Your Committee has amended this measure to reflect its intent that the HFDC seize this opportunity to apply good management practices to advise the legislature of the best future direction for the HFDC.

Your Committee on Housing concurs with the intent and purpose of S.C.R. No. 215, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 215, S.D. 1.

Signed by all members of the Committee.

SCRep. 1506 Public Safety and Corrections on S.R. No. 13

The purpose of this Resolution is to support the on-going mission of the Pacific Missile Range facility at Mana, Kauai.

Your Committee heard favorable testimony from the State Department of Defense, The International Brotherhood of Electrical Workers, and the commanding officer of the Pacific Missile Range facility.

Your Committee wholeheartedly supports the strong defense of this nation. Furthermore, the positive economic benefits Kauai enjoys from this facility are particularly welcome at this time.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of S.R. No. 13 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1507 Public Safety and Corrections on S.C.R. No. 16

The purpose of this Concurrent Resolution is to support the on-going mission of the Pacific Missile Range facility at Mana, Kauai.

Your Committee heard favorable testimony from the State Department of Defense, The International Brotherhood of Electrical Workers, and the commanding officer of the Pacific Missile Range facility.

Your Committee wholeheartedly supports the strong defense of this nation. Furthermore, the positive economic benefits Kauai enjoys from this facility are particularly welcome at this time.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of S.C.R. No. 16 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1508 Public Safety and Corrections on S.R. No. 14

The purpose of this Resolution is to support the on-going use of the Pohakuloa Training area, while articulating, at the same time, the pledge of the military branches to carry out activities with due concern for environmental and archeological resources.

This Resolution recognizes the important contribution this area makes to the U.S. military and Hawaii's National Guard. It further recognizes that military training can be carried out effectively while maintaining sensitivity to the community's environmental and archeological concerns.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of S.R. No. 14 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1509 Public Safety and Corrections on S.C.R. No. 17

The purpose of this Resolution is to support the on-going use of the Pohakuloa Training area, while articulating, at the same time, the pledge of the military branches to carry out activities with due concern for environmental and archeological resources.

This Resolution recognizes the important contribution this area makes to the U.S. military and Hawaii's National Guard. It further recognizes that military training can be carried out effectively while maintaining sensitivity to the community's environmental and archeological concerns.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of S.C.R. No. 17 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1510 Public Safety and Corrections on S.R. No. 16

The purpose of this Resolution is to urge the military to maintain their current level of personnel in Hawaii, and goes on to request that the military examine new roles for troops in Hawaii in the light of impending downsizing.

Your Committee received favorable testimony from the State of Hawaii Department of Defense outlining plans for a Joint Task Force to develop a strategy which will include current and future training requirements for all military services in Hawaii.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of S.R. No. 16 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1511 Public Safety and Corrections on S.C.R. No. 19

The purpose of this Resolution is to urge the military to maintain their current level of personnel in Hawaii, and goes on to request that the military examine new roles for troops in Hawaii in the light of impending downsizing.

Your Committee received favorable testimony from the State of Hawaii Department of Defense outlining plans for a Joint Task Force to develop a strategy which will include current and future training requirements for all military services in Hawaii.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of S.C.R. No. 19 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1512 (Majority) Public Safety and Corrections on S.R. No. 180

The purpose of this Resolution is to initiate a study, by the Legislative Auditor, into progressive and alternative correctional systems in Hawaii, namely, privatization of the operation of our correctional system. The measure asks the Auditor to study both the economic impact and the benefits of such privatization.

Privatization has evolved from the realm of theory into a successful bipartisan mechanism for increasing efficiency and decreasing costs. Throughout the Mainland, states are enjoying dramatic success via privatization. Privatized prisons have been able to save vital tax revenues while providing the highest quality of prison services.

Most private contracts include the requirement that accreditation by the American Correctional Association be reached within an 18- to 24-month period. Currently, none of Hawaii's state-run facilities have earned this accreditation.

Your Committee heard strong testimony favoring privatization by the Hawaii chapter of the National Federation of Independent Business. Several other independent business organizations submitted enthusiastic written testimony. The UPW submitted written testimony against the resolution. Written and oral testimony in opposition was also provided by HGEA-AFSCME.

Your Committee has amended the resolution by broadening the scope of the study to specifically include concerns about contract bid renegotiations, an examination of acceptable cost levels, and an assessment of the probable effect of long-term privatization on business competition.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of S.R. No. 180, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 180, S.D. 1.

Signed by all members of the Committee.
Senators Kobayashi, A., and Matsunaga did not concur.

SCRep. 1513 (Majority) Public Safety and Corrections on S.C.R. No. 210

The purpose of this Concurrent Resolution is to initiate a study, by the Legislative Auditor, into progressive and alternative correctional systems in Hawaii, namely, privatization of the operation of our correctional system. The measure asks the Auditor to study both the economic impact and the benefits of such privatization.

Privatization has evolved from the realm of theory into a successful bipartisan mechanism for increasing efficiency and decreasing costs. Throughout the Mainland, states are enjoying dramatic success via privatization. Privatized prisons have been able to save vital tax revenues while providing the highest quality of prison services.

Most private contracts include the requirement that accreditation by the American Correctional Association be reached within an 18 to 24-month period. Currently, none of Hawaii's state-run facilities have earned this accreditation.

Your Committee heard strong testimony favoring privatization by the Hawaii chapter of the National Federation of Independent Business. Several other independent business organizations submitted enthusiastic written testimony. The UPW submitted written testimony against the resolution. Written and oral testimony in opposition was also provided by HGEA-AFSCME.

Your Committee has amended the resolution by broadening the scope of the study to specifically include concerns about contract bid renegotiations, an examination of acceptable cost levels, and an assessment of the probable effect of long-term privatization on business competition.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of S.C.R. No. 210, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 210, S.D. 1.

Signed by all members of the Committee.
Senators Kobayashi, A., and Matsunaga did not concur.

SCRep. 1514 (Joint) Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management on S.R. No. 191

The purpose of this Resolution is to request the Department of Land and Natural Resources to effect the transfer of land surrounding Mo'okini Heiau.

Your Committees believe that ancient Hawaiian heiau, such as the Mo'okini heiau, are important and significant cultural and historical sites that should be preserved for posterity.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Mo'okini Luakini, Inc.

Your Committees on Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of S.R. No. 191 and recommend its adoption.

Signed by all members of the Committees except Senators Mizuguchi, Tanaka and Holt.

SCRep. 1515 (Joint) Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management on S.C.R. No. 221

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to effect the transfer of land surrounding Mo'okini Heiau.

Your Committees believe that ancient Hawaiian heiau, such as the Mo'okini heiau, are important and significant cultural and historical sites that should be preserved for posterity.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Mo'okini Luakini, Inc.

Your Committees on Higher Education, Culture, Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 221 and recommend its adoption.

Signed by all members of the Committees except Senators Mizuguchi, Tanaka and Holt.

SCRep. 1516 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 23

The purpose of this Resolution is to urge the Board of Governors of the East-West Center to continue support for the 275-student per year enrollment average of the East-West Center.

Your Committee believes that it is imperative to support the East-West Center in its effort to maintain its enrollment average to ensure that the East-West Center may continue to extend its programs and services to as many qualified students as possible.

Your Committee received testimony in support of this Resolution from the Dean of the Graduate Division at the University of Hawaii at Manoa and the Hawaii Chapter of the National Rainbow Coalition.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 23 and recommends its adoption.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1517 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 26

The purpose of this Concurrent Resolution is to urge the Board of Governors of the East-West Center to continue support for the 275-student per year enrollment average of the East-West Center.

Your Committee believes that it is imperative to support the East-West Center in its effort to maintain its enrollment average to ensure that the East-West Center may continue to extend its programs and services to as many qualified students as possible.

Your Committee received testimony in support of this Concurrent Resolution from the Dean of the Graduate Division at the University of Hawaii at Manoa and the Hawaii Chapter of the National Rainbow Coalition.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 26 and recommends its adoption.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1518 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 37

The purpose of this Resolution is to request the Hawaii Historic Places Review Board to enter Ahuena Heiau in the Hawaii Register of Historic Places pursuant to Section 6E-5.5, Hawaii Revised Statutes.

Your Committee finds that Ahuena Heiau, located on the island of Hawai'i, is one of the most significant historic sites in the State. As part of the Kamakahonu National Historic Monument, Ahuena Heiau has received the highest recognition conferred upon a historic place in the United States. Accordingly, your Committee supports and encourages the designation of Ahuena Heiau as a historic place to ensure its maintenance and integrity in perpetuity.

Your Committee received testimony in support of this Resolution from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 37 and recommends its adoption.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1519 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 45

The purpose of this Concurrent Resolution is to request the Hawaii Historic Places Review Board to enter Ahuena Heiau in the Hawaii Register of Historic Places pursuant to Section 6E-5.5, Hawaii Revised Statutes.

Your Committee finds that Ahuena Heiau, located on the island of Hawai'i, is one of the most significant historic sites in the State. As part of the Kamakahonu National Historic Monument, Ahuena Heiau has received the highest recognition conferred upon a historic place in the United States. Accordingly, your Committee supports and encourages the designation of Ahuena Heiau as a historic place to ensure its maintenance and integrity in perpetuity.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 45 and recommends its adoption.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1520 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 82

The purpose of this Resolution is to request the Governor to declare one week in October of each year as "State of Hawaii Aviation Education Week".

Your Committee finds that there is a need to increase public awareness and understanding, and to stimulate interest in the important role that aviation plays in the lives of the people of Hawaii.

Your Committee received testimony in support of this Resolution from the Federal Aviation Administration, the State Department of Education, the State Department of Transportation, the Chancellor for Community Colleges for the University of Hawaii, the Hawaiian Historical Aviation Foundation, Inc., Hawaiian Wings, Cosmo Flying School, and several private citizens.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 82 and recommends its adoption.

Signed by all members of the Committee except Senators Mizuguchi and Tanaka.

SCRep. 1521 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 101

The purpose of this Concurrent Resolution is to request the Governor to declare one week in October of each year as "State of Hawaii Aviation Education Week".

Your Committee finds that there is a need to increase public awareness and understanding, and to stimulate interest in the important role that aviation plays in the lives of the people of Hawaii.

Your Committee received testimony in support of this Concurrent Resolution from the Federal Aviation Administration, the State Department of Education, the State Department of Transportation, the Chancellor for Community Colleges for the University of Hawaii, the Hawaiian Historical Aviation Foundation, Inc., Hawaiian Wings, Cosmo Flying School, and several private citizens.

Your Committee on Higher Education, Culture, Arts and Historic Preservation 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 Mizuguchi and Tanaka.

SCRep. 1522 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 222

The purpose of this Concurrent Resolution is to designate the Pacific Aerospace Museum as the state museum of aerospace history.

Your Committee finds that the Pacific Aerospace Museum can enhance public awareness, understanding and appreciation of the historical impact of the aerospace industry in Hawaii, provide opportunities to broaden educational

experiences involving aerospace history and technology, and ensure that valuable aerospace artifacts in the State are identified, catalogued, and preserved for the public good.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Business, Economic Development, and Tourism, and the Pacific Aerospace Museum. The Department of Transportation supports the intent of this measure, but testified that it is not aware and has not been informed of the presence of "valuable aerospace artifacts" on Lagoon Drive at the Honolulu International Airport.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 222 and recommends its adoption.

Signed by all members of the Committee except Senators Mizuguchi and Tanaka.

SCRep. 1523 Consumer Protection on S.R. No. 99

The purpose of this resolution is to request the legislative reference bureau to study the feasibility of requiring community rating of all small group health insurers in Hawaii.

Community rating is the practice of grouping a whole community of groups seeking insurance together, so that the costs for coverage are spread over a large group and insurance premiums are kept affordable for all. Historically, Hawaii's large insurers have practiced community rating for small employers. However, these large insurers have begun to modify their community rating practices and the department of health has expressed concern that this trend may result in Hawaii experiencing the problems of availability and affordability of small group coverage that are currently affecting the rest of the nation. The intent of the study is to help the legislature determine whether the community rating system should be made mandatory.

As originally drafted, the resolution required the legislative reference bureau to obtain information that is beyond its purview, such as information that required the services of actuaries and experienced insurance consultants. Your Committee has amended the resolution to focus upon the public policy and data gathering aspects of this issue.

As amended, the resolution requests the legislative reference bureau to:

- (1) Obtain the insurance commissioner's estimates of the impact of community rating on the insurance commissioner's workload and regulatory responsibilities;
- (2) Poll locally-based companies, identified by the insurance commissioner and other appropriate sources, that act as third party administrators for other insurance carriers for their opinion of the extent and impact of community rating on their business;
- (3) Review reports and evaluations from other states on the impact on the affordability and availability of health care insurance for small groups in those states that have implemented community rating or similar insurance reforms;
- (4) Obtain input from Hawaii Medical Services Association, Kaiser Foundation Health Plan, Queen's Health Plan, and Hawaii Dental Services on incentives that can be given to encourage companies and their employees to maintain or improve their health status under community rating;
- (5) Obtain information, if available, from the Chamber of Commerce of Hawaii, or other appropriate sources identified by the Chamber, on the extent to which small group employers in Hawaii "self insure," either partially or in full, and those employers' estimation of the fiscal impact, whether positive or negative, that the imposition of community ratings would have on their businesses;
- (6) Obtain input from the Hawaii public employees health fund on the impact, if any, that community rating would have on it;
- (7) Examine available literature on community rating and list the potential impacts of requiring community rating on:
 - (A) The health insurance industry in Hawaii, including Hawaii-based organizations providing health insurance and mainland-based insurance companies doing business in Hawaii;
 - (B) Small employers, composed of one hundred or fewer employees;
 - (C) Government, most particularly the public employees health fund; and
 - (D) The public as a whole;

and
- (8) Report on the types of services, expert and otherwise, and funding needed for:
 - (A) Identification of insurance organizations which presently either provide the remaining portion coverage for those small employers who self-insure in whole or in part, or act as a third party administrator for a small group self-insured program, and how to determine the impact of community rating on them;
 - (B) The financial impact of allowing individuals and families to retain community-rated small group insurance coverage if they were previously insured through an employer and have become self-employed or otherwise independent and not eligible for group-rated insurance coverage;

- (C) The impact of including spouses and dependents as "members" within the small-group definition; and
- (D) The estimated premium increases or decreases to small groups due to the establishment of a community rate or other insurance reforms.

Your Committee has also deleted references to the impact of legislation that may be proposed by the Clinton administration because these parameters are too vague to serve as a subject for study.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 99, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 99, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1524 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 192

The purpose of this Resolution is to designate the Pacific Aerospace Museum as the state museum of aerospace history.

Your Committee finds that the Pacific Aerospace Museum can enhance public awareness, understanding and appreciation of the historical impact of the aerospace industry in Hawaii, provide opportunities to broaden educational experiences involving aerospace history and technology, and ensure that valuable aerospace artifacts in the State are identified, catalogued, and preserved for the public good.

Your Committee received testimony in support of this Resolution from the Department of Business, Economic Development, and Tourism, and the Pacific Aerospace Museum. The Department of Transportation supports the intent of this measure, but testified that it is not aware and has not been informed of the presence of "valuable aerospace artifacts" on Lagoon Drive at the Honolulu International Airport.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 192 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1525 Consumer Protection on S.R. No. 80

The purpose of this Resolution is to request Hawaii's Congressional Delegation to support a federal fund program to assist insurance companies in obtaining reinsurance.

Your Committee, through many hearings and discussions on this matter, has found that one of the reasons insurance companies may be reluctant to provide homeowners insurance in Hawaii is the difficulty in obtaining reinsurance in the aftermath of Hurricane Iniki.

Your Committee wants to make clear that a federal program is the only means of assuring full protection from losses caused by a hurricane. Your Committee hopes a federal program to provide reinsurance, especially for hurricane coverage, is provided as soon as practicable, so that Hawaii's homeowners are once again protected against this occasional but devastating disaster.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 80 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1526 Consumer Protection on S.C.R. No. 99

The purpose of this Concurrent Resolution is to request Hawaii's Congressional Delegation to support a federal fund program to assist insurance companies in obtaining reinsurance.

Your Committee, through many hearings and discussions on this matter, has found that one of the reasons insurance companies may be reluctant to provide homeowners insurance in Hawaii is the difficulty in obtaining reinsurance in the aftermath of Hurricane Iniki.

Your Committee wants to make clear that a federal program is the only means of assuring full protection from losses caused by a hurricane. Your Committee hopes a federal program to provide reinsurance, especially for hurricane coverage, is provided as soon as practicable, so that Hawaii's homeowners are once again protected against this occasional but devastating disaster.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors.

Your Committee on Consumer Protection concurs with the intent and purpose of S.C.R. No. 99 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1527 Consumer Protection on S.R. No. 225

The purpose of this Resolution is to support the concept of fee conversion negotiations for Waialae Gardens.

Your Committee has amended this Resolution by deleting its contents in its entirety and amending its title to read:

"SENATE RESOLUTION DIRECTING A STUDY ON THE ESTABLISHMENT OF A PETROLEUM REGULATORY COMMISSION."

The new purpose of this Resolution is to direct the Auditor to conduct a study on the feasibility of establishing a regulatory commission for the petroleum industry.

After reviewing the preliminary report of the Attorney General released in 1990, your Committee feels that a regulatory commission for the petroleum industry may be necessary to protect the welfare of the people of the State.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 225, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 225, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1528 Consumer Protection on S.C.R. No. 256

The purpose of this Concurrent Resolution is to support the concept of fee conversion negotiations for Waialae Gardens.

Your Committee has amended this Concurrent Resolution by deleting its contents in its entirety and amending its title to read:

"SENATE CONCURRENT RESOLUTION DIRECTING A STUDY ON THE ESTABLISHMENT OF A PETROLEUM REGULATORY COMMISSION."

The new purpose of this Concurrent Resolution is to direct the Auditor to conduct a study on the feasibility of establishing a regulatory commission for the petroleum industry.

After reviewing the preliminary report of the Attorney General released in 1990, your Committee feels that a regulatory commission for the petroleum industry may be necessary to protect the welfare of the people of the State.

Your Committee on Consumer Protection concurs with the intent and purpose of S.C.R. No. 256, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 256, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1529 Consumer Protection on S.C.R. No. 8

The purpose of this Concurrent Resolution is to request the Auditor to study the financial and social impacts of requiring health insurance policies to include coverage for contraceptive devices.

Your Committee feels that this study would provide an assessment of the social and financial impacts of widespread availability of contraceptive services, especially the impact to the younger individuals in our society.

Your Committee has amended this Concurrent Resolution by removing references to birth control. Your Committee has also amended this Concurrent Resolution to clarify that the Auditor is requested to study health insurance coverage for contraceptive services as a mandated coverage and mandated option to individual subscribers.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Health and the Hawaii Medical Service Association.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.C.R. No. 8, S.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1530 Consumer Protection on S.C.R. No. 71

The purpose of this Concurrent Resolution is to request the Auditor to perform a sunrise review of the regulation of the profession of nuclear medicine technologists.

Your Committee feels this review is essential to address concerns that only qualified individuals should perform nuclear medicine technology.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Health.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.C.R. No. 71 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1531 (Joint) Consumer Protection and Planning, Land and Water Use Management on S.C.R. No. 109

The purpose of this Concurrent Resolution is to direct the Insurance Commissioner to investigate the roles, responsibilities, and performance of insurers that were found to be insolvent after Hurricane Iniki.

Your Committees feel that this investigation is necessary to provide the State with information which may be used to understand the current problem with homeowners insurance and to prevent this problem from occurring again.

Your Committees have amended this concurrent resolution by:

- (1) adding language to request the Insurance Commissioner to study existing laws to determine the Insurance Commissioner's authority and funding to conduct an investigation of holding or parent companies with insurance examination or company subsidiaries; and
- (2) adding language to clarify that the Hawaiian Insurance Group is in rehabilitation rather than insolvency.

Your Committees on Consumer Protection and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 109, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 109, S.D. 1.

Signed by all members of the Committees.

SCRep. 1532 (Joint) Health and Consumer Protection on S.C.R. No. 52

The purpose of this Concurrent Resolution is to request the Auditor to study the social and financial implications of requiring coverage for temporomandibular disorders (TMD) in health insurance policies issued in this State.

TMD includes temporomandibular joint (TMJ) and craniomandibular (CM) disorders associated with chronic teeth grinding, trauma, overuse of facial muscles, stress, anxiety, or tension causing headaches, muscle tenderness, or facial, head or neck pain. Coverage for treatment of these conditions is not currently required by Hawaii law.

Your Committees find that it may be appropriate to require TMD coverage in health policies, depending on the Auditor's findings and recommendations.

Your Committees on Health and Consumer Protection concur with the intent and purpose of S.C.R. No. 52 and recommend its adoption.

Signed by all members of the Committees except Senators Chang and Mizuguchi.

SCRep. 1533 Health on S.C.R. No. 204

The purpose of this Concurrent Resolution is to facilitate development of a new means of administering and delivering mental health services in Hawaii.

The Legislative Reference Bureau is requested to research alternative forms of mental health service system governance, and a Mental Health Transition Task Force, comprised of representatives from the Department of Health, the Mental Health Association in Hawaii, the Alliance for the Mentally Ill, and others is established to develop a reasonable plan for a revised mental health delivery system. Both the Bureau and the Task Force are requested to submit reports prior to the 1994 Regular Session, and the legislative health committees are requested to collaborate with the Task Force on draft legislation for the 1995 Regular Session.

Your Committee finds that a new method of administering and delivering mental health services in Hawaii is needed.

However, your Committee is also approving S.C.R. No. 163 which, as amended, requests the Bureau to carry out the task that would be assigned herein. Therefore, your Committee has amended this Concurrent Resolution by deleting the Bureau's participation.

Your Committee has further amended this Concurrent Resolution as follows:

- (1) Requested the Department of Health to convene the Task Force, with advice from the Mental Health Association and the Alliance for the Mentally Ill;
- (2) Requested the Department, with assistance from the Association and the Alliance, to identify and help secure funding for the Task Force's staff and operating expenses;
- (3) Provided that responsibility for convening the Task Force will be rotated between the Department of Health, on one hand, and the Association and the Alliance in concert, on the other, until funds for staffing are secured;
- (4) Deleted participation by the Hawaii Community Services Council and the Governor's Office on Children and Youth;
- (5) Requested the Department, the Association, and the Alliance to feed ideas and proposals to the Task Force to aid in reaching agreement on a reasonable proposal for future mental health service delivery;
- (6) Deleted material relating to legislative/Task Force collaboration during the 1994 Regular Session; and

- (7) Made several nonsubstantive technical changes for the purposes of style, clarity, and consistency.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 204, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 204, S.D. 1.

Signed by all members of the Committee except Senators Chang and Mizuguchi.

SCRep. 1534 (Joint) Higher Education, Culture, Arts and Historic Preservation and Education, Labor and Employment on S.R. No. 65

The purpose of this Resolution is to request the University of Hawaii to reclassify teacher positions in the New Intensive Courses in English (NICE) Program and the Hawaii English Language Program (HELP), so that the teachers will be eligible to receive commensurate pay and benefits.

Your Committees find that NICE and HELP teachers are classified as "casual" hires, and under this classification, do not receive benefits offered to other part-time employees, such as group health insurance, disability, retirement or pension, sick leave, and paid vacation.

Upon due consideration, your Committees have amended this Resolution by deleting its title and substance and inserting provisions directing a study to determine the scope of University of Hawaii employees adversely affected due to their classification as "casual" hires. Your Committees recognize that many University of Hawaii employees, in addition to the NICE and HELP teachers, are in a similar situation, denied benefits because of their job classification.

In light of the health reform movement nationally, your Committees believe that this study will be the impetus for keeping Hawaii at the forefront in providing health care and related benefits for all state employees.

