

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

Your Committee on Credentials begs leave to report that it has examined the Letter of Appointment of the Honorable Rosalyn Baker and finds that she is qualified to fill the vacancy in the Senate created by the resignation of Senator Russell Blair for the Seventeenth Legislature of the State of Hawaii, Regular Session of 1994.

Signed by Senators Grauly, Kobayashi, A., and George.

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 1 on H.B. No. 1999

The purpose of this bill is to amend existing law to conform with the efficiency standards of the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE).

Your Committee has amended this bill by making minor, nonsubstantive revisions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1999, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1999, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 2 on S.B. No. 2288

The purpose of this bill is to exempt transitional housing for abused family or household members from the provisions of Chapter 521, Hawaii Revised Statutes, relating to the Landlord-Tenant Code.

Your Committee finds that transitional housing facilities for battered women and children provide a safe haven for victims of domestic abuse. The housing rules established by these facilities help to ensure safety for the victims by protecting them from possible contact with potential abusers. Unfortunately, when these rules are broken by the intrusion of a potential instigator of abuse, the provisions of the Landlord-Tenant Code are triggered, making it difficult to evict the offender in a timely manner. Exempting transitional facilities from the Landlord-Tenant Code will provide victims with the safety and peace of mind necessary to recover from the ordeal of abuse.

Your Committee on Conference has amended the bill by deleting the due process requirements for transitional facility program agreements and by making the bill effective upon its approval rather than July 1, 1994.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2288, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2288, H.D. 1, C.D. 1.

Senators Baker, Tungpalan and Reed.
Managers on the part of the Senate.

Representatives Chun, Isbell, Bunda, Tom and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 3 on S.B. No. 2956

The purpose of this bill is to allow a landowner under the tree farm program to harvest trees in accordance with a management plan approved by the Department of Land and Natural Resources (DLNR).

Your Committee finds that this bill addresses the competing interests of economics for the landowners and conservation for the environmentalists. Landowners look to adequate future compensation as recompense for the many years spent in cultivating trees to maturity. Conservationists look to the effect that certain trees have upon the environment, particularly as to natural habitat for endangered species, native forests, and nonpoint source pollution (erosion which increases sediment runoff into streams and coastal waters).

Your Committee recognizes that the downsizing of Hawaii's sugar industry makes a commercial forest industry economically attractive as well as feasible, provided there is an appropriate regulatory climate at the state and local levels. Landowners should have incentives to grow trees commercially; however, under present law, a landowner's right to harvest trees is unclear since the repeal of Section 186-10, Hawaii Revised Statutes, relating to the harvesting of trees on tree farm property. This bill restores a measure of certainty for the landowner while attempting as much as possible to satisfy conservation concerns.

This bill is an effort to satisfy the conservation and environmental issues to the extent possible by statute. It is the intent of your Committee that the management plan of the DLNR provide for adequate environmental and conservation protection and that the DLNR procure more public input into the rule making process to reach a consensus among all concerned parties.

Your Committee has amended this bill by deleting reference to the environment in SECTION 1. Your Committee believes that safeguards for the environment are already established in existing statutes and rules, and inclusion of the term in this bill may create unnecessary confusion which could inhibit the ability to attract private landowners and investors.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2956, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2956, S.D. 1, H.D. 3, C.D. 1.

Senators Iwase, Hagino, Kanno, Ikeda, McCartney and George.

Managers on the part of the Senate.

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

Conf. Com. Rep. No. 4 on S.B. No. 3322

The purpose of this bill is to ensure that no local air carrier is denied the privilege of offering consumers interisland service solely on the basis of a technicality.

Specifically, the bill provides that any air carrier that, prior to enactment of federal legislation relating to intrastate turnaround air service in Hawaii, had applied to the United States Department of Transportation for authority to provide intrastate turnaround flights and been issued a certificate of public convenience and necessity, will be automatically certified under Hawaii's new regulatory laws. However, the carrier must have been clear of any FAA violation during the period in which the certificate of public convenience and necessity was pending.

In 1993 the Legislature enacted Chapter 261C, Hawaii Revised Statutes, providing for regulation of Hawaii air carriers upon enactment of enabling federal legislation. Section 261C-20(a) of that Chapter provides that when regulation commences, Hawaii certification will be granted to any air carrier currently providing intrastate turnaround air service under authority granted by the U.S. Department of Transportation. Thus, Aloha and Hawaiian Airlines will be automatically certified pursuant to Chapter 261C, but Mahalo Airlines, which has filed applications with the federal government but had not yet been federally certified, will be excluded. This bill will enable Mahalo Airlines to obtain Hawaii certification if it meets the above criteria.

Your Committee has amended this bill by deleting the language that conditions Hawaii certification upon prior receipt of a federal certificate of public convenience and necessity and a clean record with the FAA, in effect restoring the substantive position articulated in the S.D. 1 version. Your Committee finds that as amended, this bill will appropriately ensure the viability of Mahalo Airlines under Hawaii law and any federal measures that may be enacted.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3322, 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. 3322, S.D. 1, H.D. 2, C.D. 1.

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

Representatives Oshiro, Bunda, Ishii-Morikami, Nakasone and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 5 on H.B. No. 2235

The purpose this bill is to provide the same tax treatment for state-chartered credit unions as is given to federal credit unions.

Your Committee has made a nonsubstantive amendment to correct a technical drafting error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2235, 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. 2235, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Say, Santiago, Suzuki, Tam and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 6 on S.B. No. 2402

The purpose of this bill is to clarify the authority of the Director of Transportation and the counties to allow the stopping, standing, or parking of motor vehicles at a "T-shaped" intersection on highways under their respective jurisdictions.

Your Committee believes that there is a serious shortage of parking in certain congested areas in the State, and that this bill is necessary to alleviate this shortage by allowing for the creation of additional parking at "T-shaped" intersections.

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

- (1) Substituting the most recent version of section 291C-111(a), Hawaii Revised Statutes, for the version of that section contained in the bill. That section was last amended by Act 214, Session Laws of Hawaii 1993, effective July 1, 1994, which decriminalized all but the most serious traffic offenses by making violators subject only to civil penalties, and made conforming amendments to section 291C-111 consistent with the intent of that Act;
- (2) Changing the effective date from "upon approval" to "July 1, 1994", consistent with the effective date of the amendments made to section 291C-111 by Act 214;

- (3) Substituting the word "prohibiting" for "preempting" in the first sentence of the new language added to section 291C-111(a); and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2402, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2402, H.D. 1, C.D. 1.

Senators Chang, Fernandes Salling, Tanaka and Reed.
Managers on the part of the Senate.

Representatives Oshiro, Taniguchi, Nakasone, Shon and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 7 on S.B. No. 2605

The purpose of this bill is to provide clarification with regard to housing agreements during periods of disaster relief and rehabilitation.

Specifically, the bill protects a tenant from being indiscriminately evicted after a natural disaster occurs unless:

- (1) The owner serves the tenant with a written notice at least forty-five days in advance;
- (2) The owner is selling the property;
- (3) The owner or a member of the owner's immediate family will occupy the dwelling; or
- (4) The dwelling requires repair in order to restore it to habitable standards.

Your Committee finds that the bill protects tenants from being evicted at a time when they can least afford to be dislocated from shelter, while still maintaining the basic property rights of real property owners.

Your Committee has amended the bill by:

- (1) Moving the definition of "unfit for occupancy" from section 209-1, Hawaii Revised Statutes, to section 209-9(a), Hawaii Revised Statutes;
- (2) Adding the definitions of "breach of material term," "fixed term lease," and "periodic tenancy" to section 209-9(a), Hawaii Revised Statutes; and
- (3) Making nonsubstantive, stylistic changes for the purpose of clarity.