Your Committees on Higher Education, Culture, Arts and Historic Preservation and Education, Labor and Employment concur with the intent and purpose of S.R. No. 65, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 65, S.D. 1.

Signed by all members of the Committees except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1535 (Joint) Higher Education, Culture, Arts and Historic Preservation and Education, Labor and Employment on S.C.R. No. 80

The purpose of this Concurrent Resolution is to request the University of Hawaii to reclassify teacher positions in the New Intensive Courses in English (NICE) Program and the Hawaii English Language Program (HELP), so that the teachers will be eligible to receive commensurate pay and benefits.

Your Committees find that NICE and HELP teachers are classified as "casual" hires, and under this classification, do not receive benefits offered to other part-time employees, such as group health insurance, disability, retirement or pension, sick leave, and paid vacation.

Upon due consideration, your Committees have amended this Concurrent Resolution by deleting its title and substance and inserting provisions directing a study to determine the scope of University of Hawaii employees adversely affected due to their classification as "casual" hires. Your Committees recognize that many University of Hawaii employees, in addition to the NICE and HELP teachers, are in a similar situation, denied benefits because of their job classification.

In light of the health reform movement nationally, your Committees believe that this study will be the impetus for keeping Hawaii at the forefront in providing health care and related benefits for all state employees.

Your Committees on Higher Education, Culture, Arts and Historic Preservation and Education, Labor and Employment concur with the intent and purpose of S.C.R. No. 80, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 80, S.D. 1.

Signed by all members of the Committees except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1536 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 46

The purpose of this Resolution is to request the Department of Hawaiian Home Lands, in consultation with Hui Ho'omau O Keaukaha Panaewa, to study the feasibility of establishing a Hawaiian Cultural Center Complex in Waiakea Panaewa, Hilo, Hawaii.

Your Committee finds that a parcel of land in Waiakea Panaewa, Hilo, Hawaii is presently designated for commercial and cultural use by the Department of Hawaiian Home Lands, and may be suitable for a Hawaiian Cultural Center Complex. Your Committee believes that the establishment of a Hawaiian Cultural Center Complex is necessary to provide a suitable environment for the promotion, understanding, development, and practice of Hawaiian culture.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and Hui Ho'omau O Keaukaha Panaewa. The Department of Hawaiian Home Lands testified that it would be pleased to work with Hui Ho'omau O Keaukaha Panaewa and other community groups, if funds for a feasibility study can be provided.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 46 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1537 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 57

The purpose of this Concurrent Resolution is to request the Department of Hawaiian Home Lands, in consultation with Hui Ho'omau O Keaukaha Panaewa, to study the feasibility of establishing a Hawaiian Cultural Center Complex in Waiakea Panaewa, Hilo, Hawaii.

Your Committee finds that a parcel of land in Waiakea Panaewa, Hilo, Hawaii is presently designated for commercial and cultural use by the Department of Hawaiian Home Lands, and may be suitable for a Hawaiian Cultural Center Complex. Your Committee believes that the establishment of a Hawaiian Cultural Center Complex is necessary to provide a suitable environment for the promotion, understanding, development, and practice of Hawaiian culture.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and Hui Ho'omau O Keaukaha Panaewa. The Department of Hawaiian Home Lands testified that it would be pleased to work with Hui Ho'omau O Keaukaha Panaewa and other community groups, if funds for a feasibility study can be provided.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 57 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1538 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 55

The purpose of this Resolution is to urge the Board of Regents and the Administration of the University of Hawai'i to establish a Hawaiian Immersion Lab School at the University of Hawai'i at Manoa, as soon as possible, to train teachers and to test new curriculum for the Kula Kaiapuni.

Your Committee finds that the preservation of the Hawaiian language is crucial to the maintenance of Hawaiian culture. The proposed Hawaiian Immersion Lab School will enable future teachers to observe students, formulate and test new curriculum, and student teach in a Hawaiian language education and research center at the Manoa campus.

Your Committee received testimony in support of this Resolution from the Office of Hawaiian Affairs, the Center for Hawaiian Studies at the University of Hawai'i at Manoa, the Hawaii Chapter of the National Rainbow Coalition, the Hawaiian Student Organization Kuikalahiki, and several individuals concerned about the continuance of Hawaiian language education.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 55 and recommends its adoption.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1539 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 68

The purpose of this Concurrent Resolution is to urge the Board of Regents and the Administration of the University of Hawai'i to establish a Hawaiian Immersion Lab School at the University of Hawai'i at Manoa, as soon as possible, to train teachers and to test new curriculum for the Kula Kaiapuni.

Your Committee finds that the preservation of the Hawaiian language is crucial to the maintenance of Hawaiian culture. The proposed Hawaiian Immersion Lab School will enable future teachers to observe students, formulate and test new curriculum, and student teach in a Hawaiian language education and research center at the Manoa campus.

Your Committee received testimony in support of this Concurrent Resolution from the Office of Hawaiian Affairs, the Center for Hawaiian Studies at the University of Hawai'i at Manoa, the Hawaii Chapter of the National Rainbow Coalition, the Hawaiian Student Organization Kuikalahiki, and several individuals concerned about the continuance of Hawaiian language education.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 68 and recommends its adoption.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 1540 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 160

The purpose of this Resolution is to request the Department of Land and Natural Resources to restore the Waikiki War Memorial Natatorium and rededicate it to all of the people in Hawaii as a "Living Memorial".

Your Committee finds that the State has a legal and moral obligation to maintain the Natatorium as a memorial to World War I veterans. Your Committee further finds that the Natatorium may be restored as a world class recreational and sports training facility and administrative and training headquarters for the Honolulu Life Guards, and could play a significant role in the marketing of Hawaii for tourism.

Your Committee received testimony in support of this Resolution from the Department of Land and Natural Resources, the Office of Veterans Services, Friends of the Natatorium, the Hawaii Committee of U.S. Water Polo, Inc., and several private citizens.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 160 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1541 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 187

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to restore the Waikiki War Memorial Natatorium and rededicate it to all of the people in Hawaii as a "Living Memorial".

Your Committee finds that the State has a legal and moral obligation to maintain the Natatorium as a memorial to World War I veterans. Your Committee further finds that the Natatorium may be restored as a world class recreational and sports training facility and administrative and training headquarters for the Honolulu Life Guards, and could play a significant role in the marketing of Hawaii for tourism.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Land and Natural Resources, the Office of Veterans Services, Friends of the Natatorium, the Hawaii Committee of U.S. Water Polo, Inc., and several private citizens.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 187 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1542 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 52

The purpose of this Resolution is to request the Board of Regents of the University of Hawaii to waive its rules regarding the naming of buildings and name the HPER-Athletic complex in honor of Thomas Kaauwai Kaulukukui, Sr.

Your Committee believes that the renaming of the University of Hawaii HPER-Athletic complex is appropriate, in recognition of Thomas Kaauwai Kaulukukui, Sr.'s outstanding accomplishments and contributions to the University of Hawaii's athletic program throughout the years, as a star student athlete, earning fifteen letters in football, basketball, baseball, and track, as a physical education teacher, and as athletic director at the University of Hawaii.

Your Committee received testimony in support of this Resolution from the Office of Hawaiian Affairs and Nathan T.K. Aipa. The Board of Regents of the University of Hawaii submitted testimony stating that the policy of the Board of Regents prohibits the naming of buildings and facilities for living individuals, and ordinarily not within five years of a person's death except as specifically provided by law.

Notwithstanding, your Committee finds that the renaming of the HPER-complex during Thomas Kaauwai Kaulukukui, Sr.'s lifetime is an honor well-deserved.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 52 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1543 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 65

The purpose of this Concurrent Resolution is to request the Board of Regents of the University of Hawaii to waive its rules regarding the naming of buildings and name the HPER-Athletic complex in honor of Thomas Kaauwai Kaulukukui, Sr.

Your Committee believes that the renaming of the University of Hawaii HPER-Athletic complex is appropriate, in recognition of Thomas Kaauwai Kaulukukui, Sr.'s outstanding accomplishments and contributions to the University of Hawaii's athletic program throughout the years, as a star student athlete, earning fifteen letters in football, basketball, baseball, and track, as a physical education teacher, and as athletic director at the University of Hawaii.

Your Committee received testimony in support of this Concurrent Resolution from the Office of Hawaiian Affairs and Nathan T.K. Aipa. The Board of Regents of the University of Hawaii submitted testimony stating that the policy of the Board of Regents prohibits the naming of buildings and facilities for living individuals, and ordinarily not within five years of a person's death except as specifically provided by law.

Notwithstanding, your Committee finds that the renaming of the HPER-complex during Thomas Kaauwai Kaulukukui, Sr.'s lifetime is an honor well-deserved.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 65 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1544 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 56

The purpose of this Resolution is to request the Board of Regents of the University of Hawaii to waive its rules regarding the naming of buildings, and name the Hawaiian Studies Building in honor of Gladys Kamakakuokalani Ainoa Brandt.

Your Committee recognizes Gladys Kamakakuokalani Ainoa Brandt as a leader in the Hawaiian community and a pioneer in Hawaii's educational systems, and finds that it is an appropriate and fitting honor to name the Hawaiian Studies Building after the woman who was instrumental in founding the School for Hawaiian, Asian and Pacific Studies when she served as the Chairperson of the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this Resolution from the Center for Hawaiian Studies at the University of Hawaii at Manoa and the Office of Hawaiian Affairs. The Board of Regents of the University of Hawaii submitted testimony stating that the Board of Regents is honored by this Resolution and would consider the request within the framework of its policy on naming campus improvements and academic programs.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 56 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1545 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 69

The purpose of this Concurrent Resolution is to request the Board of Regents of the University of Hawaii to waive its rules regarding the naming of buildings, and name the Hawaiian Studies Building in honor of Gladys Kamakakuokalani Ainoa Brandt.

Your Committee recognizes Gladys Kamakakuokalani Ainoa Brandt as a leader in the Hawaiian community and a pioneer in Hawaii's educational systems, and finds that it is an appropriate and fitting honor to name the Hawaiian Studies Building after the woman who was instrumental in founding the School for Hawaiian, Asian and Pacific Studies when she served as the Chairperson of the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this Concurrent Resolution from the Center for Hawaiian Studies at the University of Hawaii at Manoa and the Office of Hawaiian Affairs. The Board of Regents of the University of Hawaii submitted testimony stating that the Board of Regents is honored by this Concurrent Resolution and would consider the request within the framework of its policy on naming campus improvements and academic programs.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 69 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1546 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 142

The purpose of this Resolution is to request the University of Hawaii College of Tropical Agriculture and Human Resources, in collaboration with the Landscape Industry Council of Hawaii, to generate a program and resources plan for the research, development, technology transfer, and instruction for the landscape industry to achieve its potential.

Your Committee finds that Hawaii's landscape industry is a prominent component of the State's agricultural economy and contributes greatly to the economy of the State as a whole and to the quality of life for all of Hawaii's residents.

The Dean of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa testified that the College is prepared to develop a plan as requested by this Resolution.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 142 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1547 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 168

The purpose of this Concurrent Resolution is to request the University of Hawaii College of Tropical Agriculture and Human Resources, in collaboration with the Landscape Industry Council of Hawaii, to generate a program and resources plan for the research, development, technology transfer, and instruction for the landscape industry to achieve its potential.

Your Committee finds that Hawaii's landscape industry is a prominent component of the State's agricultural economy and contributes greatly to the economy of the State as a whole and to the quality of life for all of Hawaii's residents.

The Dean of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa testified that the College is prepared to develop a plan as requested by this Concurrent Resolution.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 168 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1548 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 190

The purpose of this Resolution is to request the President of the University of Hawaii and the Chair of the Board of Regents of the University of Hawaii to examine the feasibility of instituting a staggered class schedule and classes off-campus, and to analyze how traffic congestion in the Manoa area would be affected if these proposals were implemented.

Your Committee finds that a staggered class schedule, providing afternoon and evening classes, and classes off-campus, may increase student access to the University of Hawaii. In addition, your Committee finds that these changes may help to alleviate peak hour traffic.

Your Committee has amended this Resolution to require the President of the University of Hawaii and the Chair of the Board of Regents of the University of Hawaii to consult with the President of the Graduate Student Organization and the President of the Associated Students of the University of Hawaii, in addition to the University of Hawaii Professional Assembly, when deciding which classes might be best scheduled in the afternoon or evening, and which classes may be conducted outside of the Manoa campus.

Your Committee on Higher Education, Culture, Arts and Historic Preservation 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 Holt, Mizuguchi and Tanaka.

SCRep. 1549 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 220

The purpose of this Concurrent Resolution is to request the President of the University of Hawaii and the Chair of the Board of Regents of the University of Hawaii to examine the feasibility of instituting a staggered class schedule and classes off-campus, and to analyze how traffic congestion in the Manoa area would be affected if these proposals were implemented.

Your Committee finds that a staggered class schedule, providing afternoon and evening classes, and classes off-campus, may increase student access to the University of Hawaii. In addition, your Committee finds that these changes may help to alleviate peak hour traffic.

Your Committee has amended this Concurrent Resolution to require the President of the University of Hawaii and the Chair of the Board of Regents of the University of Hawaii to consult with the President of the Graduate Student Organization and the President of the Associated Students of the University of Hawaii, in addition to the University of Hawaii Professional Assembly, when deciding which classes might be best scheduled in the afternoon or evening, and which classes may be conducted outside of the Manoa campus.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 220, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 220, S.D. 1.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1550 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 258

The purpose of this Concurrent Resolution is to request the Board of Regents of the University of Hawaii to authorize the creation of a corporation to manage properties adjacent to the Hilo campus owned by the University of Hawaii system.

Your Committee finds that current plans favor use of the forty acres of land adjacent to the University of Hawaii at Hilo campus for the private development of student housing, together with a controlled mix of university-allied and commercial operations catering primarily to the needs of student residents.

The Vice President for Finance and Operations at the University of Hawaii testified that while the University supports development of the land adjacent to the University of Hawaii at Hilo, it does not presently see the need to create a separate corporation to develop real property and construct University projects in partnership with the private sector. Nevertheless, your Committee believes that this proposal merits further consideration and approves this Concurrent Resolution to facilitate review by the Board of Regents.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 258 and recommends its adoption.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1551 Ways and Means on S.R. No. 20

The purpose of this resolution is to request the counties to enact the necessary amendments to their real property tax codes to provide private owners of forested land zoned conservation with the same tax benefits as private owners of land zoned agriculture.

The authority to tax real property is granted to the counties under the Hawaii State Constitution. The four counties currently maintain real property tax codes which assess different amounts for agriculture zoned land and forested conservation zoned land. The existing real property tax codes offer a benefit to land that is zoned agriculture that encourages owners of forested land to deforest their land to obtain the real property tax benefits of agriculture zoned land.

The forests are necessary and vital in protecting the integrity of the State's environment by stabilizing the topsoil, limiting runoff, acting as a watershed to replenish our aquifer system, and providing oxygen for the atmosphere. Your Committee believes that forested land should enjoy the same tax benefits as agriculture zoned land, regardless of zoning.

Your Committee has amended this resolution by amending its title and requesting that the tax equity apply to all owners of forested land, regardless of zoning.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 20, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 20, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Fukunaga and Holt.

SCRep. 1552 Ways and Means on S.C.R. No. 23

The purpose of this concurrent resolution is to request the counties to enact the necessary amendments to their real property tax codes to provide private owners of forested land zoned conservation with the same tax benefits as private owners of land zoned agriculture.

The authority to tax real property is granted to the counties under the Hawaii State Constitution. The four counties currently maintain real property tax codes which assess different amounts for agriculture zoned land and forested conservation zoned land. The existing real property tax codes offer a benefit to land that is zoned agriculture that encourages owners of forested land to deforest their land to obtain the real property tax benefits of agriculture zoned land.

The forests are necessary and vital in protecting the integrity of the State's environment by stabilizing the topsoil, limiting runoff, acting as a watershed to replenish our aquifer system, and providing oxygen for the atmosphere. Your Committee believes that forested land should enjoy the same tax benefits as agriculture zoned land, regardless of zoning.

Your Committee has amended this concurrent resolution by amending its title and requesting that the tax equity apply to all owners of forested land, regardless of zoning.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 23, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 23, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Fukunaga and Holt.

SCRep. 1553 Ways and Means on S.R. No. 189

The purpose of this resolution is to urge the federal administration and the United States Congress to provide the states with the necessary means to finance and administer existing and new federally-mandated programs. This resolution also requests the Congress to enact enabling legislation toward that end.

Your Committee finds that since the mid 1980's there has been a significant increase in federally-mandated programs enacted by Congress that shift the costs of many expensive programs, such as Medicaid enhancements and enforcement of environmental laws, to the states. These mandated programs have created heavy financial burdens on the states and many are struggling to keep pace with the mandates while simultaneously providing required state matching funds for on-going programs funded through federal grants.

Your Committee believes that a reexamination of the current arrangements for the financing and administration of federally mandated programs as requested by this resolution is in order. Most states, like Hawaii, are facing serious fiscal problems and the federal government must find ways to bring the costs of federally-mandated programs to a more realistic and affordable level for the states.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 189 and recommends its adoption.

Signed by all members of the Committee except Senator Fukunaga.

SCRep. 1554 Ways and Means on S.C.R. No. 219

The purpose of this concurrent resolution is to urge the federal administration and the United States Congress to provide the states with the necessary means to finance and administer existing and new federally-mandated programs. This concurrent resolution also requests the Congress to enact enabling legislation toward that end.

Your Committee finds that since the mid 1980's there has been a significant increase in federally-mandated programs enacted by Congress that shift the costs of many expensive programs, such as Medicaid enhancements and enforcement of environmental laws, to the states. These mandated programs have created heavy financial burdens on the states and many are struggling to keep pace with the mandates while simultaneously providing required state matching funds for on-going programs funded through federal grants.

Your Committee believes that a reexamination of the current arrangements for the financing and administration of federally mandated programs as requested by this concurrent resolution is in order. Most states, like Hawaii, are facing serious fiscal problems and the federal government must find ways to bring the costs of federally-mandated programs to a more realistic and affordable level for the states.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 219 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1555 Ways and Means on S.R. No. 161

The purpose of this Resolution is to request the Department of Budget and Finance to examine the feasibility of consolidating similar employee benefit programs administered by three separate state entities.

Your Committee finds that the Employees' Retirement System, the Hawaii Public Employees Health Fund, and the Deferred Compensation Plan have overlapping constituencies, maintain similar records, and process similar actions on separate data bases. Your Committee further finds that more effective and efficient administration as well as sharing staff expertise and developing technologies are among the potential benefits of consolidation.

Testimony in support of this Resolution was submitted by the Department of Budget and Finance and the Hawaii Public Employees' Health Fund.

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 Fukunaga and Holt.

SCRep. 1556 Ways and Means on S.C.R. No. 188

The purpose of this Concurrent Resolution is to request the Department of Budget and Finance to examine the feasibility of consolidating similar employee benefit programs administered by three separate state entities.

Your Committee finds that the Employees' Retirement System, the Hawaii Public Employees' Health Fund, and the Deferred Compensation Plan have overlapping constituencies, maintain similar records, and process similar actions on separate data bases. Your Committee further finds that more effective and efficient administration as well as sharing staff expertise and developing technologies are among the potential benefits of consolidation.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 188 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1557 (Joint) Ways and Means and Legislative Management on S.C.R. No. 127

The purpose of this concurrent resolution is to request the auditor to conduct a management audit of the audit and collection divisions of the department of taxation for the purpose of making recommendations for more efficient and effective performance of these functions.

Your Committees find that recent investigative reports concerning the current administration's management of the department of taxation necessitate the conduct of an audit of the department's audit and collection divisions. Although the stated purpose of this audit is make recommendations for the more efficient and effective performance of the department's auditing and collection functions, your Committees are keenly aware of the expectation that the results of this audit will corroborate or refute the foregoing investigative reports. With this thought in mind, your Committees emphasize that the purpose of this management audit is to inform and advise--not punish--the current administration and the department of taxation.

Your Committees on Ways and Means and Legislative Management concur with the intent and purpose of S.C.R. No. 127 and recommend that it be adopted.

Signed by all members of the Committees except Senators Fernandes Salling, Fukunaga and Holt.

SCRep. 1558 Human Services on S.R. No. 83

The purpose of this Resolution is to urge Congress to eliminate the inequities in Social Security benefits paid to persons born during the years 1917 to 1926.

Your Committee finds that "notch babies," persons born during the years 1917 to 1926, receive lower benefit payments than persons born before that time. Adequate resources are available in the Social Security Trust Fund to eliminate this inequity.

Testimony in support of this Resolution was submitted by the Kokua Council for Senior Citizens.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 83 and recommends its adoption.

Signed by all members of the Committee except Senators Chang and Mizuguchi.

SCRep. 1559 Human Services on S.C.R. No. 102

The purpose of this Concurrent Resolution is to urge Congress to eliminate the inequities in Social Security benefits paid to persons born during the years 1917 to 1926.

Your Committee finds that "notch babies," persons born during the years 1917 to 1926, receive lower benefit payments than persons born before that time. Adequate resources are available in the Social Security Trust Fund to eliminate this inequity.

Testimony in support of this Concurrent Resolution was submitted by the Kokua Council for Senior Citizens.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 102 and recommends its adoption.

Signed by all members of the Committee except Senators Chang and Mizuguchi.

SCRep. 1560 Human Services on S.R. No. 59

The purpose of this Resolution is to request the Department of Human Services to impose liens on the real property of Medicaid recipients as a provision of receiving further benefits.

Your Committee finds that current law authorizes the Department to place liens on property owned by Medicaid recipients, except for property in which the recipients reside in order to reduce some of the State's Medicaid expenditures. Your Committee further finds that the state Medicaid program has required emergency appropriations for two consecutive fiscal years, and therefore the Department should use any legal and ethical methods for recouping funds expended for Medicaid benefits.

Your Committee has amended this Resolution by making various non-substantive changes for the purposes of clarity, consistency, and to conform to proper drafting style.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 59, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 59, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1561 Human Services on S.C.R. No. 74

The purpose of this Concurrent Resolution is to request the Department of Human Services to impose liens on the real property of Medicaid recipients as a provision of receiving further benefits.

Your Committee finds that current law authorizes the Department to place liens on property owned by Medicaid recipients, except for property in which the recipients reside in order to reduce some of the State's Medicaid expenditures. Your Committee further finds that the state Medicaid program has required emergency appropriations for two consecutive fiscal years, and therefore the Department should use any legal and ethical methods for recouping funds expended for Medicaid benefits.

Your Committee has amended this Concurrent Resolution by making various non-substantive changes for the purposes of clarity, consistency, and to conform to proper drafting style.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 74, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 74, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1562 (Joint) Human Services and Health on S.R. No. 177

The purpose of this Resolution is to urge various state agencies and adult day care center operators to implement the strategic plan for adult day centers in Hawaii.

The strategic plan for adult day centers in Hawaii is a result of collaborative efforts of the Executive Office on Aging and various long-term care providers to examine and address the long-term care industry's needs. Adult day centers are a viable alternative to expensive institutional long-term care, and development of this alternative is critical to meeting the growing needs of our aging population in Hawaii.

Testimony in support of this measure was submitted by the Department of Human Services, the Executive Office on Aging, various adult day center operators, and advocates for frail elders.

Your Committees on Human Services and Health concur with the intent and purpose of S.R. No. 177 and recommend its adoption.

Signed by all members of the Committees except Senator Chang.

SCRep. 1563 (Joint) Human Services and Health on S.C.R. No. 207

The purpose of this Concurrent Resolution is to urge various state agencies and adult day care center operators to implement the strategic plan for adult day centers in Hawaii.

The strategic plan for adult day centers in Hawaii is a result of collaborative efforts of the Executive Office on Aging and various long-term care providers to examine and address the long-term care industry's needs. Adult day centers are a viable alternative to expensive institutional long-term care, and development of this alternative is critical to meeting the growing needs of our aging population in Hawaii.

Testimony in support of this measure was submitted by the Department of Human Services, the Executive Office on Aging, various adult day center operators, and advocates for frail elders.

Your Committees on Human Services and Health concur with the intent and purpose of S.C.R. No. 207 and recommend its adoption.

Signed by all members of the Committees except Senator Chang.

SCRep. 1564 (Majority) Science, Technology and Economic Development on S.R. No. 195

The purpose of this Resolution is to urge the Public Utilities Commission to adopt procedures and policies that promote competition in telecommunications services.

Your Committee finds that the level of competition within Hawaii's telecommunications industry has been the subject of increasing study by the Public Utilities Commission and the Consumer Advocate. Your Committee further finds that the New York Public Service Commission has been working for some time on its rules to increase competition, and therefore, they would be a good model for the Public Utilities Commission to use in their continuing efforts to review the need to expand the telecommunications industry in Hawaii.

Testimony in support of this measure was submitted by the Public Utilities Commission, the Consumer Advocate, the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, and Mililani Technology Park. Opposing testimony was submitted by GTE Hawaiian Tel.

Your Committee has amended this Resolution by:

(1) Rephrasing the first BE IT RESOLVED clause to urge the Public Utilities Commission to adopt procedures and policies to bring statewide competition to Hawaii;

(2) Adding a BE IT FURTHER RESOLVED CLAUSE to request that the Commission use as a model the procedures and policies adopted by the New York Public Services Commission;

(3) Adding Mililani Technology Park and other such areas to the third BE IT FURTHER RESOLVED clause;

(4) Adding a BE IT FURTHER RESOLVED clause directing the Commission to issue a Request for Proposal for the design and installation of a 12-fiber or greater, OC-12 or higher data rate per fiber or fiberoptic cable to form interisland connections;

(5) Adding a BE IT FURTHER RESOLVED clause specifying the provisions of the Request for Proposal; and

(6) Adding a BE IT FURTHER RESOLVED clause directing the Commission to provide quarterly reports to the Legislature on the progress made on procurement, disposal and operation of the interisland fiberoptic cable system.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 195, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 195, S.D. 1.

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

SCRep. 1565 (Majority) Science, Technology and Economic Development on S.C.R. No. 225

The purpose of this Concurrent Resolution is to urge the Public Utilities Commission to adopt procedures and policies that promote competition in telecommunications services.

Your Committee finds that the level of competition within Hawaii's telecommunications industry has been the subject of increasing study by the Public Utilities Commission and the Consumer Advocate. Your Committee further finds that the New York Public Service Commission has been working for some time on its rules to increase competition, and therefore, they would be a good model for the Public Utilities Commission to use in their continuing efforts to review the need to expand the telecommunications industry in Hawaii.

Testimony in support of this measure was submitted by the Public Utilities Commission, the Consumer Advocate, the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, and Mililani Technology Park. Opposing testimony was submitted by GTE Hawaiian Tel.

Your Committee has amended this Concurrent Resolution by:

(1) Rephrasing the first BE IT RESOLVED clause to urge the Public Utilities Commission to adopt procedures and policies to bring statewide competition to Hawaii;

(2) Adding a BE IT FURTHER RESOLVED CLAUSE to request that the Commission use as a model the procedures and policies adopted by the New York Public Services Commission;

(3) Adding Mililani Technology Park and other such areas to the third BE IT FURTHER RESOLVED clause;

(4) Adding a BE IT FURTHER RESOLVED clause directing the Commission to issue a Request for Proposal for the design and installation of a 12-fiber or greater, OC-12 or higher data rate per fiber or fiberoptic cable to form interisland connections;

(5) Adding a BE IT FURTHER RESOLVED clause specifying the provisions of the Request for Proposal; and

(6) Adding a BE IT FURTHER RESOLVED clause directing the Commission to provide quarterly reports to the Legislature on the progress made on procurement, disposal and operation of the interisland fiberoptic cable system.

Your Committee on Science, Technology and Economic Development 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.
Senator Levin did not concur.

SCRep. 1566 Science, Technology and Economic Development on S.R. No. 49

The purpose of this Resolution, as received, is to urge the Public Utilities Commission to require Hawaiian Electric Company, Inc. to place underground its Waiau-Campbell Industrial Park 138 kV transmission line system.

Your Committee finds that the placement of electrical transmission lines is a nationwide issue which is gaining the attention of surrounding communities due to possible public health and safety concerns related to exposure to electromagnetic fields (EMFs). Your Committee further finds that while studies are ongoing to document the concerns about EMFs, many electric companies are trying to address the concerns by either rerouting the placement of these lines to avoid populated areas or considering the underground placement of these lines.

Testimony in support of this Resolution, as received, was submitted by Councilmember Arnold Morgado, Jr. of the City and County of Honolulu, the Village Park Community Association, and many residents of Waipahu and Village Park. Opposing testimony to this Resolution, as received, was submitted by the Public Utilities Commission, the Consumer Advocate, and the Hawaiian Electric Company, Inc. Essentially, the discussion debated balancing of public health and safety concerns against additional expense for the undergrounding of the lines which would be borne by the consumer.

Upon consideration of the various concerns expressed by all testifiers, your Committee has amended this measure by:

- (1) Changing the title to read "URGING THE PUBLIC UTILITIES COMMISSION TO CONSIDER ALL FACTORS BEFORE APPROVING HAWAIIAN ELECTRIC COMPANY INC.'S REQUEST TO CONSTRUCT THE WAIU-CAMPBELL INDUSTRIAL PARK 138 KV TRANSMISSION LINE SYSTEM";
- (2) Deleting language indicating that scientific evidence should dictate that overhead placement is ill-advised, and substituting therefore language indicating that there is an emerging issue over the potential health effects of overhead lines;
- (3) Inserting language indicating that pursuant to Sections 269-7, 269-15, and 269-16, the Public Utilities Commission is empowered to examine the operation of a public utility with reference to public safety and take action to insure greater safety;
- (4) Deleting the language indicating that there is ample precedent to support undergrounding of transmission lines as a more logical and reliable installation; and, deleting language indicating that allowing overhead installation forecloses future planning flexibility and options in the second city area;
- (5) Inserting language indicating that in city-designated special design districts in which undergrounding is required, cost recovery from ratepayers is allowed, and because of this required undergrounding, there are concerns about regional inequities in the leeward and Ewa areas where lines are installed overhead;
- (6) Inserting language urging the Public Utilities Commission to give full consideration to all issues surrounding the proposed transmission line, including cost considerations, health effects of electromagnetic fields, concerns about regional inequities, and implications about future growth and land planning;
- (7) Inserting language directing the Public Utilities Commission to conduct a thorough review of the safety issues, pursuant to Sections 269-7, 269-15, and 269-16, prior to reaching a decision on placement of the 138 kV system; and
- (8) Making technical non-substantive changes for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development 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.

SCRep. 1567 Science, Technology and Economic Development on S.C.R. No. 62

The purpose of this Concurrent Resolution, as received, is to urge the Public Utilities Commission to require Hawaiian Electric Company, Inc. to place underground its Waiau-Campbell Industrial Park 138 kV transmission line system.

Your Committee finds that the placement of electrical transmission lines is a nationwide issue which is gaining the attention of surrounding communities due to possible public health and safety concerns related to exposure to electromagnetic fields (EMFs). Your Committee further finds that while studies are ongoing to document the concerns about EMFs, many electric companies are trying to address the concerns by either rerouting the placement of these lines to avoid populated areas or considering the underground placement of these lines.

Testimony in support of this Concurrent Resolution, as received, was submitted by Councilmember Arnold Morgado, Jr. of the City and County of Honolulu, the Village Park Community Association, and many residents of Waipahu and Village Park. Opposing testimony to this Concurrent Resolution, as received, was submitted by the Public Utilities Commission, the Consumer Advocate, and the Hawaiian Electric Company, Inc. Essentially, the discussion debated

balancing of public health and safety concerns against additional expense for the undergrounding of the lines which would be borne by the consumer.

Upon consideration of the various concerns expressed by all testifiers, your Committee has amended this measure by:

- (1) Changing the title to read "URGING THE PUBLIC UTILITIES COMMISSION TO CONSIDER ALL FACTORS BEFORE APPROVING HAWAIIAN ELECTRIC COMPANY INC.'S REQUEST TO CONSTRUCT THE WAI'AU-CAMPBELL INDUSTRIAL PARK 138 KV TRANSMISSION LINE SYSTEM";
- (2) Deleting language indicating that scientific evidence should dictate that overhead placement is ill-advised, and substituting therefore language indicating that there is an emerging issue over the potential health effects of overhead lines;
- (3) Inserting language indicating that pursuant to Sections 269-7, 269-15, and 269-16, the Public Utilities Commission is empowered to examine the operation of a public utility with reference to public safety and take action to insure greater safety;
- (4) Deleting the language indicating that there is ample precedent to support undergrounding of transmission lines as a more logical and reliable installation; and, deleting language indicating that allowing overhead installation forecloses future planning flexibility and options in the second city area;
- (5) Inserting language indicating that in city-designated special design districts in which undergrounding is required, cost recovery from ratepayers is allowed, and because of this required undergrounding, there are concerns about regional inequities in the leeward and Ewa areas where lines are installed overhead;
- (6) Inserting language urging the Public Utilities Commission to give full consideration to all issues surrounding the proposed transmission line, including cost considerations, health effects of electromagnetic fields, concerns about regional inequities, and implications about future growth and land planning;
- (7) Inserting language directing the Public Utilities Commission to conduct a thorough review of the safety issues, pursuant to Sections 269-7, 269-15, and 269-16, prior to reaching a decision on placement of the 138 kV system; and
- (8) Making technical non-substantive changes for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development 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. 1568 Consumer Protection on S.C.R. No. 123

The purpose of this concurrent resolution is to request the legislative reference bureau to study the feasibility of requiring community rating of all small group health insurers in Hawaii.

Community rating is the practice of grouping a whole community of groups seeking insurance together, so that the costs for coverage are spread over a large group and insurance premiums are kept affordable for all. Historically, Hawaii's large insurers have practiced community rating for small employers. However, these large insurers have begun to modify their community rating practices and the department of health has expressed concern that this trend may result in Hawaii experiencing the problems of availability and affordability of small group coverage that are currently affecting the rest of the nation. The intent of the study is to help the legislature determine whether the community rating system should be made mandatory.

As originally drafted, the resolution required the legislative reference bureau to obtain information that is beyond its purview, such as information that required the services of actuaries and experienced insurance consultants. Your Committee has amended the resolution to focus upon the public policy and data gathering aspects of this issue.

As amended, the resolution requests the legislative reference bureau to:

- (1) Obtain the insurance commissioner's estimates of the impact of community rating on the insurance commissioner's workload and regulatory responsibilities;
- (2) Poll locally-based companies, identified by the insurance commissioner and other appropriate sources, that act as third party administrators for other insurance carriers for their opinion of the extent and impact of community rating on their business;
- (3) Review reports and evaluations from other states on the impact on the affordability and availability of health care insurance for small groups in those states that have implemented community rating or similar insurance reforms;
- (4) Obtain input from Hawaii Medical Services Association, Kaiser Foundation Health Plan, Queen's Health Plan, and Hawaii Dental Services on incentives that can be given to encourage companies and their employees to maintain or improve their health status under community rating;
- (5) Obtain information, if available, from the Chamber of Commerce of Hawaii, or other appropriate sources identified by the Chamber, on the extent to which small group employers in Hawaii "self insure," either partially

or in full, and those employers' estimation of the fiscal impact, whether positive or negative, that the imposition of community ratings would have on their businesses;

- (6) Obtain input from the Hawaii public employees health fund on the impact, if any, that community rating would have on it;
- (7) Examine available literature on community rating and list the potential impacts of requiring community rating on:
 - (A) The health insurance industry in Hawaii, including Hawaii-based organizations providing health insurance and mainland-based insurance companies doing business in Hawaii;
 - (B) Small employers, composed of one hundred or fewer employees;
 - (C) Government, most particularly the public employees health fund; and
 - (D) The public as a whole;and
- (8) Report on the types of services, expert and otherwise, and funding needed for:
 - (A) Identification of insurance organizations which presently either provide the remaining portion coverage for those small employers who self-insure in whole or in part, or act as a third party administrator for a small group self-insured program, and how to determine the impact of community rating on them;
 - (B) The financial impact of allowing individuals and families to retain community-rated small group insurance coverage if they were previously insured through an employer and have become self-employed or otherwise independent and not eligible for group-rated insurance coverage;
 - (C) The impact of including spouses and dependents as "members" within the small-group definition; and
 - (D) The estimated premium increases or decreases to small groups due to the establishment of a community rate or other insurance reforms.

Your Committee has also deleted references to the impact of legislation that may be proposed by the Clinton administration because these parameters are too vague to serve as a subject for study.

Your Committee on Consumer Protection concurs with the intent and purpose of S.C.R. No. 123, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 123, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1569 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 14

The purpose of this Concurrent Resolution is to support alternative methods of treated sewage disposal.

Testimony in support of the measure was received from the Department of Health.

Your Committee finds that alternative methods for dumping treated sewage into oceans and streams should be developed to reduce pollution, enhance water quality, and protect the health and safety of Hawaii's people.

Your Committee has amended the measure by requesting that the counties and the Department of Health work cooperatively to develop a plan that would minimize the dumping of treated sewage into the streams and surrounding waters of the State. Stylistic changes were made for clarity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 14, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 14, S.D. 1.

Signed by all members of the Committee.

LCRep. 1570 Legislative Management on S.R. No. 112

The purpose of this Resolution is to request the Auditor to evaluate State and county compliance with the provisions of Sections 103-50 and 103-50.5, Hawaii Revised Statutes, relating to construction of accessible public buildings.

Your Committee finds that despite laws, rules, and executive directives, compliance has yet to be perfected. A study will help identify means of hastening fulfillment of objectives in this area.

Your Committee on Legislative Management concurs with the intent and purpose of S.R. No. 112, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

LCRep. 1571 Legislative Management on S.C.R. No. 137

The purpose of this Concurrent Resolution is to request the Auditor to evaluate State and county compliance with the provisions of Sections 103-50 and 103-50.5, Hawaii Revised Statutes, relating to construction of accessible public buildings.

Your Committee finds that despite laws, rules, and executive directives, compliance has yet to be perfected. A study will help identify means of hastening fulfillment of objectives in this area.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 137, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

LCRep. 1572 Legislative Management on S.R. No. 213

The purpose of this Resolution is to urge recognition of Barbers Point Naval Air Station as the best place for the University of Hawaii - West Oahu.

In conjunction with this position, the Legislative Reference Bureau is requested to study the feasibility of locating the West Oahu campus there and purchasing one thousand acres at Barbers Point Naval Air Station.

Your Committee agrees that Barbers Point Naval Air Station is the best location for the University of Hawaii - West Oahu. This Resolution will provide information needed to formulate and implement a proposal predicated on that premise.

Your Committee on Legislative Management concurs with the intent and purpose of S.R. No. 213, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

LCRep. 1573 Legislative Management on S.C.R. No. 248

The purpose of this Concurrent Resolution is to urge recognition of Barbers Point Naval Air Station as the best place for the University of Hawaii - West Oahu.

In conjunction with this position, the Legislative Reference Bureau is requested to study the feasibility of locating the West Oahu campus there and purchasing one thousand acres at Barbers Point Naval Air Station.

Your Committee agrees that Barbers Point Naval Air Station is the best location for the University of Hawaii - West Oahu. This Concurrent Resolution will provide information needed to formulate and implement a proposal predicated on that premise.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 248, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

LCRep. 1574 Legislative Management on S.C.R. No. 46

The purpose of this Concurrent Resolution is to request the Auditor to study the feasibility of allowing teachers with twenty-five years of service to retire at any age without loss of benefits.

Your Committee finds that teaching requires a level of commitment and personal sacrifice that often places teachers at high risk of "burn-out" after a lengthy career in the public schools. Your Committee agrees that it is appropriate to examine whether teachers should receive the same early retirement option that is currently offered to public employees in other "high-risk" occupations.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 46 and recommends its adoption.

Signed by all members of the Committee.

LCRep. 1575 Legislative Management on S.C.R. No. 88

The purpose of this Concurrent Resolution is to request the Auditor to study and report on regulation of respiratory care services in Hawaii.

The Auditor will examine the need for and proposed effects of regulating the practice of respiratory therapy and whether doing so would be consistent with regulatory policy, and comment on the preferred method, taking into consideration the form of regulation proposed in H.B. No. 1519 introduced in the 1993 Regular Session.

Your Committee finds that lack of uniform definitions, standards, and licensing related to respiratory care could potentially place consumers at risk. A study is needed to determine whether some form of regulation is needed to protect the general public.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 88 and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

LCRep. 1576 Legislative Management on S.C.R. No. 141

The purpose of this Concurrent Resolution is to request the Auditor to conduct a management audit of the Department of Hawaiian Home Lands.

Your Committee finds that a management audit to assess the adequacy of the Department's policies, operations, and administration, complete with recommendations for improvements, will serve to better protect beneficiaries of the Hawaiian Homes Commission Act.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 141, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1577 (Joint) Health and Human Services on S.C.R. No. 124

The purpose of this Concurrent Resolution is to request the Departments of Health and Human Services to submit information on issues relating to Waimano Training School and Hospital and persons with developmental disabilities or mental retardation.

In response to a request from the 1992 Legislature, the State Planning Council on Developmental Disabilities, through its consultants, reported on staffing, decreasing population, and cost effectiveness of operations at Waimano, and submitted several recommendations. This Concurrent Resolution requests information on progress in implementing the recommendations and an outline of objectives for a more community-based person-centered approach to financing community services.

Your Committees find that readjustments are necessary to support a viable state policy committed to an effective and efficient community-based people-oriented system of care for Hawaii's developmentally disabled and mentally retarded citizens.

Your Committees have amended this Concurrent Resolution by additionally requesting the Department of Health, in cooperation with the State Planning Council on Developmental Disabilities, to submit information on future plans for community based care, and by requesting the Department of Health to explain any non-implementation of recommendations presented in the Waimano Training School and Hospital Study.

Your Committees have also made some technical changes that have no substantive effect.

Your Committees on Health and Human Services concur with the intent and purpose of S.C.R. No. 124, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 124, S.D. 1.

Signed by all members of the Committees except Senators Chang, Mizuguchi and Reed.

SCRep. 1578 (Joint) Public Safety and Corrections and Tourism, Recreation and Transportation on S.R. No. 209

The purpose of this Resolution is to create a memorandum of agreement between the Departments of Public Safety and Land and Natural Resources in relation to law enforcement responsibilities involving boating, coastal recreation areas and harbors.

Your Committees heard favorable testimony on this resolution from the Department of Public Safety, and various residents from the Ala Wai Marina. The Department of Transportation sent written testimony indicating its intent to cooperate.

Your Committees have amended this Resolution by changing its title to reflect the involvement of the Department of Transportation, and by expanding the range of entities from which the departments are to solicit input to include the police and fire departments, and the United States Coast Guard.

Your Committees on Public Safety and Corrections and Tourism, Recreation and Transportation concur with the intent and purpose of S.R. No. 209, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 209, S.D. 1.

Signed by all members of the Committees.

SCRep. 1579 (Joint) Public Safety and Corrections and Tourism, Recreation and Transportation on S.C.R. No. 239

The purpose of this Resolution is to create a memorandum of agreement between the Departments of Public Safety and Land and Natural Resources in relation to law enforcement responsibilities involving boating, coastal recreation areas and harbors.

Your Committees heard favorable testimony on this resolution from the Department of Public Safety, and various residents from the Ala Wai Marina. The Department of Transportation sent written testimony indicating its intent to cooperate.

Your Committees have amended this Resolution by changing its title to reflect the involvement of the Department of Transportation, and by expanding the range of entities from which the departments are to solicit input to include the police and fire departments, and the United States Coast Guard.

Your Committees on Public Safety and Corrections and Tourism, Recreation and Transportation concur with the intent and purpose of S.C.R. No. 239, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 239, S.D. 1.

Signed by all members of the Committees.

SCRep. 1580 Human Services on S.R. No. 221

The purpose of this Resolution is to urge State executive agencies to review their service delivery programs to ensure the inclusion of all qualified limited English and non-English speaking clients.

Your Committee finds that publicly funded programs are often inaccessible to immigrants because of language barriers, and believes that action must be taken to correct this inequity.

Your Committee has amended this Resolution by citing the federal case ordering the Department of Health to provide full services to all qualified clients. In addition, your Committee has added the Department of Labor and Industrial Relations and the Department of Education to those executive agencies specifically requested to conduct a review of their programs. In addition, technical, nonsubstantive amendments to the body and title have been made for purposes of clarity and style.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 221, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 221, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1581 Human Services on S.C.R. No. 252

The purpose of this Concurrent Resolution is to urge State executive agencies to review their service delivery programs to ensure the inclusion of all qualified limited English and non-English speaking clients.

Your Committee finds that publicly funded programs are often inaccessible to immigrants because of language barriers, and believes that action must be taken to correct this inequity.

Your Committee has amended this Concurrent Resolution by citing the federal case ordering the Department of Health to provide full services to all qualified clients. In addition, your Committee has added the Department of Labor and Industrial Relations and the Department of Education to those executive agencies specifically requested to conduct a review of their programs. In addition, technical, nonsubstantive amendments to the body and title have been made for purposes of clarity and style.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 252, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 252, S.D. 1.

Signed by all members of the Committee except Senator Chang.

SCRep. 1582 Human Services on S.R. No. 164

The purpose of this Resolution is to request the Governor's Office of Children and Youth, in consultation with the Hawaii Community Foundation and the Hawaii Business Roundtable, to study the early childhood education and care finance implementation initiative.

Your Committee finds that despite Hawaii's recent efforts to improve our public education system, we still lack quality early education programs to prepare all children to be "ready to learn" as they enter their formal education program. Your Committee further finds that the Hawaii Community Foundation Robert E. Black Fund, the Governor's Office of Children and Youth, and the Hawaii Business Council have joined forces to convene an Early Childhood Education and Care (ECEC) Finance Think Tank to identify a range of public and private sector financing methods. This Resolution supports the continuing work of the ECEC Think Tank to develop feasible ECEC financing strategies and an integrated system approach to ECEC by the year 2000.

Testimony in support of this Resolution was submitted by the Governor's Office of Children and Youth, the Hawaii Community Foundation, and the Hawaii Business Roundtable.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 164 and recommends its adoption.

Signed by all members of the Committee except Senator Chang.

SCRep. 1583 Human Services on S.C.R. No. 191

The purpose of this Concurrent Resolution is to request the Governor's Office of Children and Youth, in consultation with the Hawaii Community Foundation and the Hawaii Business Roundtable, to study the early childhood education and care finance implementation initiative.

Your Committee finds that despite Hawaii's recent efforts to improve our public education system, we still lack quality early education programs to prepare all children to be "ready to learn" as they enter their formal education program. Your Committee further finds that the Hawaii Community Foundation Robert E. Black Fund, the Governor's Office of Children and Youth, and the Hawaii Business Council have joined forces to convene an Early Childhood Education and Care (ECEC) Finance Think Tank to identify a range of public and private sector financing methods. This Concurrent Resolution supports the continuing work of the ECEC Think Tank to develop feasible ECEC financing strategies and an integrated system approach to ECEC by the year 2000.

Testimony in support of this Concurrent Resolution was submitted by the Governor's Office of Children and Youth, the Hawaii Community Foundation, and the Hawaii Business Roundtable.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 191 and recommends its adoption.

Signed by all members of the Committee except Senator Chang.

SCRep. 1584 Human Services on S.R. No. 111

The purpose of this Resolution is to urge the Executive Office on Aging to propose a new streamlined and reduced package of long-term care core benefits to reduce costs and to allow program participants to purchase supplemental private long-term care insurance.