During the course of its deliberations, your Committee noted concerns over the possible ramifications of defining terms such as "breach of material term," "fixed term lease," "periodic tenancy," and "unfit for occupancy" in Chapter 209, Hawaii Revised Statutes, in that these definitions may be superfluous. However, it is your Committee's intent that the terms defined in the bill were done so solely for the purpose of providing clarity. Your Committee believes that in a state of emergency, emphasis should not be on the discussion of the definition of certain terms, but on the provision of relief activities.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2605, 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. 2605, S.D. 1, H.D. 1, C.D. 1.

Senators Baker, Tungpalan and Reed.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 8 on H.B. No. 1046

The purposes of this bill are to:

1. Require the Office of Tourism to annually prepare and update a tourism marketing plan for the subsequent 5-year period, instead of the previous 2-year plan;
2. Require the office to submit the updated plan to the legislature prior to the convening of each regular session, rather than with the executive budget request; and
3. Require submittal of marketing plans by destination organizations receiving state funding and departmentally initiated programs to the office to allow coordination of all the marketing plans with the office's tourism marketing plan.

Your Committee finds that most private organizations make 5-year marketing plans, and that the short two-year term of the state's marketing plan causes considerable difficulty in soliciting matching funds for cooperative campaigns. The 1993 Tourism Congress emphasized that the need for a longer term for marketing plans ranked in a tie for the highest priority.

An annually updated marketing plan for the subsequent five years would give visitor industry companies and other organizations an indication of state intent over a period consistent with their planning term and would enable them to coordinate their own marketing efforts with those of the state, giving more effective use of limited promotion funds.

Your Committee revised the bill by:

1. Removing the reference to exceeding the duration of the biennium in Section 203-5(a)(3); and
2. 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. 1046, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1046, S.D. 1, C.D. 1.

Senators Tanaka, Solomon and George.
Managers on the part of the Senate.

Representatives Cachola, Chang, Lee, Stegmaier and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 9 on H.B. No. 3198

The purpose of this bill, as received by your Committee on Conference, is to repeal two University of Hawaii (UH) athletics revolving funds and to authorize the UH to establish fees and charges for its athletic programs and use of athletic facilities.

The funds to be repealed are the University of Hawaii at Manoa Intercollegiate Athletics Revolving Fund and the University of Hawaii at Hilo Intercollegiate Athletics Revolving Fund, both of which are scheduled for Auditor review by June 30, 1995.

In place of these funds, this bill provides that the UH may establish fees and charges for activities related to its athletic programs and use of its athletic facilities. The moneys will be deposited into the State's general fund, and expenditures for intercollegiate programs at the UH will be appropriated from the general fund by the Legislature.

Your Committee on Conference has amended this bill by:

- (1) Repealing Section 41 of Act 280, Session Laws of Hawaii 1993, in SECTION 1 of this bill;
- (2) Amending Section 64 of Act 280, Session Laws of Hawaii 1993, in SECTION 2 of this bill to delete all references to section 41;
- (3) Deleting subsection 3 of SECTION 2 of this bill to provide for the transfer of credit to the state general fund by June 30, 1996, for all unexpended or unencumbered balances remaining in any fund scheduled for repeal on June 30, 1996, Act 280; and
- (4) Making technical and nonsubstantive changes for purposes of consistency, style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3198, 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. 3198, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Solomon, Tungpalan and Koki.
Managers on the part of the Senate.

Representatives Lee, Say, Chang, Ige, M., Taniguchi and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 10 on H.B. No. 3447

The purpose of this bill is to provide fiscal flexibility to the University of Hawaii (UH) by allowing UH to retain, until June 30 of the following fiscal year, not more than five percent of any appropriations of general funds for operating purposes at the close of each fiscal year.

After further discussion, your Committee on Conference has amended this measure as follows:

- (1) Stated that Sections 1, 2, and 3 shall be repealed two years after the approval of this Act, instead of one year; and
- (2) Made technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3447, 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. 3447, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Lee, Ige, D., Say, Chumbley and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 11 on H.B. No. 2294

The purposes of this bill are to:

- (1) Conform with the original intent of Section 46-1.5, Hawaii Revised Statutes, by making technical amendments to that section; and
- (2) Provide each county with the authority to abate public nuisances.

Currently, the counties have the authority to enact and enforce ordinances to prevent or summarily remove nuisances and to compel the clearing of refuse and uncultivated growth. This measure clarifies the authority of the counties by providing each county with the authority to remove public nuisances, which includes, but is not limited, to the placement of structures, stalls, stands, furniture, and containers on streets, sidewalks, and public places.

Your Committee on Conference has amended this bill by:

- (1) Deleting the reference that counties have the "inherent" power to abate nuisances;
- (2) Deleting authority by the counties to remove "private" nuisances;
- (3) Making changes to reflect the expanded powers of the counties to remove public nuisances; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and conformity with drafting conventions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2294, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2294, S.D. 2, C.D. 1.

Senators Grauly, Baker, Iwase, and Kobayashi, A.
Managers on the part of the Senate.

Senators Chang and Koki did not sign the report.

Representatives Taniguchi, Tom, Nakasone, Takumi and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 12 on H.B. No. 2197

The purpose of this bill is to require proof of no-fault insurance and a motor vehicle registration by the owner of a vehicle prior to shipment of that vehicle from one county to another county in the state.

Upon further consideration, your Committee has amended the bill to impose a penalty of not more than \$100 on any owner who violates the provisions of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2197, 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. 2197, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Nakasone, Taniguchi, Bunda, Hagino, Suzuki and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 13 on H.B. No. 2909

The purpose of this bill is to regulate "going out of business" sales. Specifically, this bill requires posting of notice if the person holding the sale has:

- (1) Inventory which includes one hundred or more items each costing \$100 or more; and
- (2) Placed advertising having a list or fair market value of \$10,000 or more.

This bill also provides for civil fines from \$500 to \$10,000 for each violation.

Your Committee on Conference finds that some "going out of business" sales fraudulently give the impression that a merchant is making a sale under distress, but are, in fact, selling the merchandise at highly marked-up "discounts." This bill will require those who hold such sales to conspicuously post signs outside their place of business which provide prospective customers with complete and truthful information regarding the circumstances of the sale, including conditions or events which motivate the event.

However, your Committee on Conference believes that rigidly requiring a business to post notice outside the place of business is not the most effective way to provide notice to customers who are examining merchandise inside the premises.

Accordingly, this bill has been amended to retain the notice requirement as found in H.B. No. 2909, H.D. 2. This provision requires the notice to be visible and readable from outside the place of business, but does not mandate that the notice actually be outside the place of business.

Further, your Committee on Conference believes that regulating such sales is an effective means of addressing consumer and merchant concerns. However, due to the transitory nature of the problem, your Committee on Conference believes that this law will need to be revisited to address changing conditions. Therefore, this bill has also been amended to repeal this Chapter three years from the date of its approval.

Additionally, technical, non-substantive amendments have been made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2909, 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. 2909, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Stegmaier, Bunda, Tom, Ige, D. and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 14 on H.B. No. 2641

The purpose of this bill is to amend the statutes relating to air pollution, by:

- (1) Adding a Part to Chapter 321, Hawaii Revised Statutes (HRS), to establish an Indoor Air Quality Program;
- (2) Revising Sections 24 and 25 of Chapter 342B, HRS, to provide for the issuance of environmental permit shields by the Department;
- (3) Revising Section 342B-33, HRS, relating to certification and annual emissions of hazardous air pollutants; and
- (4) Revising Section 342B-48, HRS, relating to administrative penalties.