Your Committee finds that as the cost of long-term health care increases, effective alternatives must be developed to address current and future long-term care needs in this State. Your Committee believes that a public/private partnership dedicated to developing solutions to this concern would be in the best interests of all residents of the State. Therefore, your Committee has amended this Resolution by requesting that the Executive Office on Aging work in conjunction with various public and private groups to propose a revised plan for long-term care, including an alternative program with less public liability than the plan proposed to the Legislature this session.

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

Your Committee on Human Services 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 except Senators Chang, Fukunaga and Levin.

SCRep. 1585 Human Services on S.C.R. No. 136

The purpose of this Concurrent Resolution is to urge the Executive Office on Aging to propose a new streamlined and reduced package of long-term care core benefits to reduce costs and to allow program participants to purchase supplemental private long-term care insurance.

Your Committee finds that as the cost of long-term health care increases, effective alternatives must be developed to address current and future long-term care needs in this State. Your Committee believes that a public/private partnership dedicated to developing solutions to this concern would be in the best interests of all residents of the State. Therefore, your Committee has amended this Concurrent Resolution by requesting that the Executive Office on Aging work in conjunction with various public and private groups to propose a revised plan for long-term care, including an alternative program with less public liability than the plan proposed to the Legislature this session.

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

Your Committee on Human Services concurs 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 except Senators Chang, Fukunaga and Levin.

SCRep. 1586 Human Services on S.R. No. 96

The purpose of this Resolution is to request that the Governor consider establishing a youth conservation corps program for the State of Hawaii.

Youth conservation corps programs are currently operating successfully in many other states, enlisting young people to participate in activities aimed at protecting and improving the environment. Your Committee finds that this worthwhile program parallels initiatives proposed by President Clinton in his call for national and community service, and will instill a sense of obligation, responsibility, and pride in our young adults.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 96 and recommends its adoption.

Signed by all members of the Committee except Senators Chang, Fukunaga and Levin.

SCRep. 1587 Human Services on S.C.R. No. 120

The purpose of this Concurrent Resolution is to request that the Governor consider establishing a youth conservation corps program for the State of Hawaii.

Youth conservation corps programs are currently operating successfully in many other states, enlisting young people to participate in activities aimed at protecting and improving the environment. Your Committee finds that this worthwhile program parallels initiatives proposed by President Clinton in his call for national and community service, and will instill a sense of obligation, responsibility, and pride in our young adults.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 120 and recommends its adoption.

Signed by all members of the Committee except Senators Chang, Fukunaga and Levin.

SCRep. 1588 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 11

The purpose of this Resolution is to support alternative methods of treated sewage disposal.

Testimony in support of the measure was received from the Department of Health.

Your Committee finds that alternative methods for dumping treated sewage into oceans and streams should be developed to reduce pollution, enhance water quality, and protect the health and safety of Hawaii's people.

Your Committee has amended the measure by requesting that the counties and the Department of Health work cooperatively to develop a plan that would minimize the dumping of treated sewage into the streams and surrounding waters of the State. Stylistic changes were made for clarity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 11, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 11, S.D. 1.

Signed by all members of the Committee.

SCRep. 1589 Ways and Means on S.C.R. No. 179

The purpose of this concurrent resolution is to establish a joint committee on tourism fee distribution comprised of the members of the House Finance and the Senate Ways and Means committees to discuss and determine the appropriate means of reallocating revenues derived from visitor fees and charges toward the purpose of benefiting the general public.

Your Committee finds that visitors to Hawaii are regularly assessed a variety of fees and other charges by the State for services provided during their stay in the islands. While these charges generate millions of dollars in additional income for the State, the earnings derived from these charges are generally expended for purposes that do not directly benefit the general public. Your Committee finds that these revenues could be reallocated and expended for uses that directly benefit the people of the State. The joint committee to be convened pursuant to this concurrent resolution will ensure that this issue is fully examined and addressed.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 179 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 1590 Tourism, Recreation and Transportation on S.R. No. 173

The purpose of this Resolution is to request the State to expedite the installation, operation, and maintenance of a statewide system of day-use moorings.

The reefs surrounding our islands are a precious and valuable resource for fishing and diving activities. There has been an increase in commercial diving activities which has brought concerns that the reefs are being destroyed by anchors and anchor chains from moored boats used to bring divers to a particular diving site. Once destroyed, a coral reef may take decades and even centuries to become reestablished. Your Committee feels that proper mooring of boats will ensure the preservation of our reef systems.

Your Committee has amended this measure for purpose of style and clarity.

Your Committee on Tourism, Recreation and Transportation 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. 1591 Tourism, Recreation and Transportation on S.C.R. No. 202

The purpose of this Concurrent Resolution is to request the State to expedite the installation, operation, and maintenance of a statewide system of day-use moorings.

The reefs surrounding our islands are a precious and valuable resource for fishing and diving activities. There has been an increase in commercial diving activities which has brought concerns that the reefs are being destroyed by anchors and anchor chains from moored boats used to bring divers to a particular diving site. Once destroyed, a coral reef may take decades and even centuries to become reestablished. Your Committee feels that proper mooring of boats will ensure the preservation of our reef systems.

Your Committee has amended this measure for purpose of style and clarity.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 202, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 202, S.D. 1.

Signed by all members of the Committee.

SCRep. 1592 Tourism, Recreation and Transportation on S.R. No. 229

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism to study market potential and appropriate sites for a satellite convention facility in Maui.

Your Committee finds that Maui is recognized internationally as one of the greatest vacation spots in the world. In addition, your Committee recognizes that Maui has the potential to be a premiere business travel and sports event destination.

Your Committee received testimony in support of this Resolution from the Hawaii Visitors Bureau, the Hawaii Convention Park Council, the Hawaii Hotel Association, the Maui Hotel Association, and Councilmember Lynn Britton of the Maui County Council. While the Convention Center Authority supports the intent of this measure and stands ready to assist in anyway possible, it takes no position on the appropriations aspect of this measure.

Your Committee has amended this Resolution to request the Department of Business, Economic Development, and Tourism to conduct the study in cooperation with the Maui County Council and Administration.

Your Committee on Tourism, Recreation and Transportation 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. 1593 Tourism, Recreation and Transportation on S.C.R. No. 259

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism to study market potential and appropriate sites for a satellite convention facility in Maui.

Your Committee finds that Maui is recognized internationally as one of the greatest vacation spots in the world. In addition, your Committee recognizes that Maui has the potential to be a premiere business travel and sports event destination.

Your Committee received testimony in support of this Concurrent Resolution from the Hawaii Visitors Bureau, the Hawaii Convention Park Council, the Hawaii Hotel Association, the Maui Hotel Association, and Councilmember Lynn Britton of the Maui County Council. While the Convention Center Authority supports the intent of this measure and stands ready to assist in anyway possible, it takes no position on the appropriations aspect of this measure.

Your Committee has amended this Concurrent Resolution to request the Department of Business, Economic Development, and Tourism to conduct the study in cooperation with the Maui County Council and Administration.

Your Committee on Tourism, Recreation and Transportation 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. 1594 Tourism, Recreation and Transportation on S.R. No. 101

The purpose of this Resolution is to request the Department of Transportation to conduct an informational hearing to examine airport fees and explore ways to ensure that air carriers continue routes to Hawaii.

Your Committee finds that there is a great concern that the downturn in tourism, coupled with the multi-million dollar expansion of the Honolulu International Airport, may result in undue increased airport fees and rents and may discourage air carriers from continuing service to Hawaii.

Your Committee has amended this Resolution to provide that the Department of Transportation seek input and gather information from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Airlines Committee of Hawaii, in addition to other interested parties.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 101, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 101, S.D. 1.

Signed by all members of the Committee.

SCRep. 1595 Tourism, Recreation and Transportation on S.C.R. No. 112

The purpose of this Concurrent Resolution is to request the Department of Transportation to conduct an informational hearing to examine airport fees and explore ways to ensure that air carriers continue routes to Hawaii.

Your Committee finds that there is a great concern that the downturn in tourism, coupled with the multi-million dollar expansion of the Honolulu International Airport, may result in undue increased airport fees and rents and may discourage air carriers from continuing service to Hawaii.

Your Committee has amended this Concurrent Resolution to provide that the Department of Transportation seek input and gather information from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Airlines Committee of Hawaii, in addition to other interested parties.

Your Committee on Tourism, Recreation and Transportation 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.

SCRep. 1596 Tourism, Recreation and Transportation on S.R. No. 69

The purpose of this Resolution is to request the Director of the Department of Business, Economic Development, and Tourism to coordinate visitor industry activities and promotions with the State's information network.

Your Committee believes that the visitor industry's involvement with the State's information network and electronic services will be mutually beneficial, and finds that the visitor industry could utilize the State's electronic network to employ direct marketing with travel agents and individual visitors; provide tourism related information to businesses in the State; promote the State as a visitor destination to national and international markets; communicate and share information among members of the visitor industry; and educate and promote to Hawaii's residents, the value of tourism for the State's economy.

Your Committee received testimony in support of this Resolution from the Department of Business, Economic Development, and Tourism and Hawaii Inc.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 69 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1597 Tourism, Recreation and Transportation on S.C.R. No. 84

The purpose of this Concurrent Resolution is to request the Director of the Department of Business, Economic Development, and Tourism to coordinate visitor industry activities and promotions with the State's information network.

Your Committee believes that the visitor industry's involvement with the State's information network and electronic services will be mutually beneficial, and finds that the visitor industry could utilize the State's electronic network to employ direct marketing with travel agents and individual visitors; provide tourism related information to businesses in the State; promote the State as a visitor destination to national and international markets; communicate and share information among members of the visitor industry; and educate and promote to Hawaii's residents, the value of tourism for the State's economy.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Business, Economic Development, and Tourism and Hawaii Inc.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 84 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1598 Tourism, Recreation and Transportation on S.R. No. 110

The purpose of this Resolution is to pursue ways to attract newlyweds to Hawaii.

Your Committee finds that Hawaii, with its lush tropical greenery, blue ocean waters, clear blue skies, and soft cool breezes is conducive to the creation of fond memories for honeymooners who will cherish forever, the first few days of their lives together on a honeymooner's vacation in Hawaii.

Although their vacation here may not be entirely champagne wishes and caviar dreams, Hawaii's tourist industry must make known the beauty of our islands to newlyweds.

Your Committee feels that the Department of Business and Economic Development and the Hawaii Visitors Bureau should explore alternative and creative marketing strategies to convey your Committee's findings to the rest of the world so that all honeymooners would want to travel to Hawaii.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 110 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1599 Tourism, Recreation and Transportation on S.C.R. No. 135

The purpose of this Concurrent Resolution is to pursue ways to attract newlyweds to Hawaii.

Your Committee finds that Hawaii, with its lush tropical greenery, blue ocean waters, clear blue skies, and soft cool breezes is conducive to the creation of fond memories for honeymooners who will cherish forever, the first few days of their lives together on a honeymooner's vacation in Hawaii.

Although their vacation here may not be entirely champagne wishes and caviar dreams, Hawaii's tourist industry must make known the beauty of our islands to newlyweds.

Your Committee feels that the Department of Business and Economic Development and the Hawaii Visitors Bureau should explore alternative and creative marketing strategies to convey your Committee's findings to the rest of the world so that all honeymooners would want to travel to Hawaii.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 135 and recommends its adoption.

Signed by all members of the Committee except Senator Kobayashi, B.

SCRep. 1600 Tourism, Recreation and Transportation on S.R. No. 72

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism to study market potential and appropriate sites for a satellite convention facility in West Hawaii.

Your Committee finds that there is great potential for a neighbor island facility to service conferences and smaller conventions. Your Committee believes that the development of an appropriately planned and designed satellite convention facility will help the neighbor islands to attract a larger share of convention business.

Your Committee received testimony in support of this Resolution from the Hawaii Convention Park Council and the Hawaii Hotel Association. The Convention Center Authority concurs with the intent of this measure, but cannot support any proposals for budget items that are not already contained in the administration's Fiscal Biennium 1993-95 budget request.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 72 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1601 Tourism, Recreation and Transportation on S.C.R. No. 91

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism to study market potential and appropriate sites for a satellite convention facility in West Hawaii.

Your Committee finds that there is great potential for a neighbor island facility to service conferences and smaller conventions. Your Committee believes that the development of an appropriately planned and designed satellite convention facility will help the neighbor islands to attract a larger share of convention business.

Your Committee received testimony in support of this Concurrent Resolution from the Hawaii Convention Park Council and the Hawaii Hotel Association. The Convention Center Authority concurs with the intent of this measure, but cannot support any proposals for budget items that are not already contained in the administration's Fiscal Biennium 1993-95 budget request.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 91 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1602 Tourism, Recreation and Transportation on S.R. No. 68

The purpose of this Resolution is to request the Department of Land and Natural Resources to collaborate with interested parties to seek, identify, evaluate, test, implement, and monitor, as rapidly as possible, effective alternatives to snaring and aerial hunting, and to recommend a process for encouraging full public participation in game management and related land management decisions.

Your Committee finds that there is an urgent need to provide for public participation in land management issues to ensure that the concerns of all parties are thoroughly considered and addressed.

Your Committee has amended this Resolution to allow snaring only by trained and authorized personnel from the Department of Land and Natural Resources and The Nature Conservancy of Hawaii, and to request the Department of Land and Natural Resources to place a moratorium of not less than one year on the practice of aerial hunting.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 68, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 68, S.D. 1.

Signed by all members of the Committee.

SCRep. 1603 Tourism, Recreation and Transportation on S.C.R. No. 83

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to collaborate with interested parties to seek, identify, evaluate, test, implement, and monitor, as rapidly as possible, effective alternatives to snaring and aerial hunting, and to recommend a process for encouraging full public participation in game management and related land management decisions.

Your Committee finds that there is an urgent need to provide for public participation in land management issues to ensure that the concerns of all parties are thoroughly considered and addressed.

Your Committee has amended this Concurrent Resolution to allow snaring only by trained and authorized personnel from the Department of Land and Natural Resources and The Nature Conservancy of Hawaii, and to request the Department of Land and Natural Resources to place a moratorium of not less than one year on the practice of aerial hunting.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 83, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 83, S.D. 1.

Signed by all members of the Committee.

SCRep. 1604 Tourism, Recreation and Transportation on S.R. No. 67

The purpose of this Resolution is to request the State to renegotiate fair and reasonable lease rents for lessees of condemned property in the Honolulu International Airport area.

Your Committee finds that many industrial lessees on the makai side of Ualena Street cannot redevelop their properties to higher uses because they have short-term leases to accommodate the expansion of the Honolulu International Airport.

Your Committee has amended this bill to request the State to consider the impact of any drastic increase in rent, the extreme fluctuation of the economy, the impact of foreign investments, and the use of a schedule of graduated rent increases, if possible, in renegotiating the lease rents.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 67, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 67, S.D. 1.

Signed by all members of the Committee.

SCRep. 1605 Tourism, Recreation and Transportation on S.C.R. No. 82

The purpose of this Concurrent Resolution is to request the State to renegotiate fair and reasonable lease rents for lessees of condemned property in the Honolulu International Airport area.

Your Committee finds that many industrial lessees on the makai side of Ualena Street cannot redevelop their properties to higher uses because they have short-term leases to accommodate the expansion of the Honolulu International Airport.

Your Committee has amended this bill to request the State to consider the impact of any drastic increase in rent, the extreme fluctuation of the economy, the impact of foreign investments, and the use of a schedule of graduated rent increases, if possible, in renegotiating the lease rents.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.C.R. No. 82, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 82, S.D. 1.

Signed by all members of the Committee.

SCRep. 1606 Agriculture on S.C.R. No. 98

The purpose of this Concurrent Resolution is to urge all State executive departments to maximize the use of locally grown or processed agricultural products in operations requiring the preparation of food.

The Department of Agriculture testified in support of the measure.

Your Committee finds that the promotion of locally grown or processed agricultural products begins at home. By utilizing such products in State operations that require food preparation, the State will set an example for others to follow.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 98 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1607 Agriculture on S.C.R. No. 145

The purpose of this Concurrent Resolution is to direct the Auditor to evaluate the financial, programmatic, and public policy effects of transferring the Aquaculture Development Program from the Department of Land and Natural Resources to the Department of Agriculture.

Your Committee received testimony in opposition of this measure from a number of affected persons, including the Department of Agriculture and the Department of Land and Natural Resources.

Based on the testimony submitted, your Committee believes that the slow expansion of the State's aquaculture industry is a complex problem that requires a more dedicated and focused approach than what is currently being provided by the Department of Land and Natural Resources.

Consequently, your Committee has amended the measure to request that the Department of Land and Natural Resources submit a report to the 1994 Legislature, that assesses the status of the State's existing aquaculture industries and outlines alternative solutions to increasing aquaculture industry expansion.

Your Committee has made stylistic amendments to the title and the body of this measure.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 145, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 145, S.D. 1.

Signed by all members of the Committee.

SCRep. 1608 Agriculture on S.C.R. No. 192

The purpose of this Concurrent Resolution is to request the Department of Agriculture to conduct a study on the feasibility of developing a multiple-use sustainable community.

Testimony in support of the measure was received from the Aloha Preservation Association.

Your Committee finds that an integrated agricultural and residential community, if properly planned and developed, could promote the efficient use of the State's limited land and natural resources.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 192 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1609 Agriculture on S.C.R. No. 232

The purpose of this Concurrent Resolution is to request the Department of Agriculture to amend the Animal Quarantine Station's visiting hours.

The Department of Agriculture submitted testimony stating that the Department is currently working on a proposal to expand the Animal Quarantine Station's visiting hours on Saturdays and Sundays.

Your Committee finds that the owners of pets kept in the Animal Quarantine Station should be provided with ample opportunity to visit and care for their pets.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 232 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1610 Agriculture on S.R. No. 198

The purpose of this Resolution is to urge the United States government to correct the serious threat to Hawaii's agricultural industries posed by the North American Free Trade Agreement (NAFTA).

Your Committee, realizing the significance of the potential ramifications of a ratified NAFTA on the State's agricultural industries, conducted hearings on the measure on the islands of Oahu, Maui, Kauai, and Hawaii. By doing so, your Committee attempted to obtain a broader perspective and understanding as to how the State's agricultural industries would be affected by the passage of NAFTA as it is currently drafted.

Your Committee believes that the provisions contained within the measure would serve to protect the interests of the State's agricultural industries.

Your Committee has amended the measure to correct a grammatical error in the title.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 198, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 198, S.D. 1.

Signed by all members of the Committee.

SCRep. 1611 (Joint) Human Services and Health on S.C.R. No. 236

The purpose of this Concurrent Resolution is to request the Department of Human Services and the Department of Health to report on the feasibility and financial ramifications of improving dental services on the Big Island to Medicaid patients.

Currently, dental care for Medicaid patients on the Big Island is extremely limited, provided primarily by two dental clinics in East Hawaii. These clinics are barely able to cover their expenses and are not equipped to handle dental emergencies. To address this growing concern, the Department of Health is proposing to initiate a dental service program at Hilo Hospital, staffed with local dentists, and implemented with funds from the Department of Human Service's existing Medicaid budget.

Your Committees find that alternatives must be explored to meet the increasing demand for dental services and ensure the availability of affordable health care for all citizens of this State. The study requested in this Concurrent Resolution will provide valuable information on the financial implications and practical concerns of dealing with this problem.

Your Committees have amended this measure by changing the deadline for the Departments of Human Services and Health to submit their report from April 15, 1993 to twenty days before the convening of the 1994 Regular Session.

Several technical, nonsubstantive amendments have been made to the body and title for purposes of style and clarity.

Your Committees on Human Services and Health concur with the intent and purpose of S.C.R. No. 236, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 236, S.D. 1.

Signed by all members of the Committees except Senators Chang, Hagino, Levin, Reed, Matsunaga and Solomon.

LCRep. 1612 Legislative Management on S.R. No. 137

The purpose of this Resolution is to request the Legislative Reference Bureau to study and report on options for placing the State's mental health service delivery system under a different form of governance.

The Bureau will study the means employed by other states to organize and operate their mental health systems, particularly states that operate with significant autonomy and effectiveness. The Bureau will also look at locales which received positive recommendations during the 1992 conference "Hawaii Public Law 99-660 Implementation Initiative" sponsored by the Department of Health Adult Mental Health Division.

Your Committee on Legislative Management concurs with the intent and purpose of S.R. No. 137, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

LCRep. 1613 Legislative Management on S.C.R. No. 163

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to study and report on options for placing the State's mental health service delivery system under a different form of governance.

The Bureau will study the means employed by other states to organize and operate their mental health systems, particularly states that operate with significant autonomy and effectiveness. The Bureau will also look at locales which received positive recommendations during the 1992 conference "Hawaii Public Law 99-660 Implementation Initiative" sponsored by the Department of Health Adult Mental Health Division.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 163, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

LCRep. 1614 Legislative Management on S.R. No. 66

The purpose of this Resolution is to request the Public Utilities Commission to open a docket to investigate alternative mechanisms for delivering telecommunications services in Hawaii.

Alternatives will include purchase of GTE Hawaiian Tel for operation as a state authority and franchising its telephone or telecommunication services to a private entity as is currently done in the Commonwealth of the Northern Marianas. The Commission will submit a report of findings and recommendations to the 1994 Legislature.

Your Committee finds that GTE Hawaiian Tel has a duty to meet the telecommunications needs of Hawaii's people and be an active partner in state initiatives to further develop a telecommunications industry in the State. There is some concern as to whether GTE Hawaiian Tel is appropriately responsive to these obligations.

Your Committee on Legislative Management concurs with the intent and purpose of S.R. No. 66, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

LCRep. 1615 Legislative Management on S.C.R. No. 81

The purpose of this Concurrent Resolution is to request the Public Utilities Commission to open a docket to investigate alternative mechanisms for delivering telecommunications services in Hawaii.

Alternatives will include purchase of GTE Hawaiian Tel for operation as a state authority and franchising its telephone or telecommunication services to a private entity as is currently done in the Commonwealth of the Northern Marianas. The Commission will submit a report of findings and recommendations to the 1994 Legislature.

Your Committee finds that GTE Hawaiian Tel has a duty to meet the telecommunications needs of Hawaii's people and be an active partner in state initiatives to further develop a telecommunications industry in the State. There is some concern as to whether GTE Hawaiian Tel is appropriately responsive to these obligations.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 81, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

LCRep. 1616 Legislative Management on S.C.R. No. 115

The purpose of this Concurrent Resolution is to request an audit of the Hawaii Visitors Bureau.

Your Committee finds that periodic evaluation by the Auditor of a major state contractor such as the Hawaii Visitors Bureau is necessary to ensure the efficient and effective allocation of public funds.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 115 and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

LCRep. 1617 Legislative Management on S.C.R. No. 169

The purpose of this Concurrent Resolution is to provide for a bicameral interim study on the ramifications of authorizing a "guilty but mentally ill" verdict under the Hawaii Penal Code.

Your Committee finds that recent United States Supreme Court decisions indicate that a review of the penal responsibility statutes, and consideration of the "guilty but mentally ill" verdict, would be timely and appropriate.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 169 and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

LCRep. 1618 Legislative Management on S.C.R. No. 194

The purpose of this Concurrent Resolution is to request establishment of a joint interim committee to examine issues relating to protection of important agricultural lands within the State.

The interim committee will solicit community input through a series of public hearings on all major islands and assess its work within the context of an evaluation of the State land use regulation and management system currently being conducted by the Office of State Planning pursuant to Act 300, Session Laws of Hawaii 1992.

Your Committee finds that this Concurrent Resolution will enable development of proposed legislation to fulfill the mandate of Article XI, Section 3 of the State Constitution.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 194 and recommends its adoption.

Signed by all members of the Committee except Senators Hagino and Holt.