Your Committee has amended the bill by:

- (1) Deleting the language on page 1, line 1, through page 10, line 2, relating to indoor air quality and environmental permit shields;
- (2) Inserting the language from S.B. No. 2179, S.D. 1, H.D. 1, relating to environmental permit shields; and
- (3) Changing the language relating to economic benefits on page 10, lines 23-24, to read: "(2) The economic benefit to the violator, or anticipated by the violator, resulting from the violations;"

Your Committee believes that the Director of Health should take into consideration the profitability of violating an air pollution law by the violator when imposing a penalty. However, it is not your Committee's intent that this economic benefit consideration act as a mitigating factor in lowering a penalty for a violation if no economic benefit results from the violation.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2641, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2641, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 15 on H.B. No. 2642

The purpose of this bill is to allow the Director of Health to:

- (1) Consider the following when imposing an administrative penalty for violation of Chapter 342D, Hawaii Revised Statutes:
 - (A) The economic benefit, if any, resulting from a water pollution violation;
 - (B) Good faith efforts of the violator to comply with water pollution laws in imposing an administrative penalty for violation of Chapter 342D, Hawaii Revised Statutes; and
 - (C) Other circumstances that may apply to the violation; and

- (2) Consider the public interest, as defined under federal regulations, with respect to the issuance, revocation, or reissuance of permits.

Your Committee believes that the Director of Health should take into consideration the profitability of violating an air pollution law by the violator when imposing a penalty. However, it is not your Committee's intent that this economic benefit consideration act as a mitigating factor in lowering a penalty for a violation if no economic benefit results from the violation.

Your Committee has amended this bill by:

- (1) Deleting Section 2 of the bill (page 1, line 11, through page 4, line 5) relating to permit issuance, revocation, and reissuance;
- (2) Changing the language relating to economic benefits in item (b)(2) of section 342D-31 as set forth in Section 2 of this bill to read, "The economic benefit to the violator, or anticipated by the violator, resulting from the violations;" and
- (3) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2642, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2642, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 16 on H.B. No. 3255

The purpose of this bill is to facilitate the construction and operation of solar electric vehicles in the State. Presently, certain solar electric vehicles are classified as motorcycles and such come under the appropriate statutory regulations. This bill will:

- (1) Exempt operators or passengers of vehicles that have a full-body enclosed cab, a seat belt assembly, and a child restraint system from the safety helmet requirements;
- (2) Allow these vehicles to carry passengers under seven years of age provided the vehicle has the aforementioned safety systems; and
- (3) Exempt motorcycles or mopeds powered by electric motors from the requirement of using a muffler.

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

- (1) Adding a purpose and intent section;
- (2) Adding a provision which makes this Act effective upon the publication of a notice of regulatory compliance that the manufacturer of the solar electric motor vehicle has submitted proof to the Director of Transportation that the vehicle meets all applicable Federal standards, regulations, and exemptions;
- (3) Adding a provision which would repeal this Act if the notice of regulatory compliance is not published by June 30, 1995; and
- (4) Making various 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. 3255, 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. 3255, H.D. 2, S.D. 1, C.D. 1.

Senators Fernandes Salling, Baker, Matsunaga, Tanaka and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 17 on H.B. No. 2491

The purpose of this bill is to clarify statutory provisions relating to the authority to prescribe drugs and contents of prescriptions.

Current law does not require prescribing physicians to adhere to the requirements of a valid prescription, placing responsibility for the correctness of a prescription solely on the pharmacist.

However, it was felt by your Committee that both physicians and pharmacists should share in the responsibility of the correctness of a prescription.

Therefore, your Committee on Conference has amended this bill by:

- (1) Amending the definition of "practitioner" to mean an individual who is licensed by the State, rather than permitted by law, to prescribe prescription drugs within the scope of the person's practice;
- (2) Adding existing statutory language which originally appeared in the House draft of the bill but had been inadvertently removed in the Senate draft of the bill. This language stipulates that the practitioner must promptly record information regarding the prescription in the practitioner's records before a prescription may be dispensed; and
- (3) Making other technical, nonsubstantive amendments for purposes of clarity, consistency and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2491, 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. 2491, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Duldulao, Bunda and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 18 on H.B. No. 2640

The purpose of this bill is to enable the State to better monitor the activities of hazardous waste brokers.

Specifically, the bill:

- (1) Defines "hazardous waste brokers";
- (2) Requires these brokers to obtain an identification number from the Department of Health (DOH); and
- (3) Further requires these brokers to file a notification with the DOH that includes, among other things, the location and general description of the hazardous waste handling activity, as well as a notarized written statement approving the activity of the broker.

Your Committee on Conference has revised this bill to clarify the definition of hazardous waste broker in addition to some other changes. Specifically, this bill was amended by:

- (1) Replacing the word "occurred" on page 3, line 6, with the word "changed";
- (2) Changing "Section 342J-2" on page 4, line 1, to "Section 342J- ";
- (3) Inserting the word "and" at the end of item (1)(C) of Section 342J- as set forth in SECTION 3 of this bill which defines a "hazardous waste broker";
- (4) Adding item (2)(E) to Section 342J- as set forth in SECTION 3 of this bill which defines a "hazardous waste broker"; and
- (5) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2640, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Final Reading in the form attached hereto as H.B. No. 2640, H.D. 2, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 19 on H.B. No. 3170

The purpose of this bill is to lengthen the time which the Department of Land and Natural Resources has to hold a hearing when the owner of an impounded vessel contests the basis for such impoundment, and to specify actions which may be taken when an impounded vessel remains unclaimed.

Your Committee on Conference finds that extending the time for an administrative hearing on a vessel impoundment from seventy-two hours to five working days is necessary to allow all parties adequate preparation time. Your Committee also finds that the provisions of the bill pertaining to the disposition of unclaimed vessels will allow for the disposal of vessels which do not fall within current statutory definitions of "abandoned" or "derelict" vessels.

Your Committee has amended this bill by adding that the arbitration board shall be composed of three inspectors and that the inspector who performed the original inspection shall not be a member of the arbitration board.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3170, 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. 3170, H.D. 2, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 20 on H.B. No. 2913

The purpose of this bill is to streamline the permitting process for housing project developments. The bill provides that where a housing development permit request requires the amendment of a county community or development plan or a county zoning map, the processing of these requests for amendments shall be done concurrently upon the request of the applicant.

In addition, the bill requires these plan and zoning map amendment requests to be processed concurrently with any State Land Use Commission redesignation request that affects the permitting of the project.

Your Committee on Conference agrees that concurrent processing of amendment requests would facilitate the rate of construction of new domiciles and contribute to the lowering of the total cost of the project.

Your Committee on Conference particularly supports concurrent processing for projects which have an affordable housing component and encourages the counties to include an affordable housing requirement in projects which are concurrently processed.

It is your Committee on Conference's intent that this bill apply to all amendment requests which meet state and county requirements, and that the counties be given discretion to reject applications for amendments to county community or development plans or a county zoning map.

Accordingly, this bill has been amended to make concurrent processing applicable to the counties only when the requests are accepted by the counties.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2913, 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. 2913, H.D. 3, S.D. 1, C.D. 1.

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

Senator Holt did not sign the report.

Representatives Takumi, Isbell and Takamine.
Managers on the part of the House.

Representatives Taniguchi and Tanimoto did not sign the report.

Conf. Com. Rep. No. 21 on H.B. No. 3491

The purpose of this bill is to exempt persons, who otherwise would be subject to the requirement of providing proof of financial responsibility, from providing such proof for that offense.