LCRep. 1619 Legislative Management on S.C.R. No. 235

The purpose of this Concurrent Resolution is to invite the Chief Justice to present a State of the Judiciary address to the Legislature on the second Wednesday of every regular session.

Your Committee finds that information from the Chief Justice regarding the current status and projected plans of the Judiciary will assist the Legislature to better understand and help the Judiciary meet its goals and objectives, and satisfy its funding requirements.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 235 and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

SCRep. 1620 Agriculture on S.R. No. 79

The purpose of this Resolution is to urge all State executive departments to maximize the use of locally grown or processed agricultural products in operations requiring the preparation of food.

The Department of Agriculture testified in support of the measure.

Your Committee finds that the promotion of locally grown or processed agricultural products begins at home. By utilizing such products in State operations that require food preparation, the State will set an example for others to follow.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 79 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda, Levin, Mizuguchi and Reed.

SCRep. 1621 Agriculture on S.R. No. 165

The purpose of this Resolution is to request the Department of Agriculture to conduct a study on the feasibility of developing a multiple-use sustainable community.

Testimony in support of the measure was received from the Aloha Preservation Association.

Your Committee finds that an integrated agricultural and residential community, if properly planned and developed, could promote the efficient use of the State's limited land and natural resources.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 165 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda, Levin, Mizuguchi and Reed.

SCRep. 1622 Agriculture on S.R. No. 202

The purpose of this Resolution is to request the Department of Agriculture to amend the Animal Quarantine Station's visiting hours.

The Department of Agriculture submitted testimony stating that the Department is currently working on a proposal to expand the Animal Quarantine Station's visiting hours on Saturdays and Sundays.

Your Committee finds that the owners of pets kept in the Animal Quarantine Station should be provided with ample opportunity to visit and care for their pets.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 202 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda, Levin, Mizuguchi and Reed.

SCRep. 1623 Tourism, Recreation and Transportation on S.R. No. 196

The purpose of this Resolution is to request the Department of Transportation to support Airport Transport Management Inc. in its efforts to plan and implement a high quality, total, unified, and coordinated ground transportation system at the Honolulu International Airport.

Your Committee finds that the Department of Transportation has been working to enhance the overall ground transportation system at the Honolulu International Airport, and agrees that a coordinated ground transportation management system that incorporates and facilitates an open taxi system at the Honolulu International Airport would alleviate traffic congestion and provide efficient service to the airport.

Your Committee has amended this Resolution by changing its title and provisions to request the Department of Transportation to work together with ground transportation operators in planning and implementing a high quality, total, unified, and coordinated ground transportation system at the Honolulu International Airport.

In addition, this Resolution, as amended, requests that the open taxi system also provide for an open limousine system; that the Director of Transportation work with ground transportation operators to seek a professional management company by Request For Proposal to manage and operate the total ground transportation system; that the Director of Transportation submit a report to the Legislature prior to the convening of the Regular Session of 1994; and that a certified copy of the Concurrent Resolution be transmitted to the Attorney General, in addition to the Director of Transportation.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 196, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 196, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling and Holt.

SCRep. 1624 Tourism, Recreation and Transportation on S.C.R. No. 226

The purpose of this Concurrent Resolution is to request the Department of Transportation to support Airport Transport Management Inc. in its efforts to plan and implement a high quality, total, unified, and coordinated ground transportation system at the Honolulu International Airport.

Your Committee finds that the Department of Transportation has been working to enhance the overall ground transportation system at the Honolulu International Airport, and agrees that a coordinated ground transportation management system that incorporates and facilitates an open taxi system at the Honolulu International Airport would alleviate traffic congestion and provide efficient service to the airport.

Your Committee has amended this Concurrent Resolution by changing its title and provisions to request the Department of Transportation to work together with ground transportation operators in planning and implementing a high quality, total, unified, and coordinated ground transportation system at the Honolulu International Airport.

In addition, this Concurrent Resolution, as amended, requests that the open taxi system also provide for an open limousine system; that the Director of Transportation work with ground transportation operators to seek a professional management company by Request For Proposal to manage and operate the total ground transportation system; that the Director of Transportation submit a report to the Legislature prior to the convening of the Regular Session of 1994; and that a certified copy of the Concurrent Resolution be transmitted to the Attorney General, in addition to the Director of Transportation.

Your Committee on Tourism, Recreation and Transportation 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 Fernandes Salling and Holt.

SCRep. 1625 Tourism, Recreation and Transportation on S.R. No. 131

The purpose of this Resolution is to request the Governor to appoint to the Hawaii Tropical Forest Recovery Task Force, a member who will represent the interests of hunters.

Your Committee finds that hunting of feral pigs, especially on the island of Hawaii, is an important life sustaining activity that provides an important food source for many people.

Your Committee has amended this measure by:

1. Including language to describe the Puu O Umi Reserve and the Kohala Forest Reserve;
2. Including language to describe the Waimanu Valley National Estuarine Research Reserve;
3. Requesting the Board of Land and Natural Resources to take note of the concerns of the hunters and inform the hunters and the community about the State's plans to control and manage the feral pig problem in native forest areas;
4. Requesting the Governor to consider appointing a member to the Hawaii Tropical Forest Recovery Task Force that will represent the interest of the hunters;
5. Transmitting certified copies to Hawaii's Congressional Delegation, the Governor, the Director of the National Estuarine Research Reserve System, and the Chairperson of the the Board of Land and Natural Resources.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 131, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 131, S.D. 1.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 1626 Tourism, Recreation and Transportation on S.C.R. No. 158

The purpose of this Concurrent Resolution is to request the Governor to appoint to the Hawaii Tropical Forest Recovery Task Force, a member who will represent the interests of hunters.

Your Committee finds that hunting of feral pigs, especially on the island of Hawaii, is an important life sustaining activity that provides an important food source for many people.

Your Committee has amended this measure by:

1. Including language to describe the Puu O Umi Reserve and the Kohala Forest Reserve;
2. Including language to describe the Waimanu Valley National Estuarine Research Reserve;
3. Requesting the Board of Land and Natural Resources to take note of the concerns of the hunters and inform the hunters and the community about the State's plans to control and manage the feral pig problem in native forest areas;
4. Requesting the Governor to consider appointing a member to the Hawaii Tropical Forest Recovery Task Force that will represent the interest of the hunters;
5. Transmitting certified copies to Hawaii's Congressional Delegation, the Governor, the Director of the National Estuarine Research Reserve System, and the Chairperson of the the Board of Land and Natural Resources.

Your Committee on Tourism, Recreation and Transportation 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 Senator Fernandes Salling.

SCRep. 1627 (Joint) Higher Education, Culture, Arts and Historic Preservation and Consumer Protection on S.R. No. 47

The purpose of this Resolution is to request the Director of Commerce and Consumer Affairs to study the feasibility and propriety of authorizing a 24-hour all Hawaiian language cable television station in Hawaii.

Your Committees believe that the Hawaiian language, as one of the two official languages of the State, must be actively promoted and maintained as a living language. Your Committees find that the Hawaiian language and culture may be kept alive and widely disseminated through the use of media communication.

While the Department of Commerce and Consumer Affairs agrees that the Hawaiian culture provides a rich source for video programming, the Department is prohibited by law, except in extremely limited circumstances, from interfering with the program selections of cable operators and broadcasters.

Accordingly, your Committees have amended this Resolution to request Pacific Islanders in Communication and 'Olelo to assess currently available cable and television programming relating to Hawaii and its culture, history and indigenous language; interest in developing similar programming; resources, including training, equipment, facilities, and funding, available for developing programming; and available distribution options.

Your Committees on Higher Education, Culture, Arts and Historic Preservation and Consumer Protection concur with the intent and purpose of S.R. No. 47, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 47, S.D. 1.

Signed by all members of the Committees except Senators Holt, Mizuguchi and Chang.

SCRep. 1628 (Joint) Higher Education, Culture, Arts and Historic Preservation and Consumer Protection on S.C.R. No. 59

The purpose of this Concurrent Resolution is to request the Director of Commerce and Consumer Affairs to study the feasibility and propriety of authorizing a 24-hour all Hawaiian language cable television station in Hawaii.

Your Committees believe that the Hawaiian language, as one of the two official languages of the State, must be actively promoted and maintained as a living language. Your Committees find that the Hawaiian language and culture may be kept alive and widely disseminated through the use of media communication.

While the Department of Commerce and Consumer Affairs agrees that the Hawaiian culture provides a rich source for video programming, the Department is prohibited by law, except in extremely limited circumstances, from interfering with the program selections of cable operators and broadcasters.

Accordingly, your Committees have amended this Concurrent Resolution to request Pacific Islanders in Communication and 'Olelo to assess currently available cable and television programming relating to Hawaii and its culture, history and indigenous language; interest in developing similar programming; resources, including training, equipment, facilities, and funding, available for developing programming; and available distribution options.

Your Committees on Higher Education, Culture, Arts and Historic Preservation and Consumer Protection concur with the intent and purpose of S.C.R. No. 59, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 59, S.D. 1.

Signed by all members of the Committees except Senators Holt, Mizuguchi and Chang.

SCRep. 1629 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 222

The purpose of this Resolution is to request the East-West Center and the Office of International Relations to investigate the viability of establishing Project Ma'alo to register, inventory, and protect privately held artifacts of the Pacific.

Your Committee finds that Hawaii could play an important and pivotal role in the collection of data on Hawaiian, Polynesian Triangle, and Pacific Rim cultural artifacts and materials, ensuring the preservation of native cultures.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 222 and recommends its adoption.

Signed by all members of the Committee except Senators Holt and Mizuguchi.

SCRep. 1630 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 253

The purpose of this Concurrent Resolution is to request the East-West Center and the Office of International Relations to investigate the viability of establishing Project Ma'alo to register, inventory, and protect privately held artifacts of the Pacific.

Your Committee finds that Hawaii could play an important and pivotal role in the collection of data on Hawaiian, Polynesian Triangle, and Pacific Rim cultural artifacts and materials, ensuring the preservation of native cultures.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 253 and recommends its adoption.

Signed by all members of the Committee except Senators Holt and Mizuguchi.

SCRep. 1631 Higher Education, Culture, Arts and Historic Preservation on S.R. No. 193

The purpose of this Resolution is to request the Department of Land and Natural Resources to establish an interim working group to discuss, develop, and propose State and County preservation procedures.

Your Committee finds that there is an urgent need to develop and improve historic preservation procedures to protect Hawaii's historic and cultural sites. In particular, your Committee is interested in the feasibility of acquiring properties such as Waipio Valley on the Island of Hawaii to protect, preserve, and perpetuate agricultural and cultural uses for

future generations. Your Committee has therefore amended the Concurrent Resolution to add provisions extending the life of the task force to preserve Waipio Valley so that it may continue its work in this area.

Your Committee has also amended this Resolution by making technical changes to correct a few drafting and spelling errors.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 193, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 193, S.D. 1.

Signed by all members of the Committee except Senators Holt, Mizuguchi and Tanaka.

SCRep. 1632 Higher Education, Culture, Arts and Historic Preservation on S.C.R. No. 223

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to establish an interim working group to discuss, develop, and propose State and County preservation procedures.

Your Committee finds that there is an urgent need to develop and improve historic preservation procedures to protect Hawaii's historic and cultural sites. In particular, your Committee is interested in the feasibility of acquiring properties such as Waipio Valley on the Island of Hawaii to protect, preserve, and perpetuate agricultural and cultural uses for future generations. Your Committee has therefore amended the Concurrent Resolution to add provisions extending the life of the task force to preserve Waipio Valley so that it may continue its work in this area.

Your Committee has also amended this Concurrent Resolution by making technical changes to correct a few drafting and spelling errors.

Your Committee on Higher Education, Culture, Arts and Historic Preservation 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 except Senators Grauly, Holt, Mizuguchi and Tanaka.

SCRep. 1633 Consumer Protection on S.C.R. No. 196

The purpose of this Concurrent Resolution is to request the Department of Labor and Industrial Relations to adopt a new fee schedule for reimbursement of acupuncture treatment.

Your Committee has amended this measure by:

1. Amending the title of this measure by deleting the reference to no fault reimbursement;
2. Adding language to the measure to reflect that current reimbursement practices are causing great financial hardship for acupuncturists;
3. Amending the request to the Department of Labor and Industrial Relations by requesting that the department take immediate steps to revise the applicable administrative rules;
4. Deleting the payment fee schedule; and
5. Making other technical amendments.

Your Committee on Consumer Protection 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 except Senators Chang and Matsuura.

SCRep. 1634 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 165

The purpose of this Concurrent Resolution is to request the Department of Health to respond to specific allegations and propose remedies regarding hydrogen sulfide levels at geothermal wells.

Testimony in support of the measure was received from Life of the Land and the Kapoho Community Association.

Testimony in opposition of the measure was received from the Department of Health, the Department of Business, Economic Development, and Tourism, True Geothermal Energy Company, the ILWU, and the Hawaii Island Economic Development Board.

Your Committee has amended the measure by requesting that all state agencies involved in regulating geothermal activity continue their efforts in taking appropriate steps to ensure the health and safety of area residents.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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.

LCRep. 1635 Legislative Management on S.C.R. No. 8

The purpose of this Concurrent Resolution is to request the Auditor to study the financial and social impacts of requiring health insurance policies to include coverage for contraceptive services.

Your Committee finds that this Concurrent Resolution is appropriate and responsive to requirements relating to proposed new mandated health insurance coverages.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 8, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

LCRep. 1636 Legislative Management on S.C.R. No. 71

The purpose of this Concurrent Resolution is to request the Auditor to perform a sunrise review on regulation of nuclear medicine technologists.

Your Committee finds that it may be appropriate to provide for some kind of regulation in order to protect the general public.

Your Committee on Legislative Management is in accord with the intent and purpose of S.C.R. No. 71 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

LCRep. 1637 Executive Appointments on Gov. Msg. No. 234

Recommending that the Senate advise and consent to the nomination of ROBERT A. MARKS for Attorney General, term to expire December 5, 1994.

Signed by all members of the Committee except Senator Chang.

LCRep. 1638 Executive Appointments on Gov. Msg. Nos. 306, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 308, and 309

Recommending that the Senate advise and consent to the nominations of the following:

DAN T. KOCHI to the Public Utilities Commission, term to expire June 30, 1998 (Gov. Msg. No. 306);

HENRY NALAIELUA to the Board of Health, term to expire June 30, 1996 (Gov. Msg. No. 284);

BETTYE JO HARRIS and ALFRED LAURETA to the Board of Health, terms to expire June 30, 1997 (Gov. Msg. No. 284);

CARL T. HAMADA to the Statewide Health Coordinating Council, term to expire June 30, 1995 (Gov. Msg. No. 285);

SARAJEAN A. TOKUNAGA to the Statewide Health Coordinating Council, term to expire June 30, 1996 (Gov. Msg. No. 285);

RANDOLPH P. PERREIRA, MERRIE KIM AIPOALANI, DAVID EDWARD GIRE, NORMAN J. N. HOLT, SR., KEITH M. HORINOCHI, Dr.P.H., WINIFRED H. ISHIMOTO, LORETTA PETRIE, Ph.D., HIDEO MATSUSHITA and GARY K. KAJIWARA to the Statewide Health Coordinating Council, terms to expire June 30, 1997 (Gov. Msg. No. 285);

MARIANNE RICE SANCHEZ to the Honolulu Subarea Health Planning Council, term to expire June 30, 1994 (Gov. Msg. No. 286);

KATHRYN SMITH RIPPER to the Honolulu Subarea Health Planning Council, term to expire June 30, 1995 (Gov. Msg. No. 286);

ELIZABETH J. HOLMES to the Honolulu Subarea Health Planning Council, term to expire June 30, 1996 (Gov. Msg. No. 286);

LILY H. YAMASHIRO, R.N., M.P.H., to the Honolulu Subarea Health Planning Council, term to expire June 30, 1997 (Gov. Msg. No. 286);

C.O. "ANDY" ANDERSON to the Central Oahu Subarea Health Planning Council, term to expire June 30, 1995 (Gov. Msg. No. 287);

KATHLEEN TANIDA CROWL, PATRICIA ST. JOHN-PAYNE, FAY NAKAMOTO and JANET I. OHTA to the Central Oahu Subarea Health Planning Council, terms to expire June 30, 1997 (Gov. Msg. No. 287);

CECIL BINDEL, BETTY LARRABEE, JOAN LEE MARS and AIRLEEN LUCERO to the Waianae Coast Subarea Health Planning Council, terms to expire June 30, 1997 (Gov. Msg. No. 288);

JEROME O. MANNING, MARY E. SWAN, HANS TAALA and NONA WILSON, R.N., to the Windward Oahu Subarea Health Planning Council, terms to expire June 30, 1997 (Gov. Msg. No. 289);

LITO ASUNCION, RICHARD A. von GNECHTEN, IVAN S. YAMAMOTO and SHIRLEY ANN YAMAOKA-GREIG to the Hawaii County Subarea Health Planning Council, terms to expire June 30, 1997 (Gov. Msg. No. 290);

NORMAN J. N. HOLT, SR., to the Kauai County Subarea Health Planning Council, term to expire June 30, 1996 (Gov. Msg. No. 291);

DEBORA L. J. AIPOALANI, JUDY PECKENPAUGH and ELEANOR RAGASA to the Kauai County Subarea Health Planning Council, terms to expire June 30, 1997 (Gov. Msg. No. 291);

A. DUANE BLACK to the Maui County Subarea Health Planning Council, term to expire June 30, 1995 (Gov. Msg. No. 292);

HERBERT A. K. CAMPOS, LEILANI D. HAYS, DEBRA L. JOHNSON and SARAJEAN A. TOKUNAGA to the Maui County Subarea Health Planning Council, terms to expire June 30, 1997 (Gov. Msg. No. 292);

ANA M. ROSAL-SILVA, JAMES E. DeMELLO and KAHU DAVID J. TWIGG to the Board of Human Services, terms to expire June 30, 1997 (Gov. Msg. No. 293);

EVERETT "SONNY" KINNEY, M. MELIA LANE-HAMASAKI, MARLENAJON STAFFORD and HENRY A. "PAPA" AUWAE to the Island Burial Council, Island of Hawaii, terms to expire June 30, 1997 (Gov. Msg. No. 294);

WILMA HEALANI HOLI and ATTWOOD MAIKAI MAKANANI to the Island Burial Council, Islands of Kauai and Niihau, terms to expire June 30, 1997 (Gov. Msg. No. 295);

LIBERT K. LANDGRAF to the Island Burial Council, Islands of Maui and Lanai, term to expire June 30, 1995 (Gov. Msg. No. 296);

CHARLES KAULUWEHI MAXWELL, SR., SAMUEL KALALAU, III, CHRISTIAN E. BAL and ANTHONY AKANA to the Island Burial Council, Islands of Maui and Lanai, terms to expire June 30, 1997 (Gov. Msg. No. 296);

HENRY KEAWE AYAU, JR. and COLETTE Y. MACHADO to the Island Burial Council, Island of Molokai, terms to expire June 30, 1997 (Gov. Msg. No. 297);

JAMES L. AWAI, JR., GARY K. OMORI and THEOLA SILVA to the Island Burial Council, Island of Oahu, terms to expire June 30, 1997 (Gov. Msg. No. 298);

GEORGE W. H. KANIHO and JOELENE K. LONO to the King Kamehameha Celebration Commission, terms to expire June 30, 1995 (Gov. Msg. No. 299);

SHERRY KIHAPIILANI EVANS and ABIGAIL K. ROSA to the King Kamehameha Celebration Commission, terms to expire June 30, 1997 (Gov. Msg. No. 299);

DAVID FITZ-PATRICK, M.D., to the Medical Advisory Board, term to expire June 30, 1996 (Gov. Msg. No. 300);

JEFFREY AKAKA, M.D., and LAWRENCE H. GORDON, M.D., to the Medical Advisory Board, terms to expire June 30, 1997 (Gov. Msg. No. 300);

NANCY K. Y. YUEN and RONALD H. KIENITZ, D.O., to the Board of Osteopathic Examiners, terms to expire June 30, 1997 (Gov. Msg. No. 301);

DENNIS K. GODA and RONALD T. IWATA to the County Public Health Facility Management Advisory Committee, City and County of Honolulu, terms to expire June 30, 1997 (Gov. Msg. No. 302);

TSING Y. CANNON to the County Public Health Facility Management Advisory Committee, County of Hawaii, term to expire June 30, 1994 (Gov. Msg. No. 303);

RALPH C. BOYEA and WALTER DUDOIT to the County Public Health Facility Management Advisory Committee, County of Hawaii, terms to expire June 30, 1997 (Gov. Msg. No. 303);

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, 1997 (Gov. Msg. No. 304);

GEORGE POWELL, M.D., to the County Public Health Facility Management Advisory Committee, County of Maui, term to expire June 30, 1995 (Gov. Msg. No. 305);

JOHN E. K. AKANA and WAYNE M. T. LU to the County Public Health Facility Management Advisory Committee, County of Maui, terms to expire June 30, 1997 (Gov. Msg. No. 305);

DALE T. MATSUMOTO-OI, WILSON MURAKAMI, M.D., and JEAN M. NAKASATO to the Board of Speech Pathology and Audiology, terms to expire June 30, 1996 (Gov. Msg. No. 308); and

CRAIG M. NISHIMOTO, D.V.M., and JOY A. SHIMABUKU to the Board of Veterinary Examiners, terms to expire June 30, 1997 (Gov. Msg. No. 309).

Signed by all members of the Committee except Senator Chang.

LCRep. 1639 Executive Appointments on Gov. Msg. No. 239

Recommending that the Senate advise and consent to the nomination of KEITH W. AHUE for Chairperson, Board of Land and Natural Resources, term to expire December 31, 1994.

Signed by all members of the Committee.

SCRep. 1640 Tourism, Recreation and Transportation on S.R. No. 106

The purpose of this Resolution is to request the Department of Transportation to study traffic problems on the road between Honalo and Captain Cook in Kona and to determine the feasibility of building a bypass road between Teshima's Restaurant and the Napoopoo turnoff in North Kona.

Your Committee finds that a bypass road may be necessary to accommodate the growing population and to alleviate increasing traffic congestion in the area.

Your Committee has amended this Resolution to correct the spelling of Honalo.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of S.R. No. 106, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 106, S.D. 1.

Signed by all members of the Committee.

LCRep. 1641 Executive Appointments on Gov. Msg. No. 237

Recommending that the Senate advise and consent to the nomination of CLIFFORD K. HIGA for Director of Commerce and Consumer Affairs, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 1642 Executive Appointments on Gov. Msg. No. 238

Recommending that the Senate advise and consent to the nomination of DAYTON N. NAKANELUA for Director of Labor and Industrial Relations, term to expire December 5, 1994.

Signed by all members of the Committee.

SCRep. 1643 Science, Technology and Economic Development on H.C.R. No. 46

The purpose of this Concurrent Resolution is to request the Public Utilities Commission (PUC) to retain an independent consultant to review the relationship between Hawaiian Electric Industries (HEI) and Hawaiian Electric Company (HECO) and determine the impact, if any, that HEI has on the electric utility companies and their customers. The independent consultant is also requested to review the conditions set forth by the PUC to determine whether HEI and HECO have complied with the terms of the restructuring agreement.

Your Committee finds that the relationship between HEI and HECO is governed by a 24-point agreement between HECO and the Public Utilities Commission. This agreement severely limits the nature of transactions between HECO and its parent company, HEI. In addition, your Committee has learned that the review requested by this Concurrent Resolution parallels similar investigations currently being undertaken through PUC Docket No. 7591, including the use of an independent consultant.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of H.C.R. No. 46 and recommends its adoption.

Signed by all members of the Committee.