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

- (1) Retaining the provision regarding the financial responsibility requirement for a drivers license which has been revoked pursuant to part XIV of chapter 286;
- (2) Deleting the proposed amendment to Section 287-20(b); and
- (3) Various technical and non-substantive changes for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3491, 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. 3491, H.D. 2, S.D. 2, C.D. 1.

Senators Grauly, Baker and Kobayashi, A.
Managers on the part of the Senate.

Senator Fernandes Salling did not sign the report.

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

Conf. Com. Rep. No. 22 on H.B. No. 2238

The purpose of this bill is to clarify the definition of "naturopathy" and the definition of "natural medicine" so as to better protect those consumers who are treated by naturopathic practitioners.

This bill clarifies the definition of naturopathy as including practices of the type included in the education and training of naturopathic practitioners at naturopathic medical colleges.

Furthermore, this bill clarifies that natural medicine also include improved substances whose natural molecular structure has not been substantially altered.

Your Committee has amended the bill as follows:

- (1) By clarifying that natural medicine also exclude the use of prescription drugs, except for vitamins, minerals, amino acids, and fatty acids; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2238, 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. 2238, H.D. 1, S.D. 1, C.D. 1.

Senators Holt and Kanno.
Managers on the part of the Senate.

Senator Koki did not sign the report.

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

Conf. Com. Rep. No. 23 on H.B. No. 3303

The purpose of this bill is to establish a legal remedy for consumers of used vehicles which are "lemons" similar to that provided under Hawaii's "lemon law" for new vehicles. This measure is to protect consumers by providing written warranties covering specified parts in used vehicles.

This bill requires that dealers give consumers a written warranty for major mechanical parts of a used vehicle with the duration of such warranty being dependent upon the mileage of the vehicle. If a vehicle under such warranty is or becomes defective within the duration of the warranty, the dealer must repair the vehicle and if the dealer has failed to correct the defect within a reasonable period of time, the dealer must either refund the consumer's money or replace the vehicle.

This bill further sets out specific requirements for a disclaimer by the dealer for those vehicles which fall within exemptions under this chapter. This bill requires that dealers disclose known damages or defects in the used motor vehicle and provides for civil and administrative remedies.

Your Committee on Conference notes that this measure provides much needed protection for consumers who purchase used cars which turn out to be defective upon or soon after purchase.

Your Committee on Conference has amended this bill by:

- (1) Inserting a provision excluding four-wheel drive vehicles from warranty coverage of transmission parts as set forth in lines 20 through 22 of page 3 of SECTION 1 of this bill;
- (2) Inserting a provision excluding four-wheel drive vehicles from warranty coverage of drive axle parts as set forth in lines 2 through 4 of page 4 of SECTION 1 of this bill;
- (3) Inserting an exemption from warranty coverage in lines 9 through 15 on page 10 of SECTION 1 of this bill with regard to "vehicles which are inoperable and a total loss" and defining the "total loss" of a vehicle as a vehicle with "material damage to the vehicle's frame, unitized structure, or suspension system, and the projected cost of repairing the damage exceeds the market value of the vehicle at the time of incident causing it to be declared a total loss"; and
- (4) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3303, 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. 3303, H.D. 1, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. No. 24 on H.B. No. 1590

The purpose of this bill is to amend Section 76-47, Hawaii Revised Statutes (HRS), to provide that:

- (1) The Attorney General shall be counsel for the Civil Service Commission of the City and County of Honolulu during an appeal hearing before the Civil Service Commission of the City and County of Honolulu;
- (2) The County Attorney or Corporation Counsel, including the Corporation Counsel for the City and County of Honolulu, shall be counsel for the State Civil Service Commission during an appeal hearing before the State Civil Service Commission when the appeal hearing is being conducted in the City and County of Honolulu;
- (3) When the decision and order of any county civil service commission is appealed under Chapter 91, HRS, the Attorney General shall be counsel for the commission and the County Attorney or the Corporation Counsel shall be counsel for the appointing authority; and
- (4) When the decision and order of the State Civil Service Commission is appealed under Chapter 91, HRS, the Attorney General shall be counsel for the appointing authority and the County Attorney or Corporation Counsel shall be counsel for the State Civil Service Commission.

Your Committee on Conference finds that this bill will eliminate the appearance of impropriety that exists when the Attorney General and the County Attorney or Corporation Counsel represent both the appointing authority and their respective civil service commissions during appeal hearings.

Your Committee on Conference has also made technical 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. 1590, 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. 1590, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 25 on H.B. No. 2219

The purpose of this bill is to provide for the prompt reporting and dissemination of missing children reports.

Your Committee has amended the bill by deleting the provision that required uniform missing child report forms statewide. Since the bill specifies that all state law enforcement agencies must comply with the requirements of the National Crime Information Center, the information provided should be uniform.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2219, 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. 2219, H.D. 1, S.D. 1, C.D. 1.

Senators Grouly, Baker, Kobayashi, A., Levin and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 26 on H.B. No. 2220

The purpose of the bill is to make the necessary changes to our custodial interference law to allow local law enforcement agencies to obtain the assistance and cooperation of federal law enforcement agencies in the location and return of missing children to their custodial parents.

Your Committee on Conference finds that the current law does not contain the penalties and language necessary to trigger the assistance of federal authorities, and that there is a need to strengthen our existing penal statutes in this area.

Accordingly, your Committee on Conference has amended the measure by eliminating the use of the term "non-custodial relative", as it may lead to an unfair application of the law, and for clarity has substituted the word "child" for "minor" when speaking of a person less than eleven years old. Your Committee on Conference has also made technical, non-substantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2220, 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. 2220, H.D. 1, S.D. 1, C.D. 1.

Senators Grouly, Baker, Kobayashi, A., Levin 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. 27 on H.B. No. 2725

The purposes of this bill are to:

- (1) Codify due process requirements in regard to forfeiture pursuant to United States v. Good by:
 - (a) Allowing real property subject to forfeiture to be seized only pursuant to a court order issued after a pre-seizure hearing; and
 - (b) Requiring that owners and interest-holders in the property subject to forfeiture be notified of the pre-seizure hearing;
- (2) Specify when the State may commence a forfeiture proceeding;
- (3) Clarify how the thirty-day time period for filing a petition for remission or mitigation of forfeiture is computed; and
- (4) Specify that all petitions for remission or mitigation shall be signed by the petitioner and sworn on oath before a notary public.

Your Committee on Conference recognizes the importance of complying with federal case law pertaining to due process, and of ensuring that the statutes are as clear as possible on the circumstances and procedures surrounding forfeiture.

Your Committee on Conference has made a technical change on page 3, line 12 of 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. 2725, 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. 2725, H.D. 1, S.D. 1, C.D. 1.

Senators Graulty, Levin, Matsunaga 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. 28 on H.B. No. 2975

The purposes of this bill are to:

- (1) Allow a family court officer or a state or federal criminal justice agency access to adult probation records under specified circumstances; and
- (2) Allow a treatment practitioner who is treating the defendant pursuant to court order access to a copy of the presentence report or investigative report.

Your Committee on Conference has amended the bill by changing the effective date from July 1, 1994, to the date of its approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2975, 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. 2975, H.D. 1, S.D. 1, C.D. 1.

Senators Graulty, Baker, Kobayashi, A., Matsunaga and Reed.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 29 on H.B. No. 2981

The purpose of this bill is to authorize district court judges to set or adjust bail for those who have been charged with a class A felony.

Your Committee on Conference has amended the bill by changing the effective date from July 1, 1994, to the date of its approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2981, 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. 2981, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 30 on H.B. No. 3133

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, attorney fees, and miscellaneous claims.