LCRep. 1644 Executive Appointments on Gov. Msg. Nos. 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, and 355

Recommending that the Senate advise and consent to the nominations of the following:

ARTHUR C. TOKIN, STANLEY K. OKINAKA and NANCY HONG to the Board of Public Accountancy, terms to expire June 30, 1997 (Gov. Msg. No. 326);

NICK W. TEVES, JR. to the Board of Directors, Aloha Tower Development Corporation, term to expire June 30, 1997 (Gov. Msg. No. 327);

JUDITH A. YOUNG to the Civil Defense Advisory Council, term to expire June 30, 1997 (Gov. Msg. No. 328);

TOBY BAILIN, WILLIAM BUZZ HONG, BERTHA S.J. NAHOPII and MARC V. OLEY to the Correctional Industries Advisory Committee, terms to expire June 30, 1995 (Gov. Msg. No. 329);

ALLAN M. YOKOYAMA to the Criminal Injuries Compensation Commission, term to expire June 30, 1997 (Gov. Msg. No. 330);

GLADYS AINOA BRANDT, ANDY M. ICHIKI and ELDEAN C. SCOTT to the State Foundation on Culture and the Arts, terms to expire June 30, 1997 (Gov. Msg. No. 331);

JANEEN-ANN A. OLDS, MARCY MIEKO KAWASAKI HAINES, D.D.S., JENNIFER RUSH PIRIE and STEVEN SHIGEO KANEMOTO, D.D.S., to the Board of Dental Examiners, terms to expire June 30, 1997 (Gov. Msg. No. 332);

KENDALL NAM HOY HEE to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, term to expire June 30, 1995 (Gov. Msg. No. 333);

GARY TAKASHI OURA, RICHARD Y. MITSUMORI and RUSSELL Y.J. CHUNG to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, terms to expire June 30, 1997 (Gov. Msg. No. 333);

MARK BROOKS to the Hawaii Aquaculture Advisory Council, term to expire June 30, 1996 (Gov. Msg. No. 334);

DENNIS K. GOTO to the Hawaii Aquaculture Advisory Council, term to expire June 30, 1997 (Gov. Msg. No. 334);

ALVIN K.T. GOO to the Hawaii Community Development Authority, term to expire June 30, 1996 (Gov. Msg. No. 335);

MICHAEL KEN KAWAHARADA to the Hawaii Community Development Authority, term to expire June 30, 1997 (Gov. Msg. No. 335);

PETER H. SIMONS to the Board of Directors, Hawaii Strategic Development Corporation, term to expire June 30, 1994 (Gov. Msg. No. 336);

CONSTANCE H. LAU, RANDOLPH G. MOORE and AUDREY E.J. NG to the Board of Directors, Hawaii Strategic Development Corporation, terms to expire June 30, 1997 (Gov. Msg. No. 336);

JULIE HUGO, SAM SHENKUS, RANDELL T. YAMANE and LESTER W.B. MOORE to the Hawaii Tourism Marketing Council, terms to expire June 30, 1997 (Gov. Msg. No. 337);

TYLETTE L. HUN to the Waianae Coast Subarea Health Planning Council, term to expire June 30, 1997 (Gov. Msg. No. 338);

RONALD T. HAYASHI to the Windward Oahu Subarea Health Planning Council, term to expire June 30, 1995 (Gov. Msg. No. 339);

MARNI HERKES and NOELANI TEVES-WHITTINGTON to the Hawaii County Subarea Health Planning Council, terms to expire June 30, 1995 (Gov. Msg. No. 340);

JACQUELINE KOMO MURAI and MARY NORMA ALLISON to the Board of Hearing Aid Dealers and Fitters, terms to expire June 30, 1995 (Gov. Msg. No. 341);

HUGH N. HAZENFIELD, M.D., F.A.C.S., to the Board of Hearing Aid Dealers and Fitters, term to expire June 30, 1997 (Gov. Msg. No. 341);

DAVID KEKOA AKANA, RANDALL A. MEDEIROS, HARDY HUTCHINSON and ROBERT K. MOLE to the State Highway Safety Council, terms to expire June 30, 1997 (Gov. Msg. No. 342);

LLOYD F. KAWAKAMI, EUSEBIO LAPENIA, JR., and TRUDY K. SENDA to the Land Use Commission, terms to expire June 30, 1997 (Gov. Msg. No. 343);

ELIZABETH P. BRYSON to the Hawaii Library Advisory Commission, term to expire June 30, 1995 (Gov. Msg. No. 344);

DEE DUDLEY to the Maui County Library Advisory Commission, term to expire June 30, 1994 (Gov. Msg. No. 345);

KIP ALLEN KRIEGER, JOHNNIE MAE SANDERS and ALICE K. UYEHARA to the Martin Luther King, Jr. Commission, terms to expire June 30, 1995 (Gov. Msg. No. 346);

RANDOLPH C. HACK and KATHLEEN G. RHODES to the State Council on Mental Health and Substance Abuse, terms to expire June 30, 1995 (Gov. Msg. No. 347);

GWENSON YUEN to the State Council on Mental Health and Substance Abuse, term to expire June 30, 1996 (Gov. Msg. No. 347);

M. HO'OIPO DECAMBRA, ROBERT E. CAMPBELL, LAURA KEALAIKI, ROBERT K. WEAD and JUDY S. BEATES to the State Council on Mental Health and Substance Abuse, terms to expire June 30, 1997 (Gov. Msg. No. 347);

LYN S. BONK and GREGORY G. HELM, SR. to the Molokai Irrigation System Water Users Advisory Board, terms to expire June 30, 1995 (Gov. Msg. No. 348);

BARON H. OKIMOTO, SR. and LARRY GLENN JEFTS to the Molokai Irrigation System Water Users Advisory Board, terms to expire June 30, 1996 (Gov. Msg. No. 348);

WILMA NOELANI NAEOLE JOY and DUANE R. CRANNEY to the Molokai Irrigation System Water Users Advisory Board, terms to expire June 30, 1997 (Gov. Msg. No. 348);

VICTOR V. VIERRA to the Board of Private Detectives and Guards, term to expire June 30, 1997 (Gov. Msg. No. 349);

NICHOLAS JOHN GLADDIS to the Radiologic Technology Board, term to expire June 30, 1994 (Gov. Msg. No. 350);

CRAIG K. HIRAI to the Rental Housing Trust Fund Commission, term to expire June 30, 1995 (Gov. Msg. No. 351);

EMIKO IWASHITA KUDO and RAMONA K. MULLAHEY to the Rental Housing Trust Fund Commission, terms to expire June 30, 1996 (Gov. Msg. No. 351);

MARVIN B. AWAYA and EARL S. WAKAMURA to the Rental Housing Trust Fund Commission, terms to expire June 30, 1997 (Gov. Msg. No. 351);

ALLEN Y. KAJIOKA to the Board of Directors, Research Corporation, University of Hawaii, term to expire June 30, 1997 (Gov. Msg. No. 352);

CHUCK Y. GEE and PHILIP E. SAMMER to the Tourism Training Council, terms to expire June 30, 1997 (Gov. Msg. No. 353);

J. DOUGLAS ING to the Commission on Water Resource Management, term to expire June 30, 1995 (Gov. Msg. No. 354);

ALLICYN CHIYEKO HIKIDA and CHARLOTTE A. CARTER-YAMAUCHI to the Commission on the Status of Women, terms to expire June 30, 1994 (Gov. Msg. No. 355); and

ALICE E. DEAN-DANIEL, PAULA HARRIS-WHITE, FAYE KENNEDY, SUSAN HAYES-SCHWARTZ, M.D., and PATRICIA LEE HIGASHI to the Commission on the Status of Women, terms to expire June 30, 1997 (Gov. Msg. No. 355).

Signed by all members of the Committee.

LCRep. 1645 Legislative Management on H.C.R. No. 118

The purpose of this Concurrent Resolution is to formally reject federal intrusion into Hawaii's legislative business via federal budget provisions.

Specifically, the Concurrent Resolution objects to a federal provision that requires states to revoke or suspend a convicted drug offender's driver's license as a condition for receiving millions in federal transportation funds. The law in question allows states to avoid the requirement if both the governor and the legislature formally express opposition. This Concurrent Resolution constitutes the Hawaii Legislature's certification of opposition.

Your Committee is concerned about the proliferation of federal riders or conditions attached to funding intended for the states. This is not the first instance of this kind of extortion, and your Committee will have none of it. The federal budget should not be used to coerce legislators to disobey their consciences or constituents, or to intimidate states into changing their postures regarding equal protection and due process. As a matter of policy, your Committee jealously guards the right of this State to enact or refrain from enacting laws in areas that are not preempted by federal jurisdiction. This is one such area.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 118, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1646 Ways and Means on H.B. No. 1737

The purpose of this bill is to:

- (1) Provide that a regular claimant receiving training under the Job Partnership Training Act (JPTA) shall not be denied benefits;
- (2) Extend eligibility for extended benefits to persons who have wages in the base period of at least one and one-times their high quarter wages or wages for insured work at least forty times their most recent weekly benefit amounts; and
- (3) Suspend from March 6, 1993, to January 1, 1995, the eligibility requirements related to active searching for employment and purging of a previous misconduct disqualification through subsequent employment.

Claimants are entitled to benefits while attending vocational training or retraining classes that are approved by the director of labor and industrial relations. Your Committee agrees with the Committee on Education, Labor and

Employment that claimants in JPTA training, with the exception of on-the-job training, should be afforded the same benefit.

The expansion of eligibility requirements for extended benefits will permit more claimants to receive additional benefits. The moratorium on job seeking and misconduct disqualifications brings the state statutes in conformance with recent changes in the federal law and avoids a loss of the federal tax offset credit for employers and the administrative funds needed to operate the State's unemployment program.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1737, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1647 Ways and Means on H.B. No. 1740

The purpose of this bill is to establish a sport fish special fund to be administered by the department of land and natural resources and into which sport fishing license and permit fees, and other associated moneys are to be deposited.

In testimony presented to your Committee, the department of land and natural resources noted that it participates in the Federal Aid to Sport Fish Restoration program under which it receives annual apportionments of "user fees" paid by sport fishermen that are used to finance up to seventy-five per cent of costs incurred on approved projects and activities having significant benefit to recreational fishing. In 1992, the United States Fish and Wildlife Service requested the department to provide documentation regarding its compliance with the program requirements pertaining to the nondiversion of sport fishing license fees for purposes other than administration of the state fish and game agency. The department explained that although the State was already in compliance, a special fund would resolve any doubt that the State is in compliance.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1740, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1648 Ways and Means on H.B. No. 2020

The purpose of this bill is to allow a Hawaiian home lands lessee to designate his or her native Hawaiian mother and father to succeed to the lessee's leasehold, and to add a lessee's native Hawaiian mother and father as well as other close relatives of native Hawaiian descent to the list of persons from whom the commission may select a successor to the leasehold should the lessee die without designating a successor.

Your Committee finds that under the present law, a lessee's native Hawaiian parents are excluded from the list of relatives eligible to succeed to the lease. Your Committee finds that permitting them to be named successors, and permitting them and other specified close native Hawaiian relatives to be eligible for succession should the lessee die without selecting an heir, is fair and equitable.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2020, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1649 Ways and Means on H.B. No. 182

The purpose of this bill is to establish a temporary task force within the department of land and natural resources to develop a cultural landscape scheme.

More specifically, this bill requires the task force to develop criteria, specify appropriate activities, and develop procedures for the designation of cultural landscape districts.

This bill also specifies the composition of the task force and requires the task force to report its findings and recommendations to the legislature prior to the regular session of 1994. Finally, this bill provides that the task force shall cease to exist as of June 30, 1994.

Your Committee finds that the preservation of cultural landscapes, as opposed to individual sites, has emerged as a matter of growing public concern in recent years. The task force created by this bill will serve to examine pertinent issues and pursue preservation approaches that will benefit the people of Hawaii. Your Committee notes that this bill is similar to S.B. No. 119, S.D. 1, which was passed on third reading in the senate as recommended by your Committee in Senate Standing Committee Report No. 745.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 182, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1650 Ways and Means on H.B. No. 192

The purpose of this bill is to authorize an additional amount of indirect overhead funds generated by the University of Hawaii for research and training purposes to be deposited into the research and training revolving fund in order to reimburse the research corporation of the University of Hawaii for management fees.

The board of regents of the University of Hawaii is authorized to expend those funds to make the reimbursements. Your Committee finds that these amendments will preserve the University's role as the steward for state funds that are paid to the research corporation for services rendered to the University.

This bill is substantially equivalent to S.B. No. 1150, S.D. 1, which earlier received favorable support from your Committee. The present bill differs from S.B. No. 1150, S.D. 1, merely in its style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 192, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1651 Ways and Means on H.B. No. 874

The purpose of this bill is to extend to 1995 the authorization to issue special purpose revenue bonds to assist Elexs Ltd., or its successor corporation.

Elexs Ltd., a Hawaii corporation, plans to manufacture small, energy-efficient commuter electric vehicles. Your Committee agrees with the finding of the Committee on Science, Technology and Economic Development that the establishment of this manufacturing enterprise will diversify the State's economy and provide high technology training and jobs for our residents.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 874, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1652 Ways and Means on H.B. No. 888

The purpose of this bill is to move language related to the appraisal of private property for purchase under the public lands law from section 171-17, Hawaii Revised Statutes (HRS), on appraisals, to section 171-30, HRS, relating to the acquisition of private lands by the State. Additionally, the bill restricts public distribution of real property appraisal reports performed by the State until after the property has been acquired or the State abandons its efforts to acquire the property.

Your Committee finds that moving the appraisal provision is appropriate and will clarify the application of the law. Your Committee also finds that the restrictions on public access to the appraisal reports comports with current department of land and natural resources practices.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 888, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1653 Ways and Means on H.B. No. 1082

The purpose of this bill is to allow the counties to prepare biennial budgets, provided that accounting and financial records continue to be maintained on a fiscal year basis.

Your Committee finds that providing the counties with a biennial budget option would facilitate enhanced long term fiscal planning.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1082 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1654 Ways and Means on H.B. No. 1123

The purposes of this bill are to:

- (1) Increase the limit on the amount of commercial loans that may be provided to any one applicant under the state disaster loan program from \$50,000 to \$75,000; and
- (2) Increase the limit on the amount of personal loans that may be provided to any one applicant under the state disaster loan program from \$25,000 to \$35,000.

Your Committee finds that chapter 209, Hawaii Revised Statutes, authorizes the State to provide assistance to victims of state-declared natural disasters by constructing public housing, making adjustments to unemployment benefits, and providing personal and commercial loans to disaster victims. In the wake of Hurricane Iniki, your Committee believes that there is a need to increase current personal and commercial loan limits to better assist disaster victims in rebuilding their businesses and meeting necessary expenses.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1123, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1655 Ways and Means on H.B. No. 1156

The purpose of this bill is to allow the State to make short-term investments in deposit accounts and repurchase agreements with federally insured financial services loan companies and to permit insurance companies and insurance agents to make deposits in financial services loan companies.

Your Committee feels deposits made in financial services loan companies are sound because deposits are protected by the Federal Deposit Insurance Corporation.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1156 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1656 Ways and Means on H.B. No. 1372

The purpose of this bill is to remedy existing law by providing retirement and workers' compensation benefits for police officers who are injured or killed while performing off-duty police work.

When chapter 52, Hawaii Revised Statutes, was recodified as chapter 52D during the 1989 legislative session, an existing provision covering "off-duty police officers; benefits for personal injuries" was inadvertently deleted.

Your Committee reaffirms that police officers, by nature of the job, are required to perform police work even when officially off-duty; thus, they should be afforded the benefits provided by this measure.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1372 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1657 Ways and Means on H.B. No. 1405

The purpose of this bill is to require the legislative reference bureau to conduct a study of chapter 234, Hawaii Revised Statutes (HRS), relating to tax relief for natural disaster losses.

The bill requires the bureau to:

- (1) Review the reason for the enactment and legislative history of chapter 234, HRS;
- (2) Review, compare, and set forth the federal, state, and county tax, loan, and other benefits available in 1993 and when chapter 234, HRS, was enacted in 1961; and
- (3) Make recommendations on whether chapter 234, HRS, should be repealed or amended.

Chapter 234, HRS, was enacted in 1961 before federal emergency management agency and various other grant, loan, and other relief provisions were enacted or available. Your Committee finds that the study will answer questions about the continued viability of chapter 234, HRS.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1405, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1658 Ways and Means on H.B. No. 1534

The purpose of this bill is to allow teachers to accept incentive packages provided by local communities to retain teachers in schools with high teacher turnover.

Many of our rural schools serve as training grounds for young teachers who then transfer to urban schools. These rural communities should be allowed to offer incentive packages to retain teachers which would enhance the stability of the teacher workforce and improve the quality of education offered at their schools.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1534, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1659 Ways and Means on H.B. No. 1603

The purpose of this bill is to authorize the Hawaii community development authority to impose administrative penalties for any violation of chapter 206E, Hawaii Revised Statutes, or any rule adopted by the authority pursuant to the law.

Your Committee finds that although the Hawaii community development authority is authorized to pursue the criminal prosecution of violators in the appropriate courts of law, the authority is not empowered to enforce the provisions of

chapter 206E through administrative procedures. Your Committee believes that the scope of the authority's powers and duties should include the authority to impose administrative penalties.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1603, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1660 Ways and Means on H.B. No. 1646

The purpose of this bill is to authorize the department of human services to pay for emergency and extraordinary work-related expenses of the job opportunities and basic skills (JOBS) program by the establishment of an imprest fund. This bill replaces the temporary authority granted to the department by Act 296, Session Laws of Hawaii 1991.

Your Committee finds that the use of an imprest fund to pay for work-related expenses will provide the JOBS program flexibility to meet the needs of program participants and their families. Your Committee notes that this bill is identical to S.B. No. 1421 which was recommended for passage on third reading by your Committee under Senate Standing Committee Report No. 610.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1646 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1661 Ways and Means on H.B. No. 1677

The purpose of this bill is to clarify the various fees charged by the bureau of conveyances, to authorize the department of land and natural resources to adopt rules relating to the bureau in response to changes in the industry and the economy, and to repeal certain specified fees for services and entitle the department to establish the fees.

Your Committee finds that the bureau of conveyances is used extensively by the public, as the bureau records over 300,000 documents annually. This bill will streamline its operations and thus benefit the public.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1677, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1662 Ways and Means on H.B. No. 1695

The purpose of this bill is to require all local automobile dealers to report deliveries of motor vehicles purchased directly from the manufacturer or an out-of-state dealer by purchasers for use in the State, a practice commonly referred to as "courtesy deliveries." The information will be used by the department of taxation to assess the use tax on the importer or purchaser of the vehicle.

The state use tax is imposed upon the importation of tangible personal property, including motor vehicles, into the State for resale or use by the importer or purchaser. A person purchasing a motor vehicle directly from the manufacturer or an out-of-state dealer and importing the vehicle into the State for personal or business use is subject to a four per cent use tax on the landed value of the motor vehicle.

The person acquiring the motor vehicle from the out-of-state seller may arrange for a local dealer to prepare and register the vehicle upon its arrival in the State. After preparation and registration, the vehicle is delivered to the importer or purchaser by the local dealer as a courtesy delivery. The local dealer charges a fee for the services rendered under the courtesy delivery. The person taking delivery of the vehicle is considered the importer of the vehicle and is subject to the use tax.

The motor vehicles delivered through a courtesy delivery are registered along with other motor vehicles sold by the local dealer. The motor vehicle registration information provided by the counties to the department of taxation does not distinguish between the motor vehicles sold locally from the vehicles that are registered under a courtesy delivery, thereby making it difficult if not impossible for the department to properly enforce the use tax law. Your Committee finds that this bill will make enforcement efforts much more effective.

Your Committee notes that this bill is identical to S.B. No. 1458 which was reported out of your Committee on February 19, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1695 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1663 Education, Labor and Employment on H.C.R. No. 122

The purpose of this Concurrent Resolution is to request the Office of the Auditor to conduct a study of the Little Davis-Bacon Act, Chapter 104, Hawaii Revised Statutes. Your Committee agrees that in determining whether the Act is being enforced, the Auditor should examine the following:

- (1) The oversight roles of the Departments of Accounting and General Services and Labor and Industrial Relations, and other state and county departments;
- (2) Whether the certified payroll form should be modified to reflect fringe benefit payments;
- (3) Whether the classification system is being misused;
- (4) Whether additional personnel are needed to ensure Act enforcement; and
- (5) Whether relevant information is available to employees and bargaining agents to enable them to ascertain Act violations.

Your Committee also understands that the Auditor's study shall include a look at in-state and out-of-state bid processes.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of H.C.R. No. 122, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1664 Education, Labor and Employment on H.C.R. No. 165

The purpose of this Concurrent Resolution is to request the Department of Education to negotiate with the Department of Defense to have the federal government assume a larger share of the cost of educating military dependents in Hawaii.

Your Committee finds that the State of Hawaii has consistently provided free public education for military dependents. Your Committee further finds that State expenditures for the education of military dependents far exceeds federal aid and the State should encourage all efforts to receive its fair share of assistance from the federal government.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of H.C.R. No. 165, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1665 Science, Technology and Economic Development on H.C.R. No. 336

The purpose of this Concurrent Resolution is to request the Director of Budget and Finance to submit a report to the 1994 Legislature on the progress made in implementing the State's information network, Hawaii INC, which was established by Act 1, Session Laws of Hawaii 1988, Special Session.

Specifically, the report would include:

- (1) The current status of electronic access and distribution of data and information through the State's information network;
- (2) A listing of the data and information currently accessible electronically;
- (3) A listing of the various state departments that currently utilize the state information network; and
- (4) An evaluation of the coordination between public and private information service providers to the state information network.

Your Committee has amended this Concurrent Resolution by:

- (1) Adding "the Senate concurring" to the first BE IT RESOLVED clause; and
- (2) Making a technical amendment in the first BE IT FURTHER RESOLVED clause.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of H.C.R. No. 336, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 336, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1666 (Joint) Science, Technology and Economic Development and Agriculture on H.C.R. No. 281

The purpose of this Concurrent Resolution is to support the establishment of a pre-commercial bioproducts demonstration center at Hilo-Hamakua as a cooperative partnership between federal, state, county, and private industry.

Your Committees find that a pre-commercial bioproducts demonstration center can serve as an important bridge to the future for the sugar industry by preserving some of the current jobs, creating new jobs, and stimulating next-generation bio-industries for the Hilo-Hamakua Coast. Your Committees further find that this cooperative partnership between the public and private sectors is a positive step towards improving economic conditions for the Hamakua Coast.

Your Committees on Science, Technology and Economic Development and Agriculture concur with the intent and purpose of H.C.R. No. 281, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1667 Judiciary on H.C.R. No. 8

The purpose of this Concurrent Resolution is to encourage legislation at both the State and National level to address the escalating problem of violence against women.

Your Committee finds that violent crimes place extreme stress and undue burden on all members of society and that such crimes against women are increasing at an alarming rate.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 8, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1668 (Joint) Health and Housing on H.C.R. No. 305

The purpose of this concurrent resolution is to urge the Department of Health (DOH) to work with the Hawaii Housing Authority (HHA) to develop comprehensive broad spectrum plans to provide shelter and appropriate services for homeless mentally ill persons.

Your Committees believe that it is important for the homeless mentally ill to have the benefit of a program that would provide necessary services as well as shelter. Supportive testimony was heard from both the HHA and the DOH as well as from, among others, United Self-Help, Oahu Alliance for the Mentally Ill, and the Hawaii State Alliance for the Mentally Ill.

Your Committees have amended this Concurrent Resolution by changing both the title and directive clause to reflect that the HHA should be the lead agency, that their goal should be to develop broad strategies for housing the homeless mentally ill, and by eliminating the request for a preliminary report.

Your Committees on Health and Housing concur with the intent and purpose of H.C.R. No. 305, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 305, H.D. 1, S.D. 1.

Signed by all members of the Committees except Senators Matsunaga, Mizuguchi, Nakasato, Reed, Tungpalan and McCartney.

SCRep. 1669 (Majority) Planning, Land and Water Use Management on H.C.R. No. 146

The purpose of this Concurrent Resolution is to authorize the Board of Land and Natural Resources to grant an easement or to lease to Mauna Lani Resort, Inc. certain submerged and other State-owned lands in South Kohala, Hawaii, for the purpose of developing and maintaining an access channel.

Your Committee wants to make it clear that the adoption of this Concurrent Resolution by the Legislature does not constitute approval or disapproval of the proposed project.

Your Committee has amended this measure by moving the list of government permits and approvals required before an easement is granted or a lease is executed from the WHEREAS section of the measure to the first BE IT RESOLVED paragraph. Your Committee believes that environmental concerns in the area must be adequately addressed and the intent of this amendment is to make it clear that developers must furnish the Department of Land and Natural Resources evidence of appropriate permit approval as a condition to the granting of an easement or execution of a lease for these submerged lands.

In addition, your Committee has amended this Concurrent Resolution by limiting the size of the easement or lease to not more than five acres of submerged lands. Because of deep concerns about the environmental impact of this development, your Committee believes that five acres of land is all that can be prudently authorized for this project.

Finally, your Committee is aware that in order for the proposed project or any other similarly situated project to proceed, the Department of Health must determine whether the construction of a channel in Class AA waters requires a permit under Section 342D-6, Hawaii Revised Statutes, or a variance under Section 342D-7, Hawaii Revised Statutes. Therefore, your Committee believes that the Director of Health should act on any application for either a permit or variance within 180 days of receipt of such application, provided that the issuance and approval of any such permit or variance meets all applicable standards, criteria, and guidelines.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 146, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 146, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Chang and Holt.
Senator George did not concur.

SCRep. 1670 Ways and Means on H.C.R. No. 125

The purpose of this concurrent resolution is to request all departments, agencies, and offices of the State authorized to expend moneys out of any special or revolving fund to report annually to the legislature on all transactions made over the previous fiscal year.

Your Committee finds that the state auditor's 1992 report to the legislature revealed that state agencies currently control more than \$1,500,000,000 in approximately one hundred sixty special and revolving funds. Under current practice, expenditures made out of revolving funds do not require legislative approval. To address this problem, this concurrent resolution requests all agencies of the State to report all fund transactions carried out over the previous fiscal year.

Your Committee finds that the current draft of this concurrent resolution neglects to request agencies in charge of trust funds to submit similar reports on fund transactions to the legislature. In this regard, your Committee has amended this concurrent resolution by making agencies in charge of trust funds subject to the request being made to those agencies with oversight over any special or revolving fund.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. 125, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. 125, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1671 Ways and Means on H.C.R. No. 423

The purpose of this concurrent resolution is to request the auditor to conduct a study on budget stabilization or "rainy day" funds of other states. The concurrent resolution also requests that the auditor recommend a "rainy day" fund model for Hawaii based on its study.

Your Committee finds that forty-four states have some type of budget stabilization fund wherein moneys during strong economic times are set aside and held in reserve to be used in the future for emergency situations or revenue shortfalls. Your Committee agrees that a study of state experiences with respect to the mechanics and the effectiveness of their budget stabilization funds would be highly relevant to Hawaii.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. No. 423, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1672 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 59

The purpose of this Concurrent Resolution is to urge the United States Congress to reauthorize and strengthen the Endangered Species Act.

Testimony in support of the measure was received from the National Audubon Society, the Hawaii Green Party, Life of the Land, the Hawaii Chapter of the National Rainbow Coalition, and numerous other concerned individuals.

Your Committee has amended the measure by replacing the word "strengthen" with the word "enhance" wherever it appears in the measure.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 59, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 59, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Blair, Fernandes Salling, Tanaka and Tungpalan.

SCRep. 1673 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 71

The purpose of this Concurrent Resolution is to request the President and the Congress of the United States to take immediate steps to resolve matters relating to Hawaiian lands and federal trust obligations.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands, the Office of State Planning, the Office of Hawaiian Affairs, the Hawaiian Civic Political Action Committee, and the Hawaii Chapter of the National Rainbow Coalition.

Your Committee has amended the measure by making numerous stylistic amendments to strengthen the intent and resolve of the measure.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 71, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 71, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Blair, Fernandes Salling, Levin, Tanaka and Tungpalan.

SCRep. 1674 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 72

The purpose of this Concurrent Resolution is to request the President and Congress of the United States to formally recognize the special political relationship between the United States and the Hawaiian people.

Your Committee finds that, although the State has formally recognized its past wrongdoings with regard to certain trust responsibilities to the Hawaiian people, the federal government has yet to indicate any such recognition. Formal recognition of the special political relationship between the federal government and the Hawaiian people would go a long way toward ameliorating unresolved feelings of animosity that many Hawaiians harbor against the federal government.

Your Committee has amended the measure by making numerous technical amendments for the purposes of clarity and style.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 272, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 272, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Blair, Fernandes Salling, Levin, Tanaka and Tungpalan.

SCRep. 1675 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 314

The purpose of this Concurrent Resolution is to request the Auditor to evaluate State and County compliance with Sections 103-50 and 103-50.5, Hawaii Revised Statutes, relating to the design of buildings and facilities to accommodate persons with physical disabilities.

Your Committee finds that although an evaluation should be made regarding State and County compliance with Sections 103-50 and 103-50.5, it feels that the Auditor is not the appropriate agency to carry out such an evaluation. Your Committee believes that the Department of Health could more readily perform a compliance evaluation on this matter and has therefore amended the measure accordingly.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 314, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 314, H.D. 2, S.D. 1.

Signed by all members of the Committee except Senators Blair, Fernandes Salling, Levin, Tanaka and Tungpalan.

SCRep. 1676 Education, Labor and Employment on H.C.R. No. 176

The purpose of this Concurrent Resolution is to convene a task force that would develop a strategic plan to encourage the development of a private school bus program.

Your Committee agrees that a private school bus program that would allow the participation of public school students could assist in alleviating heavy traffic congestion and near gridlock conditions during peak traffic hours on major highways and arterials. Your Committee further finds that the program should be developed so that public student participation is conducive to the system.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of H.C.R. No. 176, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1677 Education, Labor and Employment on H.C.R. No. 347

The purpose of this Concurrent Resolution is to request the Department of Budget to consider consolidating management and operations of the Employees' Retirement System, the Public Employees Health Fund, and the Deferred Compensation Plan.

The Department will report back to the 1994 Legislature.

The three employee benefit programs share the same target group and generally operate in the same manner, albeit with different staffs and under different administrations. The examination proposed by this Concurrent Resolution will provide information needed to decide whether, as a matter of policy, consolidation would be feasible, beneficial, and appropriate.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of H.C.R. No. 347 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1678 Health on H.C.R. No. 5

The purpose of this Concurrent Resolution is to request the Auditor to study and report on the social and financial implications of requiring health insurance policies to include coverage for Pap tests.

Sections 23-51 and 52, Hawaii Revised Statutes, require an Auditor's report as a condition precedent to enacting new mandatory health insurance coverages.

Your Committee finds that regular Pap tests are effective in reducing cervical and vaginal cancers and should be included in any regular program of adult feminine health care. Your Committee also finds that most health insurers do not include coverage for this procedure in their policies. If the Auditor reports favorably pursuant to this Concurrent Resolution, the Legislature should give full consideration to a proposal for mandatory coverage.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 5, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1679 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 213

The purpose of this Concurrent Resolution is to support the restoration of human, civil, property, and sovereign rights of Hawaii's indigenous people.

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

Your Committee finds it appropriate, on the centennial of the overthrow of the Hawaiian kingdom, to remind federal officials of the Legislature's strong support of efforts to obtain redress for past wrongs suffered by the Hawaiian people.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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. 1680 (Joint) Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 161

The purpose of this Concurrent Resolution is to request a report on the progress being made to provide adequate water resources for future use by Hawaiian homesteaders.

The Department of Hawaiian Home Lands, the Department of Land and Natural Resources, and the Commission on Water Resources Management, the agencies affected or involved in providing and managing water resources for homesteaders, are requested to submit the report to the Legislature.

Your Committees find that since the passage of the Hawaiian Homes Commission Act in 1921, the shortage of available water has been one of the primary reasons for the failure of the State to settle native Hawaiians on homestead lands. Act 325, Session Laws of Hawaii 1991, was enacted to require the State and counties to develop adequate water reserves to meet the current and future homestead needs of Hawaiian Home Land beneficiaries. Your Committees find that this Concurrent Resolution is needed to evaluate the effectiveness and results of Act 325.

Your Committees on Planning, Land and Water Use Management and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of H.C.R. No. 161, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1681 Planning, Land and Water Use Management on H.C.R. No. 66

The purpose of this Concurrent Resolution is to expand the availability of housing opportunities on the island of Hawaii.

This Concurrent Resolution urges the Hawaiian Homes Commission to exempt Puukapu pastoral lot awardees from state and county building and zoning requirements, allowing them to utilize creative methods of establishing residential housing on their homesteads. In order to provide the exemption, the Hawaiian Homes Commission is given the flexibility to either amend its administrative rules or to work with the involved parties and determine if a pilot project can be developed without rule amendments.

Your Committee finds that a critical need for affordable housing exists on all islands and the State must explore innovative alternatives to address this serious problem. This Concurrent Resolution provides viable options that will enable several homesteaders on the island of Hawaii to develop their land.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 66, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1682 Planning, Land and Water Use Management on H.C.R. No. 304

The purpose of this Concurrent Resolution is to request the Land Use Commission to fully and fairly consider the suitability of reclassifying conservation land in Aina Koa Valley on Oahu to urban use and the impact of further development on the valley.

Your Committee finds that area residents are deeply concerned about the negative impact of further development in the valley, including increased soil movement, water runoff, flooding, noise, and traffic congestion that may have a negative effect on property values and the quality of life enjoyed by residents. Your Committee urges the Land Use Commission to carefully weigh the concerns raised by interested parties before making its final decision on the development of Aina Koa Valley.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 304, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1683 Planning, Land and Water Use Management on H.C.R. No. 312

The purpose of this Concurrent Resolution is to establish a task force to conduct a study of the major problems facing commercial land leases.

Your Committee finds that high commercial rent is a major contributor to the cost of doing business in Hawaii. In order that Hawaii's industries and businesses remain competitive and continue to offer essential goods and services at reasonable prices, lease rents must be kept affordable.

Your Committee has amended this Concurrent Resolution to add representatives from the Estate of S.M. Damon, the Estate of James Campbell, the Kamehameha Schools/Bernice Pauahi Bishop Estate, and the Queen Emma Foundation to the list of persons to be included on the task force. Your Committee finds that the inclusion of large private land owners is necessary and appropriate to achieving a full and complete discussion of the issues surrounding commercial land leases.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 312, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 312, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 1684 Agriculture on H.C.R. No. 483

The purpose of this Concurrent Resolution is to request the Secretary of the Interior to assist the State's Department of Agriculture in protecting Kauai's endangered birds from apple snails.

Your Committee believes that the apple snail presents a significant danger to Kauai's endangered bird populations. If allowed to proliferate, the apple snail could foreseeably jeopardize the endangered bird populations of other islands as well.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 483, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1685 (Joint) Judiciary and Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 83

The purpose of this Concurrent Resolution is to urge President William Jefferson Clinton to fill top and middle-level administrative posts in his new administration by the appointment of Asian, Pacific, and Native Americans.

Your Committees find that a truly diverse blend of ethnic groups have lived and worked together in the Mid-Pacific area from the 18th Century to the present day. The goal expressed by President Clinton of appointing Women, African-Americans and Hispanics should also include Americans of Asian and Pacific ancestry as well as Native Americans, to share in the American Dream.

Your Committees on Judiciary and Governmental Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of H.C.R. No. 83, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1686 Public Safety and Corrections on H.C.R. No. 27

The purpose of this concurrent resolution is to urge the President of the United States, the US Congress, the Secretary of Defense, the Secretary of the Navy, the Commander in Chief, Pacific (CINCPAC), the Commander in Chief, US Pacific Fleet (CINPACFLT), the elected officials of Kauai County, and the Commanding Officer, Pacific Missile Range Facility to support the ongoing missions at the Pacific Missile Range Facility (PMRF) at Mana, Kauai, Hawaii.

Your Committee finds that preservation of our national defense is imperative during this period of perplexing uncertainty in the international arena and that the PMRF is vital to that effort. Your Committee also recognizes the need for a cost-effective national defense system. However, any curtailment in the mission and purpose of the PMRF, acclaimed as the world's premier missile testing and fleet maneuvering site, would significantly diminish our country's military readiness.

Your Committee also finds that the vast, albeit silent, majority of people on the island of Kauai support the PMRF and recognize the facility's beneficial presence through the creation of technical and skilled job opportunities, as well as its substantial contribution to the island's economy and overall well-being.

Your Committee heard testimony in favor of this concurrent resolution from the State Adjutant General, the Commanding Officer of the PMRF, and the International Brotherhood of Electrical Workers, local 1260.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of H.C.R. No. 27 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1687 Public Safety and Corrections on H.C.R. No. 67

The purpose of this concurrent resolution is to request the United States Army, Navy, Air Force, and Marines to recommence the performing of twenty-one gun salutes at veteran burial ceremonies statewide. Due to cost concerns, the practice was restricted to veteran burials on Oahu only.

Your Committee finds that the honor of a twenty-one gun salute for veterans at the time of their burial is due to all resident veterans of the State of Hawaii, regardless of the island on which their burial takes place. Your Committee further finds that economic costs involved with the performance of this honor is not a justification for its withholding.

Your Committee received testimony in support of this measure from the State Adjutant General and from the State Office of Veterans Services.

Your Committee on Public Safety and Corrections concurs with the intent and purpose of H.C.R. No. 67 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1688 Housing on H.C.R. No. 476

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau and the Hawaii Real Estate Research and Education Center to conduct a study with various non-profit organizations involved in the development of affordable housing to determine, among other things, the best way to facilitate affordable non-profit housing construction.

Testimony in support of this measure was heard from the Housing Finance and Development Corporation, which cited the important role that non-profits can play in the provision of affordable housing, and from the University of Hawaii, which felt that non-profits can make significant contributions by tapping alternative sources of funding.

Your Committee believes that the role of non-profits in the development of affordable housing will continue to grow in importance and that a study is needed to clarify that role.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 476, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1689 Housing on H.C.R. No. 477

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study of the policies and mechanisms used in other states to facilitate the development of affordable housing.

Your Committee believes that the resolution of the critical shortage of affordable housing in Hawaii requires the exploration of all available options and a study of the experiences of other states will provide useful information.

Supportive testimony was heard from the Hawaii Developers' Council and the Hawaii Association of Realtors.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 477, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1690 Ways and Means on H.C.R. No. 6

The purpose of this concurrent resolution is to urge Hawaii's congressional delegation to support the "Federal Mandate Relief Act of 1993" and to propose an amendment to the United States Constitution that would ensure the federal government is obligated to provide funding for federally mandated programs that is sufficient to cover the costs involved over the programs' entire existence.

Your Committee finds that there are a significant number of federally mandated programs that impose large financial burdens on state governments. Forcing states to comply with and contribute to the cost of implementing federally developed programs and initiatives offers the federal government a convenient method of taking the credit for expanding and developing new programs while exporting the burden of cost and administration to the states.

Your Committee believes that with regard to mandated programs the partnership formed between the federal and state governments should be similar to the relationship between state and local governments in Hawaii. An amendment to the United States Constitution that is modeled after Article VIII, Section 5 of the Hawaii State Constitution would ensure that the states are able to effectively implement federally mandated programs without the fear of financial ruin.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. No. 6, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1691 (Joint) Human Services and Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 105

The purpose of this Concurrent Resolution is to urge Hawaii's congressional leaders to initiate, and other congressional leaders to support, legislation and other action to ensure that all naturalized Filipino World War II veterans receive the same rights and benefits provided to other United States veterans.

While Filipino veterans of World War II have been able to apply for U.S. citizenship, they are not entitled to the same benefits from the Department of Veterans Affairs as other U.S. veterans. Your Committees find that during World War II, many Filipinos fought bravely to defend the United States and were under the direct authority of the American military. Your Committees believe that these veterans are entitled to the full range of benefits provided to other veterans and that this inequity must be corrected immediately.

Your Committees on Human Services and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of H.C.R. No. 105, H.D. 1, and recommend its adoption.

Signed by all members of the Committees except Senators Reed and Tungpalan.

SCRep. 1692 Human Services on H.C.R. No. 360

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a review of providers of home care services for older adults in Hawaii to focus on:

- (1) The health and functional status of home care program clients and residents of nursing facilities;
- (2) Costs and service utilization patterns of home care clients and residents in nursing facilities;
- (3) Social and economic impacts of family and caregiver involvement; and
- (4) The extent to which home care is accessible to the persons for which the programs are intended;

Your Committee finds that the concurrent resolution, as it stands, in fact asks for three separate studies, each of which is sufficiently extensive and complex to stand alone. The stated purpose of the concurrent resolution is ". . . to produce reliable information which will elucidate the cost effectiveness and appropriateness of home care services for elders in the continuum of long-term care," (emphasis added). In order to generate meaningful data for comparison in the entire continuum of long-term care, your Committee has amended this concurrent resolution so that agencies focus on the concurrent resolution's subject matter that most appropriately lies within their jurisdiction, experience, and expertise.

Accordingly, your Committee has amended the language of the concurrent resolution to divide the subject matter into three studies distributed among the Executive Office on Aging (EOA), the Department of Health (DOH), and the Department of Business, Economic Development, and Tourism (DBEDT).

As a result, your Committee also amended the structure of the elements of the studies as follows:

- (1) Because of its long experience and its lead agency role in long-term care for elders, the EOA is the appropriate agency to focus on items (1), (2), and (4) outlined above for long-term elderly home care program clients;
- (2) Because of its jurisdiction over nursing facilities and the agency closest to the necessary data, the DOH is the appropriate agency to focus on items (1), (2), and (4) outlined above for long-term residents of nursing facilities; and
- (3) Because of its technical and economic expertise, the DBEDT is the appropriate agency to examine the economic impact of family and caregiver involvement. Your Committee also deleted the request to examine "social impact" and clarified "economic impact."

Finally, your Committee further amended the title of the concurrent resolution to reflect the division of the subject matter into three studies, and made technical and nonsubstantive changes for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.C.R. No. 360, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 360, H.D. 2, S.D. 1.

Signed by all members of the Committee except Senator Reed.

SCRep. 1693 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 179

The purpose of this Concurrent Resolution is to request that the President and Congress of the United States issue a formal apology on behalf of the United States to native Hawaiians for the overthrow of the Kingdom of Hawaii.

Your Committee finds that the assistance given by the United States in overthrowing the Kingdom of Hawaii has left a sense of unresolved animosity within certain native Hawaiians. Your Committee believes that a formal apology extended in good faith by the United States government would help ameliorate these feelings and would serve as a starting point towards rectifying past wrongdoings inflicted upon native Hawaiians.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 179 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1694 Higher Education, Culture, Arts and Historic Preservation on H.C.R. No. 121

The purpose of this Concurrent Resolution is to request the President and the Chairperson of the Board of Regents of the University of Hawaii to review teacher training in Hawaii.

The focus of the review will be an evaluation of the relative merits of training in the field of education versus specific disciplines to determine whether it is advisable to continue requiring public school teachers to have a complete major in arts and sciences along with a certificate in teacher training. A report will be provided to the 1994 Legislature.

Improvement of public education in Hawaii may require reexamination of ancient assumptions. Some private schools consider mastery of a specific discipline sufficient indication of a teacher's educational competence, and seem to achieve considerable success with uncertified faculties. Your Committee finds that the review proposed by this Concurrent Resolution will help the Legislature to focus more precisely on the relationship between teacher certification and quality public education.

Your Committee on Higher Education, Culture, Arts and Historic Preservation 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 Holt.

SCRep. 1695 Higher Education, Culture, Arts and Historic Preservation on H.C.R. No. 189

The purpose of this Concurrent Resolution is to request the Governor to designate one week every October as "State of Hawaii Aviation Education Week."

Hawaii has played a proud and prominent role in the development of aviation and more than any other state relies on air transportation for its economic and social well being. Your Committee considers institutionalized recognition of these facts to be an appropriate means of focusing public awareness and encouraging excellence in the industry.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 189 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1696 Higher Education, Culture, Arts and Historic Preservation on H.C.R. No. 275

The purpose of this Concurrent Resolution is to express legislative recognition of 1993 as the "International Year of the World's Indigenous People" as declared by the United Nations.

The Concurrent Resolution also expresses the State of Hawaii's proclamation of 1993 as "Year of the World's Indigenous People" on behalf of native Hawaiians.

Support for this Concurrent Resolution was expressed by the Office of Hawaiian Affairs.

Indigenous people who are integrated into schemes of colonization are usually subjected to discrimination and exploitation in housing, education, language and religion, and are often deprived of their own social, economic, cultural, and political institutions and traditions. Many nations have finally recognized these truths and adopted laws to protect and promote the rights of indigenous people, but the United Nations declaration serves to advise nations throughout the world that much needs to be done.

Your Committee believes that Hawaii has a special interest in proclaiming 1993 as the "Year of the World's Indigenous People," and that this Concurrent Resolution appropriately expresses support of the efforts of all indigenous peoples to achieve proper status in their homelands.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 275, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1697 Higher Education, Culture, Arts and Historic Preservation on H.C.R. No. 328

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to assess the statewide needs of neighbor island students for programs in vocational, bachelors degree, and professional masters degrees and identify ways to bring these courses to the neighbor islands without requiring students to relocate to Oahu.

Your Committee finds that an effort to accurately ascertain the real needs of neighbor island residents would be more complex than appears from this concurrent resolution and would require more than public hearings and simple information gathering efforts. For the University's planning purposes, raw totals of persons stating an interest in a program are less important than an accurate indication of the number of interested persons who would meet the qualifications for admission to that program. The fact that a large number of people are interested in a particular educational program does not mean enough qualified applicants would be available to justify the establishment of a program in that island. For example, even though five hundred persons expressed interest in an MBA program, only a very few may be qualified to enroll.

Further, from a policy perspective, your Committee does not believe that legislative staff should be delegated to do the work of executive agencies. From a policy perspective, what the legislature truly needs to ascertain is the extent to which and the means by which the University of Hawaii system is presently ascertaining the needs of neighbor island residents,

how those needs can be better and more accurately assessed, and the effort required to obtain those assessments. With this information, the legislature can make appropriate policy determinations regarding what it will require of university officials. Inherent in this policymaking process is determining whether the cost of requiring a particular level of effort is worth the expense in light of the State's various competing needs.

For the foregoing reasons, your Committee has amended this concurrent resolution to request the Legislative Reference Bureau to collect information which would give the legislature background for its policy decision needs.

The amendments to this concurrent resolution specifically request the Bureau to:

- (1) Identify or inventory what is being done currently by the university in its outreach and distance education programs;
- (2) Report on the extent to which, if at all, the higher education needs of neighbor island residents are presently being ascertained;
- (3) Describe the various programs which the University has identified as potential areas for adding to its outreach programs in the future and the cost estimates of adding these programs; and
- (4) Determine what other types of information must be gathered by the university and the methods and costs required to obtain that information in order to assess the higher education needs of neighbor island residents along the lines contemplated by this resolution.

Your Committee has also requested the University of Hawaii to hold its public hearings and transmit the requests of those hearings to the Legislative Reference Bureau prior to August 1, 1993.

Your Committee on Higher Education, Culture, Arts and Historic Preservation, concurs with the intent and purpose of H.C.R. No. 328, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 328, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Holt.