Your Committee has amended this bill by:

- (1) Adding the following claims as advised in a memorandum dated April 22, 1994, from the Department of the Attorney General and addressed to your Committee on Conference:

(a) Claim of Shereen Balles	\$ 68,500.00 Settlement
(b) Joseph Kailiwai v. Kalaupapa Settlement, et al. Civil No. 93-0512(1), Second Circuit	\$ 25,000.00 Settlement
(c) Bruce Lagareta v. Department of Land and Natural Resources Civil No. 93-2704-07, First Circuit	\$125,000.00 Settlement
(d) Claim of Wanda Lehano	\$ 250.00
(e) Jocelyn C. Maximo, et al. v. State of Hawaii, et al. Civil No. 92-1017-03, First Circuit	\$470,000.00 Settlement
(f) James McHugh v. Torben Neilsen, et al. No. C 92 5080 BAC-ARB U.S.D.C. N.D. Cal Amount of Settlement: Interest at 3.54% from 7/13/93:	\$ 20,773.95 Settlement \$20,000.00 \$ 773.95
(g) R.M. Builders, Inc. v. FHB Inc., et al. Arb. No. 78-110-0075-92 Amount of Settlement: Interest at 5% from 5/19/93:	\$ 21,701.84 Settlement \$16,500.00 \$ 5,201.84
(h) Lynn Shaffer, et al. v. John Waihee, et al. Civil No. 90-00745 ACK-BMK, U.S.D.C.	\$ 30,000.00 Settlement
(i) Daniel K. Tote v. State of Hawaii Civil Nos. 91-3922; 92-0162, First Circuit	\$125,000.00 Settlement

- (2) Amending the claim of Yoshiko Uemura to read:

Estate of Yoshiko Uemura \$ 35.00

and

- (3) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3133, 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. 3133, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Grauly, Iwase, Kobayashi, A. and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 31 on H.B. No. 3137

The purposes of this bill are to:

- (1) Establish the Office of Child Support Hearings within the Department of the Attorney General;
- (2) Specify the duties of that Office;
- (3) Grant hearings officers within the Office of Child Support Hearings immunity from liability while acting in their official capacity;
- (4) Define the parties to an administrative hearing and clarify that all parties are entitled to due process and equal protection in the administrative process; and
- (5) Make other clarifying amendments with respect to the duties of the Child Support Enforcement Agency and the Office of Child Support Hearings.

Your Committee on Conference finds that this bill will reflect the internal reorganization of the Child Support Enforcement Agency and clarify that the Office of Child Support Hearings shall have concurrent jurisdiction with the court in all proceedings involving child support obligations.

Your Committee on Conference has made amendments to sections 576E-4 and 576E-6 to clarify the requirements for service of notice of hearing.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3137, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3137, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 32 on H.B. No. 3201

The purpose of the bill is to lengthen the cycle in which voters who fail to vote are removed from the voters list, and to permit the county clerks to transfer voters' registrations to new precincts upon receipt of change of address notifications or other form or means approved by the chief election officer.

Your Committee on Conference finds that this measure will bring Hawaii into compliance with certain provisions of the National Voter Registration Act of 1993.

Your Committee on Conference amended the bill at page 1, beginning at line 6, to clarify that a voter's name is to be removed only if the voter did not vote at all in a number of consecutive elections.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3201, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3201, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 33 on H.B. No. 2461

The purpose of this bill is to authorize title insurers or underwritten title companies to execute the release of real property or fixture mortgages on behalf of the mortgagee or record assignee, provided, inter alia, that:

- (1) An affidavit, such as a cancelled check or written confirmation from the mortgagee, that reasonably establishes that the mortgage debt has been discharged and the mortgage has been fully satisfied without limitation, is attached to the release;
- (2) The release is executed by an officer of the title insurer or underwritten title company; and
- (3) The title insurer or underwritten title company releasing the mortgage is liable to the mortgagee for treble damages and reasonable attorneys' fees and costs under certain circumstances of gross neglect and bad faith.

After careful consideration, your Committee on Conference has amended this bill by making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2461, 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. 2461, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 34 on H.B. No. 2599

The purposes of this bill are to:

- (1) Authorize the Public Utilities Commission (PUC) to determine amounts generated by the local exchange service provider, other than basic residential service, which are used to subsidize such service in the area on a per customer basis;
- (2) Require that the local exchange service provider transfer the subsidy amount to the alternative telecommunications provider on a per customer basis for each customer receiving basic residential service from the alternative provider;

- (3) Condition the receipt of such subsidy amounts from the local exchange service provider upon the alternative telecommunications provider's obtaining basic residential service subsidies, to the extent possible, from both the local exchange service provider and national universal service providers; and
- (4) Require the existing telecommunications provider to show cause to the PUC as to why the PUC should not grant a license to an alternative provider upon a determination that any area of the State has less than adequate telecommunications service.

Upon consideration of this measure, your Committee on Conference believes that the PUC should be given discretion in determining whether it is appropriate to transfer subsidies, if any, collected to subsidize basic residential service to alternative service providers.

Accordingly, your Committee on Conference has amended this measure by changing the language mandating the transfer of the subsidy amounts generated by the local exchange service provider, other than for the provider's basic residential telephone service. This measure has also been amended with respect to the mandated transfer by the PUC of subsidies other than for basic residential telephone service to the alternative provider.

This bill now provides that the PUC may consider transferring such subsidies to the alternative provider in its discretion.

Your Committee has also made technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2599, 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. 2599, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 35 on H.B. No. 3209

The purpose of this bill is to:

- (1) Amend the repeal date relating to the board of dental examiners from December 31, 1997, to June 30, 1994;
- (2) Extend the regulation of dental hygienists from December 31, 1994 until December 31, 2004;
- (3) Delete the requirement that dental hygienists furnish the Board of Dental Examiners with their place of employment and name of employer;
- (4) Specify that a licensed dental hygienist must provide proof to the Board of Examiners that the hygienist is certified to administer local anesthesia; and
- (5) Require the Auditor to study the feasibility of establishing a separate board for dental hygiene and submit to the Legislature a report of findings and recommendations, including appropriate legislation, if any, prior to the convening of the 1995 regular session.

Your Committee on Conference finds that this bill will prematurely sunset the dental examiners board and study the feasibility of establishing a dental hygienists board. Therefore, your Committee on Conference has made the following amendments to this measure:

- (1) Deleted the repeal of the Board of Dental Examiners, effective June 30, 1995, and retaining the sunset of the board until December 31, 1997;
- (2) Changed the composition of the Board of Examiners by increasing the total number of members to twelve and increasing the one dental hygienist member to two members; and
- (3) Deleted the requirement that the Auditor study the feasibility of establishing a separate board for dental hygienists.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3209, 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. 3209, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Bunda, Say, Ishii-Morikami, Morihara and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 36 on H.B. No. 2680

The purpose of this bill is to expedite a land exchange involving private lands north of Wahiawa, Oahu, owned by the George Galbraith Estate, and public lands in Kapolei, Oahu.

Your Committee on Conference has amended this bill by adding language in Section 2 stating, "No overhead high-voltage electric transmission system of forty-six kilovolt or greater shall be placed, constructed, or otherwise built on the 500 acres of Kapolei lands designated for the University of Hawaii-West Oahu campus at Kapolei to service such exchanged lands".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2680, 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. 2680, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Takamine, Say, Nekoba, Suzuki and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 37 on H.B. No. 2921

The purpose of this bill is to limit civil liability of persons sponsoring equine activities by defining the conditions under which such persons may be held liable for any injury or death to a participant.

Your Committee on Conference finds that the approach adopted in this measure of providing the equine activity sponsor or equine professional with a rebuttable presumption of no negligence in situations in which the injury, damage, or death is caused solely by the inherent risk and unpredictable nature of the equine is the proper approach in trying to keep horse-riding available for all to enjoy in Hawaii.

Your Committee on Conference has amended this bill to correct a technical error in Section 2 by changing the effective date from "June 31, 1994," to "upon approval."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2921, 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. 2921, H.D. 1, S.D. 1, C.D. 1.

Senators Grauly, Baker, Iwase, Matsuura and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 38 on H.B. No. 2322

The purpose of this bill is to clarify the situations in which attorneys' fees can be taxed by the court in assumpsit and in actions on a promissory note or other contract in writing.

Your Committee has amended the bill by deleting the provision setting forth a fee schedule.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2322, 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. 2322, H.D. 1, S.D. 1, C.D. 1.

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

Senator Koki did not sign the report.

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

Conf. Com. Rep. No. 39 on H.B. No. 3470

The purpose of this bill is to streamline the procedure for returning a pretrial inmate to custody when the inmate is alleged to have committed a violation of the conditional release order.

Your Committee has amended the bill by:

- (1) Specifying that a pretrial inmate may be returned to custody if an intake service center worker furnishes information to the Director of Public Safety or the Director's designee that the inmate has violated any of the terms or conditions of the release; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3470, 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. 3470, H.D. 1, S.D. 1, C.D. 1.

Senators Grauly, Baker, Kobayashi, A. and Matsunaga.
Managers on the part of the Senate.

Senator Koki did not sign the report.

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

Conf. Com. Rep. No. 40 on H.B. No. 1712

The purpose of this bill is to strengthen license renewal requirements for electricians by requiring continuing education.

Under current law, electricians must renew their licenses every two years but are not required to undergo continuing education or provide proof of updating of skills.

Notwithstanding the absence of such requirements, the National Electrical Code is updated every three years. In light of the increased complexity created by technological advances in the electrical trade and corresponding updates to the National Electrical Code, the Legislature finds that there is a need to require electricians licensed by the State to demonstrate continued competency in their profession as a condition for subsequent relicensing.

Your Committee concurs that competence be demonstrated as follows:

- (1) For experienced electricians, by completion of an educational course on current updates to the National Electrical Code; and
- (2) For newly licensed electricians, by passing an examination on the Code.

Upon consideration, your Committee has amended this bill by:

- (1) Inserting a new section 1 setting forth legislative findings and the purpose of the bill;
- (2) Renumbering the sections following; and
- (3) Shortening the renewal period from five years to three years to coincide with updates to the Code.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1712, 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. 1712, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 41 on H.B. No. 3416

The purpose of this bill is to exempt the granting of annuities provided by certain nonprofit organizations from regulatory oversight as life insurance transactions under Chapter 431, Hawaii Revised Statutes (HRS).

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Clarifying that the above mentioned exemption be limited to nonprofit organizations, inter alia, that:
 - (A) Maintain a separate annuity fund containing at least one-half of the value of the annuity; and
 - (B) File an annual statement certifying the nonprofit organization's compliance with the exemption requirements; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3416, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3416, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 42 on H.B. No. 2449

The purpose of this bill is to exempt from civil liability health care providers who provide free medical care to indigents in connection with a project sponsored by a nonprofit Hawaii corporation.

Your Committee on Conference has amended this bill by deleting its contents and substituting the following:

- (1) An amendment to Section 90-1, Hawaii Revised Statutes (HRS), to include under the definition of "volunteer," any health care provider accepted in writing by the Department of Health as a volunteer who provides free medical or dental treatment, diagnosis, or advice to indigent and medically underserved patients, whether acting individually or in cooperation with a nonprofit organization;
- (2) A new section in Chapter 663, HRS, providing an exemption from civil liability, except for gross negligence or wanton acts or omissions, to any charitable or nonprofit organization that in good faith provides shelter or proper means of subsistence to needy persons as part of its charitable activities, or any person who donates goods, food, materials, or services to such a charitable or nonprofit organization;
- (3) Amendments to Section 358D-6, HRS, to provide that any donor who in good faith and without remuneration or expectation of remuneration provides services or materials used to build and construct a facility for the homeless, or who renovates, repairs, or maintains an existing or acquired facility for the homeless, or who provides shelter to homeless persons, shall not be liable for civil damages, except for gross negligence.
- (4) A new section providing that this Act shall apply only to causes of action based upon acts or omissions occurring on or after its effective date.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2449, 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. 2449, H.D. 1, S.D. 1, C.D. 1.

Senators Grauly, Baker, Iwase, Matsuura and Koki.
Managers on the part of the Senate.

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

Representative Tanimoto did not sign the report.

Conf. Com. Rep. No. 43 on H.B. No. 1733

The purpose of this bill is to strengthen laws pertaining to the return of goods.

Among other things this bill:

- (1) Requires any merchant with a policy that limits the return of goods for refund, exchange, or merchandise credit to post conspicuous signs notifying the customer of these limitations, as well as any time limits on the return of merchandise, the exclusion of certain merchandise, and the method of refund;
- (2) Requires any merchant who does not accept the return of merchandise to post conspicuous signs bearing the words, "All sales final", or "No returns for refund, merchant credits, or exchanges", or equivalent phrases to notify the customer;
- (3) Requires any person in the retail business of offering goods for sale who fails to post a conspicuous sign to accept the return of merchandise from customers and make refunds upon the return of merchandise;
- (4) Establishes conditions by which the above-mentioned refunds are to be provided to the customer;
- (5) Establishes conditions by which the merchant is not required to accept a return of merchandise for refund, merchandise credit, or exchange;
- (6) Requires the merchant to base the refund amount on the current selling price or the most recent sale price of the item if the merchant accepts the return of merchandise without requiring the customer to furnish proof of purchase; and
- (7) Provides that any violation, or any act or policy that deprives a customer of any of the rights and protection established in this bill constitutes a violation of State antitrust laws.

Your Committee on Conference has amended this bill as follows:

- (1) Deleted language from Section 481B-5(g), as set forth in SECTION 1 of this bill that requires the merchant to base the refund amount on the current selling price if the merchant accepts the return of merchandise without requiring the customer to furnish proof of purchase;
- (2) Deleted language from Section 481B-5(h), as set forth in SECTION 1 of this bill, that made failure to comply with the provisions of this Act a violation of State antitrust laws;
- (3) Inserted language in Section 481B-(e)(5), as set forth in SECTION 1 of this bill that clarifies that in calculating the full amount of payment to be refunded, a deduction for the expense of restocking the returned goods may be applied;
- (4) Inserted language in Section 481B-5(h), as set forth in SECTION 1 of this bill that makes any merchant in violation of the foregoing provisions subject to a fine of \$1,000 for each violation; and

- (5) Made technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1733, 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. 1733, H.D. 1, S.D. 1, C.D. 1.

Senators Holt and Kanno.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

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

Representatives Bainum and Hirono did not sign the report.

Conf. Com. Rep. No. 44 on H.B. No. 3290

The purpose of this bill is to amend Chapter 84, Hawaii Revised Statutes, on Standards of Conduct, by opening the enforcement process of the State Ethics Commission (Commission) to the public.