SCRep. 1698 Higher Education, Culture, Arts and Historic Preservation on H.C.R. No. 339

The purpose of this Concurrent Resolution is to request the President of the University of Hawaii and the Chair of the Board of Regents of the University of Hawaii to place the highest priority on the training of nurses at the School of Nursing, conduct a study to analyze the nursing program, and submit a report to the Legislature prior to the 1994 Regular Session.

Your Committee finds that the University of Hawaii and other private university programs are graduating only one-half of the number of registered nurses needed in the State. Your Committee believes that it is imperative that all persons interested in pursuing a career in nursing be encouraged and supported in achieving this goal.

Your Committee has amended this Concurrent Resolution to provide that the study be conducted, so far as practicable within available resources.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 339, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 339, H.D. 2, S.D. 1.

Signed by all members of the Committee except Senator Holt.

SCRep. 1699 Higher Education, Culture, Arts and Historic Preservation on H.C.R. No. 386

The purpose of this Concurrent Resolution is to express support for restoration and re-dedication of the Natatorium as a "Living Memorial."

Originally commissioned by the Territorial Legislature in 1921, the Natatorium was intended to serve as a living memorial to the achievements of Hawaii's World War I veterans and to promote swimming and physical fitness. Over the years the Natatorium has achieved national prominence as an historical site, a one-of-a-kind sports/health complex, and a training ground for olympic caliber swimmers. Now in a state of disrepair, its future is uncertain. Best estimates indicate that restoration would be the wisest and most economical course of action; however, demolition has also been considered.

Your Committee finds that restoration and re-dedication as a "Living Memorial" is the most appropriate course of action. Doing so will preserve a vital link with Hawaii's patriotic past, provide the people with a much needed cultural and recreational facility, and serve as an inspiration and reminder to those who would contribute to Hawaii's future.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 386 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1700 Higher Education, Culture, Arts and Historic Preservation on H.C.R. No. 389

The purpose of this Concurrent Resolution is to provide for a coordinated approach to developing Hawaii's telecommunications and electronic information activities and capabilities.

The University of Hawaii, the Department of Education, the East-West Center, and the Maui Economic Development Board are requested to coordinate efforts of various groups working in these fields and develop plans for a Hawaii high-performance computing and communications program and a Hawaii research and education network. They will submit a report to the 1994 Legislature on goals and priorities, including a coordinating plan for future telecommunications and information industry activities.

Hawaii is well placed and poised to be a key player in the worldwide telecommunications and electronic information network. Coordination of statewide resources will facilitate efforts in this regard.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 389, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1701 Higher Education, Culture, Arts and Historic Preservation on H.C.R. No. 451

The purpose of this Concurrent Resolution is to request the Director of the Department of Land and Natural Resources to reconvene the Diamond Head Citizens Advisory Committee for the purpose of reviewing and making recommendations, pursuant to Act 313-92, on implementation of the Diamond Head State Monument Plan.

Your Committee finds that the Citizens Advisory Committee is essential to the expeditious implementation of the Diamond Head State Monument Plan, which provides for the establishment of a semi-wilderness park and trail system within Diamond Head crater.

Your Committee has amended this Concurrent Resolution to specifically include the Office of Hawaiian Affairs as a part of the Diamond Head Citizens Advisory Committee, and to correct reference to the head of the Department of Land and Natural Resources in the title and body of the resolution among other minor, technical amendments.

Your Committee on Higher Education, Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 451, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 451, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senator Holt.

SCRep. 1702 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Agriculture on H.C.R. No. 385

The purpose of this Concurrent Resolution is to accept the invitation to participate in the Pacific Fisheries Legislative Task Force.

Your Committees find that participation in the Pacific Fisheries Legislative Task Force would enable the State to assist in the coordination of state legislation and lend support to a unified position on federal and international laws relating to fishing.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Agriculture concur with the intent and purpose of H.C.R. No. 385, H.D. 1, and recommend its adoption.

Signed by all members of the Committees except Senators Hagino and Ikeda.

SCRep. 1703 Agriculture on H.C.R. No. 119

The purpose of this Concurrent Resolution is to support the continuation of the papaya industry's Federal Marketing Order.

Hawaii's papaya industry operates under a Federal Marketing Order that requires papaya growers to ratify the continuation of the Federal Marketing Order every six years. The Federal Marketing Order allows for the collection of assessments in order to engage in research and development.

Your Committee believes that the continuation of the Federal Marketing Order is in the best interest of the State and its papaya industry.

Your Committee has amended this Concurrent Resolution by making a technical amendment for the purpose of clarity.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 119, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 119, S.D. 1.

Signed by all members of the Committee except Senators Levin and Reed.

SCRep. 1704 Tourism, Recreation and Transportation on H.C.R. No. 183

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to hold facilitated public informational meetings on management objectives and activities in the Puu O Umi Natural Area Reserve, Kohala Forest Reserve, and the Waimanu Valley National Estuarine Research Reserve.

In addition, this Concurrent Resolution requests the Department of Land and Natural Resources to hold public hearings prior to undertaking any new projects for pig control in the Puu O Umi reserve, Kohala watershed area, and the Waimanu reserve, to accommodate the interests and concerns of hunters.

Your Committee finds that the effective management of public lands requires sensitivity to the ongoing uses and future expectations of the surrounding community.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of H.C.R. No. 183, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1705 Tourism, Recreation and Transportation on H.C.R. No. 184

The purpose of this Concurrent Resolution is to recommend that the Governor appoint to the Hawaii Tropical Forest Recovery Task Force, a member who will represent the interests of hunters and who is familiar with the practices and traditions associated with hunting.

Your Committee finds that the protection and management of Hawaii's tropical forests will only be successful if the interests and concerns of all individuals directly affected by plans of the Hawaii Tropical Forest Recovery Act are thoughtfully considered.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of H.C.R. No. 184, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1706 Tourism, Recreation and Transportation on H.C.R. No. 185

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to take no further action that would adversely impact the interest of hunters in the Laupahoehoe Natural Area Reserve, until the concerns of the hunters are fully heard, and a cooperative effort is undertaken to develop strategies that will protect the health of the Laupahoehoe Natural Area Reserve and insure that the needs and interests of the hunters are adequately met.

This Concurrent Resolution further requests the Department of Land and Natural Resources to prohibit any new fencing within the Laupahoehoe Natural Area Reserve System until the concerns of the hunters are fully heard, and in cooperation with the hunters, to develop provisions regarding the access of hunters in the Laupahoehoe Natural Area Reserve System.

Your Committee finds that the successful protection, management, and utilization of our valuable forest resources requires the State to accommodate the interests and concerns of all parties, especially those who are directly affected by management decisions.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of H.C.R. No. 185, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1707 Tourism, Recreation and Transportation on H.C.R. No. 237

The purpose of this Concurrent Resolution is to direct the Legislative Reference Bureau to conduct a study on the feasibility and impact of placing motor vehicle registration emblems on the inside of a motor vehicle's rear window.

Currently, section 29-7(c), Hawaii Revised Statutes, requires that a motor vehicle registration emblem be placed on the outside of a motor vehicle, on the top right hand portion of the rear license plate. Your Committee finds that as a result of this placement, motor vehicle registration emblems are often subject to theft and mutilation, requiring motor vehicle owners and taxpayers to bear the cost of replacement.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of H.C.R. No. 237 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1708 Tourism, Recreation and Transportation on H.C.R. No. 284

The purpose of this Concurrent Resolution is to request the State Auditor to conduct a management and financial audit of the Hawaii Visitors Bureau to investigate whether public funds are being properly and effectively utilized.

This Concurrent Resolution further requires the audit include an analysis of the adequacy of the Hawaii Visitors Bureau's marketing and promotional programs in meeting today's changing travel market, and an evaluation of the Hawaii Visitors Bureau's effectiveness in complying with the recommendations of the 1987 audit.

Your Committee finds that the periodic evaluation of a major state contractor such as the Hawaii Visitors Bureau is necessary to ensure the efficient and effective allocation of public funds.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of H.C.R. No. 284, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1709 Tourism, Recreation and Transportation on H.C.R. No. 430

The purpose of this Concurrent Resolution is to request the Auditor to conduct a comprehensive study of the revenue and service operations of all state-run small boat harbors and boat ramps.

This Concurrent Resolution further requires that the study include an itemized review of financial expenditures and incoming revenue, and the degree of services provided at each small boat harbor and boat ramp.

Your Committee finds that it is in the State's interest to improve service and operations of state-run small boat harbors and boat ramps through more efficient management, control, and maintenance of facilities.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of H.C.R. No. 430, H.D. 2 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1710 Tourism, Recreation and Transportation on H.C.R. No. 466

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism, with the assistance of the Department of Commerce and Consumer Affairs and the Department of Taxation, to recommend methods to impose the transient accommodations tax or other tax or fee upon visitors with time share interests who spend fewer than 180 consecutive days in their time share unit or who spend fewer than 180 consecutive days in another time share unit as a result of trading with another time share owner.

Your Committee finds that visitors with time share interests have similar characteristics to other visitors in terms of length of stay and the type of facility occupied. Your Committee further finds that there are approximately 2,500 time share units registered in Hawaii that could generate a substantial increase in revenues if the time share interests were subject to the transient accommodations tax.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of H.C.R. No. 466, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1711 Tourism, Recreation and Transportation on H.C.R. No. 489

The purpose of this Concurrent Resolution is to request the Auditor to conduct an audit of the management of the Traffic Violations Bureau.

Your Committee recognizes the need to improve the Traffic Violations Bureau's current system and finds that an audit may help to determine if problems with excessive backlogs and current processes and procedures are symptomatic of a lack of appropriate automation or a need for improvement in the management of the Traffic Violations Bureau, or both.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of H.C.R. No. 489, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1712 Tourism, Recreation and Transportation on H.C.R. No. 488

The purpose of this Concurrent Resolution is to encourage Hawaii's major business entities to stimulate intra-state tourism by adopting and promoting employee appreciation programs like Bank of Hawaii's Hele Mai Program.

Your Committee finds that increased intra-state travel may help Hawaii's visitor industry by mitigating future declines in out-of-state visitor arrivals, keeping local dollars in-state, and increasing tax revenues.

Your Committee on Tourism, Recreation and Transportation concurs with the intent and purpose of H.C.R. No. 488 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1713 (Joint) Agriculture and Tourism, Recreation and Transportation on H.C.R. No. 363

The purpose of this Concurrent Resolution is to urge the visitor industry to continue to support locally grown agricultural products.

Your Committees find that the promotion of Hawaii's agricultural products begins at home. Serving locally grown agricultural products to visitors and informing them about the products will enhance the total experience of being in Hawaii, and will also provide local producers with added exposure at the same time.

Your Committees on Agriculture and Tourism, Recreation and Transportation concur with the intent and purpose of H.C.R. No. 363, H.D. 1, and recommend its adoption.

Signed by all members of the Committees except Senator Holt.

SCRep. 1714 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on H.C.R. No. 63

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to report to the Legislature on:

- (1) The types of tax incentives that may be offered to the general public and recycling businesses in order to encourage recycling, including deductions, exemptions, credits, or reduced tax rates on sales, property, gross income, or other taxes;
- (2) The estimated impact on state revenues of each type of incentive; and
- (3) An assessment of the success of similar programs that provide tax incentives to encourage recycling in other jurisdictions.

In addition, the Concurrent Resolution also requests:

- (1) DBEDT to report its findings, recommendations, and proposed legislation to the Legislature at least 20 days before the convening of the 1994 Regular Session; and
- (2) The Department of Health, the Department of Land and Natural Resources, and the Department of Taxation (DTAX) to provide information and support to DBEDT in developing the report to the Legislature.

Your Committees find that the State should encourage recycling activities through any means possible in order to conserve and protect our precious natural resources and environment.

Your Committees have amended the measure by making technical, nonsubstantive amendments to correct grammatical errors and to conform the measure to recommended drafting style.

Your Committees concur with the intent and purpose of H.C.R. No. 63, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 63, H.D. 1, S.D. 1.

Signed by all members of the Committees except Senators Blair, Fernandes Salling, Nakasato, Tanaka and Mizuguchi.

LCRep. 1715 Executive Appointments on S.R. No. 132

The purpose of this Resolution is to request the Governor to evaluate every board and commission in the State to determine whether Senatorial confirmation remains an effective method of protecting the public interest.

The study will include an evaluation of whether qualification standards of some boards and commissions are sufficient to protect the public interest without confirmation of members, or whether requirements can be beefed up through legislation, and evaluation of the need to confirm reappointees whose qualifications have previously been determined.

The Governor would submit a report of findings and recommendations to the 1994 Legislature.

Currently, 55 boards and commissions regulate professions and vocations in Hawaii and many more administer public and quasi-public agencies. Current membership on these bodies totals 2,056, and each gubernatorial appointment to fill a slot or serve another term must be studied and recommended or rejected by the Senate. The procedure in some instances may no longer be the most appropriate means of protecting the public interest. This Resolution requests information necessary to determine whether and to what extent the confirmation process should be retained, modified, or eliminated in relation to each appointive board or commission in the State.

Your Committee has amended this Resolution, and its title, to increase its scope. The Governor is requested to also study and evaluate each board and commission to determine if they continue to serve a necessary public purpose or could be abolished without compromising the public health, safety, or welfare. The Governor will submit a progress report to the 1994 Legislature containing a preliminary list of those recommended for abolishment, or for whose membership Senate confirmation may no longer be appropriate, and justifications for such recommendations. The progress report will also contain a description of the process and criteria established to study and evaluate the boards and commissions, and appropriate draft legislation. A final report of findings and recommendations will be submitted to the 1995 Regular Session.

Your Committee has also amended this Resolution by making some nonsubstantive technical changes for the purposes of clarity and emphasis.

Your Committee on Executive Appointments 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.

LCRep. 1716 Executive Appointments on Gov. Msg. Nos. 359, 360, 361, 362, 363, 364, 365, 366, 368, and 373

Recommending that the Senate advise and consent to the nominations of the following:

DAVID A. NOBRIGA to the Board of Agriculture, term to expire June 30, 1996 (Gov. Msg. No. 359);

PHYLLIS SUMIKO SHIMABUKURO and MEREDITH J. CHING to the Board of Agriculture, terms to expire June 30, 1997 (Gov. Msg. No. 359);

RONALD B. IIDA, BURMA J. KANEAPUA and NORMAN L. SAKAMOTO to the Contractors License Board, terms to expire June 30, 1997 (Gov. Msg. No. 360);

ROBERT L.P. TONG to the Hawaii Housing Authority, term to expire June 30, 1993 (Gov. Msg. No. 361);

VICTOR T. NAKAMURA to the Hawaii Housing Authority, term to expire June 30, 1996 (Gov. Msg. No. 361);

ROBERT L.P. TONG and SHARON R. YAMADA to the Hawaii Housing Authority, terms to expire June 30, 1997 (Gov. Msg. No. 361);

STANLEY HANZAWA and LARRY RAY CROSS, Ph.D., to the Board of Directors of the Hawaii Information Network Corporation (Hawaii Inc.), terms to expire June 30, 1997 (Gov. Msg. No. 362);

KEITH A. GOTO and CALVIN S. MIYAMOTO to the Board of Trustees, Hawaii Public Employees Health Fund, terms to expire June 30, 1997 (Gov. Msg. No. 363);

ANN K. NATHANIEL and PATRICIA WILCOX SHEEHAN to the Hawaiian Homes Commission, terms to expire June 30, 1997 (Gov. Msg. No. 364);

BENJAMIN MERCADO, L.P.N., CALVIN M. ICHINOSE, R.N., C.R.N.A., M.B.A., BARBARA RUTH S. UWEKO'OLANI, R.N., and JERRY A. WALKER, JR. to the State Board of Nursing, terms to expire June 30, 1996 (Gov. Msg. No. 365);

HENRY JAY HANNIGAN to the Board of Examiners of Nursing Home Administrators, term to expire June 30, 1997 (Gov. Msg. No. 366);

WILLIAM W. PATY to the Board of Land and Natural Resources, term to expire June 30, 1993 (Gov. Msg. No. 368);

MICHAEL H. NEKOBA to the Board of Land and Natural Resources, term to expire June 30, 1997 (Gov. Msg. No. 368); and

WILLIAM KENNISON to the Board of Land and Natural Resources, term to expire June 30, 1997 (Gov. Msg. No. 373).

Signed by all members of the Committee.

SCRep. 1717 Planning, Land and Water Use Management on S.R. No. 98

The purpose of this Concurrent Resolution is to urge the Department of Land and Natural Resources to make every effort to comply with a consultant's recommendation to acquire lands on the Ka'u and mauka sides of the Keolonahihi State Historic Park complex.

Your Committee recognizes the need to maintain the cultural and historical setting of the complex at Holualoa by creating a buffer from modern development, and believes that every effort should be made to preserve the site before development encroaches upon the area, making public acquisition prohibitively expensive and destroying the integrity of the site.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 98 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1718 Planning, Land and Water Use Management on H.C.R. No. 180

The purpose of this Concurrent Resolution is to request the Board of Land and Natural Resources to conduct a study to determine the impact of fish feeding and artificial reefs on shark risks to inshore recreational users.

Currently, insufficient information is available to determine whether artificial reef building and fish feeding increase the risk of shark attacks. While the concerns of ocean users regarding these risks must be taken seriously, your Committee finds that the lack of scientific data makes it difficult to substantiate these concerns. Your Committee believes that more information and data is needed before legislation affecting the practices of fish feeding and artificial reef building is introduced.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 180, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1719 Planning, Land and Water Use Management on H.C.R. No. 205

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to waive the insurance requirement in State leases for non-profit activities in designated areas until December 31, 1993.

Your Committee finds that many insurers are currently refusing to insure improvements located in areas classified as Class 10 under the Hawaii Insurance Rating Bureau Public Protection Classification Manual, or are insuring the improvements with unreasonable restrictions or at premiums three to five times pre-Iniki rates. Areas included in the Class 10 rating are properties in remote areas that are not protected by a fire station.

Your Committee further finds that Hurricane Iniki has severely affected the insurance industry in the State of Hawaii, causing increased costs and restrictions on insurance coverage. Compliance with this Concurrent Resolution would allow lessees of State land to make improvements that will benefit the people of Hawaii without having to obtain costly insurance.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 205 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1720 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 58

The purpose of this Concurrent Resolution is to discourage the feeding of pestiferous birds.

Testimony in support of the Senate version of the measure was received from the Department of Health, the Pestiferous Bird Committee, and the Waikiki Improvement Association.

Your Committee finds that the measure would help curb the proliferation of pestiferous birds.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 58 and recommends its adoption.

Signed by all members of the Committee except Senators Fernandes Salling and Tanaka.

SCRep. 1721 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on H.C.R. No. 405

The purpose of this Concurrent Resolution is to urge the County of Maui, the Department of Land and Natural Resources, and the Department of Health to develop a joint plan for the removal of algae from the beaches and nearshore waters of Maui County.

Your Committees find that the overabundance of algae in the waters of Maui County create an undesirable and unsanitary environment for beachgoers. The removal of excessive algae will maintain an adequate level of cleanliness for the beachgoing community.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management concur with the intent and purpose of H.C.R. No. 405, and recommend its adoption.

Signed by all members of the Committees except Senators Fernandes Salling, Tanaka, Holt, Matsuura and Tungpalan.

SCRep. 1722 Consumer Protection on H.C.R. No. 97

The purpose of this Concurrent Resolution is to request the Legislative Auditor to conduct a study to review whether crane operators should be regulated and whether cranes should be registered.

Crane operators are not required to be licensed. Your Committee heard testimony on a similar Senate Concurrent Resolution which indicated that there have been instances where a person has claimed to have the experience and capability to operate a crane and was later found to have misrepresented this fact. Cranes are currently operated throughout the islands and in many instances, in areas which are congested with pedestrians and motor vehicle traffic. There is a potential danger to the public and the workers at the construction site if a load is improperly lifted. Your Committee feels that there should be some type of mechanism to ensure that crane operators are properly trained.

Your Committee on Consumer Protection concurs with the intent and purpose of H.C.R. No. 97 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1723 Consumer Protection on H.C.R. No. 354

The purpose of this Concurrent Resolution is to request the Auditor to conduct a study of ratemaking procedures under Article 14, Chapter 431, Hawaii Revised Statutes, to determine whether statutory or administrative changes can and should be made to provide for more effective control over the setting of rates by insurers.

Your Committee finds that current laws and rules governing ratemaking may allow insurers too much flexibility in reporting their financial status. Your Committee further finds that insurers may have too much discretion to determine what information is provided to the Insurance Commissioner.

Your Committee believes that the insurance rate regulation system in this State must be effective in controlling the manipulation of operational expenses, profits, and losses by insurers so that rate increases are justified and fair not only to insurers, but to the public, as well.

Your Committee on Consumer Protection concurs with the intent and purpose of H.C.R. No. 354 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1724 Education, Labor and Employment on H.C.R. No. 209

The purpose of this Concurrent Resolution is to request employers to respect their employees' legal lifestyle activities.

Your Committee has amended this Concurrent Resolution by deleting its title and contents and inserting substantive provisions requesting the Governor to establish a nine member interim commission to study issues relating to the sufficiency of government in Hawaii.

Drawing on expertise from the public and private sectors, the commission, using contributed staff and resources, will conduct research, carry out case studies, hold public meetings, consult with experts, and utilize other means of determining whether the mission and goals of government in Hawaii are sufficient and whether government is capable of supporting a close self-examination leading to restructuring or reinvention. Findings and recommendations will be reported to the 1994 Legislature.

Your Committee finds that the size of government in Hawaii is reaching the point where the payroll is no longer adequately supported by the tax base. Although the public demands new and more services, money is short, waste and inefficiency are at an all time high, and conventional problem solving mechanisms are creaking with age, overuse, and misuse. To address these realities, it may be necessary to question and even discard old assumptions and institutions. This study will provide information needed to illuminate such policy concerns.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of H.C.R. No. 209, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 209, S.D. 1.

Signed by all members of the Committee.

SCRep. 1725 Education, Labor and Employment on H.C.R. No. 255

The purpose of this Concurrent Resolution is to express support for the Delta-Hawaii project proposal.

Your Committee has amended this Concurrent Resolution by deleting the title and contents and inserting provisions requesting the University of Hawaii to study the early retirement incentive proposed in H.B. No. 759, H.D. 2, S.D. 2.

The size of government in this State is reaching the point where the payroll is no longer adequately supported by the tax base. Efforts must be made to downsize government in order to reduce costs, but without forced reductions in staffing, and to increase opportunities for lower and middle level employees to move upward on the career ladder.

In order to effect a cost efficient downsizing, H.B. No. 759, H.D. 2, S.D. 2 proposes to allow public employees with twenty-five or more years of service to retire with three years additional service credit, regardless of age. This offer would have limited duration and varied applications. The University of Hawaii has expressed interest and has indicated a willingness to study the proposal's ramifications.

Your Committee believes that it would be prudent to utilize the University's analytical and evaluative capabilities before implementing a government downsizing project with as yet problematic social and financial policy implications.

Your Committee on Education, Labor and Employment concurs with the intent and purpose of H.C.R. No. 255, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 255, S.D. 1.

Signed by all members of the Committee.

SCRep. 1726 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 404

The purpose of this concurrent resolution is to urge state agencies, when awarding contracts for printing, binding, and stationery work, to give preference to local businesses that pay their employees the prevailing wage.

Your Committee finds that despite current law requiring that businesses responding to bids or contracts for state printing, binding, and stationery work pay prevailing wages to their employees, this requirement has not been implemented. Accordingly, many jobs are awarded to lower bidding out-of-state printing firms that may not be paying prevailing wages instead of local printing firms that generally pay prevailing wages. This concurrent resolution would enable local printing firms to more effectively compete for state contracts.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 404, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senators Blair, Fernandes Salling, Kobayashi, B., and Tanaka.