While your Committee on Conference believes that the Commission's enforcement process should be open to the public, your Committee also believes that the Commission should have the discretion to allow that certain records or proceedings remain closed to the public.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Amending Section 84-31(c) as set forth in SECTION 1 of this bill by replacing the requirement that the Commission find "probable cause for belief" that an ethics violation has occurred in order for a hearing to be set on a charge of an ethics violation with the requirement that the Commission find "clear and convincing evidence" that an ethics violation has occurred prior to setting a time and place for a hearing;
- (2) Amending Section 84-31(c) as previously set forth in SECTION 1 of this bill to delete the provision providing that upon issuance of a notice of hearing regarding an alleged violation, the charge and statement of the alleged violation and written response thereto become public records;
- (3) Amending Section 84-31(c) as set forth in SECTION 1 of this bill to provide that a hearing be open to the public, unless in the best judgment of the Commission, the hearing should be closed to the public;
- (4) Amending Section 84-31(d) as set forth in SECTION 1 of this bill to provide that a decision of the Commission rendered after a hearing together with findings and the record of the proceeding shall be a public record, unless in the best judgment of the Commission it should remain closed to the public;
- (5) Amending Section 84-32(a) as set forth in SECTION 2 of this bill to provide that with respect to any complaint filed against a legislator or an employee removable only by impeachment, the complaint shall be confidential until the appropriate body of the legislature has completed its disciplinary proceedings, if any, and upon notifying the Commission of any disciplinary actions taken, the complaint shall be a matter of public record; and
- (6) Making technical, nonsubstantive amendments for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3290, 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. 3290, H.D. 1, S.D. 1, C.D. 1.

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

Representatives Tom, Kanoho, Ihara Jr., Young and Thielen.
Managers on the part of the House.

Representative Say did not sign the report.

Conf. Com. Rep. No. 45 on H.B. No. 65

The purpose of this bill is to authorize the Housing Finance and Development Corporation to issue revenue bonds to finance the purchase of the Queen Emma Gardens apartment complex.

Your Committee has amended this bill as follows;

- (1) Increasing the bond authorization amount from \$55 to \$55,000,000;
- (2) Clarified that the report shall be submitted to the Legislature prior to the 1995 rather than 1994 Regular Session;
- (3) Adding that in Chapter 359, Hawaii Revised Statutes, (State Housing Projects) the term "veteran" includes Filipino World War II veterans; and

(4) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 65, 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. 65, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Isbell, Say, Pepper and Tajiri.
Managers on the part of the House.

Representative Marumoto did not sign the report.

Conf. Com. Rep. No. 46 on H.B. No. 740

The purpose of the bill is to define to whom a public accountant owes a duty for his professional services.

In order to make clear that the provisions in the bill refer only to simple negligence, and not to gross negligence, fraud, or other wrongful conduct, your Committee on Conference has amended the measure by inserting the word "simple" before the word "negligence" in the appropriate locations in subsection (b).

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 740, 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. 740, H.D. 1, S.D. 2, C.D. 1.

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

Senator Iwase did not sign the report.

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

Conf. Com. Rep. No. 47 on H.B. No. 929

The purpose of this bill is to reduce the limitation period for actions to recover damages for injury to property and for bodily injury or wrongful death resulting from improvements to real property.

Your Committee on Conference has amended this measure to take effect on June 1, 1994.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 929, 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. 929, H.D. 1, S.D. 1, C.D. 1.

Senators Grauly, Baker and Kobayashi, A..
Managers on the part of the Senate.

Senators Levin and Reed did not sign the report.

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

Representative Oshiro did not sign the report.

Conf. Com. Rep. No. 48 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.

Your Committee on Conference has amended this measure to provide that in any case where a government entity is determined to be a tortfeasor along with one or more other tortfeasors, the government entity shall be liable for no more than that percentage share of the damages attributable to the government entity. Your Committee on Conference believes that this measure is necessary to ensure fairness and equity for government entities who, because of their "deep pockets", may be otherwise required to pay more than their fair share when determined to be a joint tortfeasor.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1088, 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. 1088, H.D. 1, S.D. 1, C.D. 1.

Senators Grauly, Baker and Kobayashi, A..
Managers on the part of the Senate.

Senators Levin and Reed did not sign the report.

Representatives Tom, Ishii-Morikami and Peter..
Managers on the part of the House.

Representative Tanimoto did not sign the report.

Conf. Com. Rep. No. 49 on H.B. No. 3017

The purpose of this bill is to clarify laws pertaining to medical claims resulting from motor vehicle accidents.

More specifically, this bill:

- (1) States that an injured claimant shall be entitled to continued health care services requested up to the date of a decision issued by the peer review organization; provided that the request for submission to the peer review organization is timely received; and
- (2) Requires health care providers to refund to the insurer or insured all amounts previously collected for services or treatments determined by the peer review organization to be inappropriate or unreasonable.

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

- (1) Clarified that payment for the refund shall be enforced by a mechanics lien; and
- (2) Made a technical, nonsubstantive revision to correct a typographical error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3017, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3017, S.D. 1, C.D. 1.

Senators Holt and Kanno.
Managers on the part of the Senate.

Senator Koki did not sign the report.

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

Representative Bainum did not sign the report.

Conf. Com. Rep. No. 50 on H.B. No. 2985

Your Committee has amended this bill by:

- (1) Deleting the provisions defining the offenses of abuse of a family or household member in the first and second degree, and setting out the penalties therefor;
- (2) Deleting the provision concerning actions a police officer may take when the officer has reasonable grounds to believe that abuse has occurred;
- (3) Adding language providing for a twenty-four hour "cooling-off" period; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

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

Senators Gaulty, Baker, Kobayashi, A., Levin, Matsuura and Koki.
Managers on the part of the Senate.

Representatives Tom, Amaral, Cachola, Ishii-Morikami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 51 on S.B. No. 3180

The purpose of this bill is to allow nonfossil fuel producers to continue to receive reimbursement for the difference between the higher cost of alternative fuels and the cost of heavy fuel oil during any sustained absence of heavy fuel.

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

- (1) Extending the date of the repeal of sections 2 and 3 from June 30, 1994 to June 30, 1995;
- (2) Requiring the Public Utilities Commission to confer with the utility companies, Consumer Advocate, nonfossil fuel energy producers, and other interested parties to determine the effects of amending Act 130 on electricity prices, reliability of electric systems, contractual rights and obligations of nonfossil fuel producers and utility companies, costs of production, state policy supporting the development of alternative energy sources, and the liability cap in section 1 of Act 130;

- (3) Requiring the Public Utilities Commission to submit a report of its findings and recommendations twenty days prior to the convening of the 1995 regular session; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3180, 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. 3180, S.D. 1, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. No. 52 on S.B. No. 2515

The purpose of this bill is to propose an amendment to Article VI, Section 4, of the Hawaii Constitution, to change the composition of the appointees to the judicial selection commission.

In particular, the constitutional amendment proposed by this bill would reduce the number of governor's appointees to the judicial selection commission from three to one, reduce the number of chief justice's appointees from two to one, increase the number of appointees by the president of the senate from one to two, and increase the number of appointees of the speaker of the house of representatives from one to three. The proposed amendment further requires at least one member of the commission to be a resident of a county other than the city and county of Honolulu at all times.

Your Committee finds that the number of appointees by the governor and chief justice should be reduced and the number of appointees by the speaker of the house and president of the senate should be increased to reduce the perceived influence of the appointing authorities to the commission. However, your Committee believes that the changes in the number of appointees to the commission should reflect the recommendations of the Citizens' Conference on Judicial Selection, as contained in the original version of the bill as introduced.

Your Committee has therefore amended the bill by restoring its form to that contained in S.B. No. 2515 as introduced. As amended, the bill reduces the number of governor's appointees to the judicial selection commission from three to two, reduces the number of chief justice's appointees from two to one, and increases the number of appointees by the speaker of the house and the president of the senate from one each to two each.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2515, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2515, H.D. 1, C.D. 1.

Senators Grauly, Baker, Iwase and Kobayashi, A..
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 53 on S.B. No. 2829

The purpose of this bill is to change the size of the area in which it is not permissible to campaign on election day from a one thousand foot radius around the polling place to a distance of three hundred feet from the perimeter of the polling place and its appurtenances. The bill also provides specificity as to what is covered by a polling place and its appurtenances.

Your Committee agreed upon amending the bill by changing the radius from three hundred feet to a two hundred foot distance from the perimeter of the polling place and its appurtenances. Your Committee further agreed to amend the measure by clarifying a polling place and its appurtenances to include, "any parking lot adjacent to the building and routinely used for parking at that building;"

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2829, 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. 2829, S.D. 1, H.D. 1, C.D. 1.

Senators Grauly, Baker, Iwase, Kobayashi, A., Levin and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 54 on S.B. No. 2630

The purpose of this bill is to make state law consistent with the Americans with Disabilities Act by protecting qualified non-disabled persons from discrimination in employment and public accommodations because of their association with or relationship to a person with a disability.

Your Committee has amended the bill by further clarifying that an employer is not required to accommodate the needs of a non-disabled person associated with or related to a disabled person, except as it may be required by Title I of the Americans with Disabilities Act.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2630, 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. 2630, S.D. 2, H.D. 1, C.D. 1.

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

Representatives Yonamine, Tom, Takumi, Taniguchi and White.
Managers on the part of the House.

Conf. Com. Rep. No. 55 on S.B. No. 2180

The purpose of the bill is to require the Department of Health to adopt requirements and procedures that would result in the timely issuance of underground petroleum storage tank "no further action" letters for satisfactorily remediated properties once an acceptable environmental release report is filed with the Department of Health.

Additionally, the bill requires the Department of Health to report its findings and recommendations on the processes and procedures for such issuances to the legislature prior to the convening of the 1995 regular session.

Your Committee finds that the Department of Health has expedited the issuance of "no further action" reports. However, the department should reevaluate current procedures and develop a process to further ensure prompt issuance of these reports.

Your Committee has amended the bill by adding language that:

- (1) Prohibits the Department of Health from requiring any further clean-up activities on a site where a "no further action" letter has been previously issued unless additional evidence indicates that residual contamination resulting from an underground storage tank leak that was located on the premises may still pose a risk to public health or the environment;
- (2) Requires the Department of Health to establish a work group that is representative of affected industries to identify concerns associated with leaking underground storage tanks; and
- (3) Proclaims that the provisions of the bill do not supersede any existing federal or state law.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2180, 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. 2180, S.D. 1, H.D. 2, C.D. 1.

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

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

Representative Hiraki did not sign the report.

Conf. Com. Rep. No. 56 on S.B. No. 2722

The purpose of this bill is to strengthen the regulation of time share activities.

Specifically, the bill:

- (1) Requires plan managers and developers to renew registrations each even-numbered year and acquisition, sales, and exchange agents to renew each odd-numbered year;
- (2) Authorizes the Director of Commerce and Consumer Affairs to contract for the review of time share unit or interest disclosures; and
- (3) Provides that no renewal of plan manager or developer registrations shall be required in 1994, and that the biennial registrations or renewals for plan managers and developers expiring on December 31, 1995 shall be extended to December 31, 1996.

Upon further consideration, your Committee finds that to be truly effective, the law regarding time share signs must be clarified and strengthened and the penalty for chapter or rule violations must be increased to a meaningful level. Therefore, your Committee has amended this bill by:

- (1) Establishing minimum specifications on the dimensions, lettering, and posting height of permanent signs alerting the public that the facility is a time share booth and clarifying that failure to comply is an unlawful or deceptive practice pursuant to Chapter 480, Hawaii Revised Statutes; and

- (2) Increasing the administrative fine for time share violations from a \$500-\$10,000 range to a minimum of \$500 and a maximum of \$25,000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2722, 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. 2722, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 57 on S.B. No. 2563

The purpose of this bill is to encourage employers to make prompt payment of wages due their employees.

Under current law, an aggrieved employee may file suit to recover the amount of wages due and may be awarded the same amount by the court as a penalty, as well as court costs and fees. This bill authorizes the court to additionally assess three percent per year interest on the amount of wages due.

Your Committee finds that this measure will discourage employers from unnecessarily prolonging payment of earned wages. Accruing interest will induce employers to expedite payment of back wages, especially where the employer would otherwise have chosen to intentionally delay payment.

Your Committee has amended this bill by increasing the penalty interest to six percent per year.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2563, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2563, H.D. 1, C.D. 1.

Senators Kanno and Holt.
Managers on the part of the Senate.

Senator George did not sign the report.

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

Representatives Takumi and Taniguchi did not sign the report.

Conf. Com. Rep. No. 58 on S.B. No. 2182

The purpose of this bill is to propose an amendment to Article VI, Section 3 of the Hawaii Constitution, to provide for the consent of the Senate in the appointment of district court judges only if the House of Representatives has taken no action.

Your Committee finds that Senate confirmation of district court appointments is beneficial and necessary, both to enhance public participation and confidence in the judicial selection process by allowing for public input regarding appointments and to ensure that only the most highly qualified candidates serve on the district court.

However, while your Committee agrees that the House of Representatives, like the Senate, reflects the will of the people of Hawaii, your Committee nonetheless believes that only the Senate should be involved in confirming district court judges following their appointment by the chief justice, consistent with the recommendations of the Citizens' Conference on Judicial Selection. Your Committee believes that the bill's requirement that a nomination be returned to the judicial selection commission to make an appointment if the Senate fails to hold a public hearing and vote on each appointment within thirty days of any appointment will encourage the Senate to act promptly in confirming or rejecting the appointment.

Your Committee has therefore amended this bill by restoring the bill to the form in which it read as S.B. No. 2182, S.D. 1.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2182, 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. 2182, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, Baker, Kobayashi, B., Matsuura and Koki.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

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

Representative Ishii-Morikami did not sign the report.

Conf. Com. Rep. No. 59 on S.B. No. 2183

The purpose of this bill is to propose an amendment to the state constitution and conforming amendments to the Hawaii Revised Statutes to require the consent of the House of Representatives in the appointment of district court judges.

Although your Committee agrees that the House of Representatives, like the Senate, reflects the will of the people of the State, your Committee believes that only the Senate should be involved in confirming district court judges following their appointment by the chief justice, consistent with the recommendations of the Citizens' Conference on Judicial Selection. Your Committee finds that Senate confirmation of district court appointments would enhance public participation and confidence in the judicial selection process by allowing for public input regarding appointments and ensure that only the most highly qualified candidates serve on the district court.

Your Committee further finds that this bill, in the form in which it read as S.B. No. 2182, S.D. 1, was an appropriate constitutional amendment that would achieve this objective. S.B. No. 2182, S.D. 1 proposed to amend Article VI, Section 3 of the Hawaii Constitution to provide for senate confirmation of district court judges. That bill also required that a nomination be returned to the judicial selection commission to make an appointment if the Senate fails to hold a public hearing and vote on each appointment within thirty days of any appointment. Your Committee believes that such a constitutional amendment will encourage the Senate to act promptly in confirming or rejecting district court appointments.

Your Committee has therefore amended this bill by restoring it to the form in which it read as introduced. The intent of this bill, as so amended by your Committee, is to make conforming amendments to the Hawaii Revised Statutes to provide for Senate confirmation of district court judges, and will take effect only upon the ratification of a constitutional amendment requiring such Senate confirmation.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2183, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2183, H.D. 1, C.D. 1.

Senators Grauly, Baker, Kobayashi, A., Matsuura and Koki.
Managers on the part of the Senate.

Senator Iwase did not sign the report.

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

Representative Ishii-Morikami did not sign the report.

Conf. Com. Rep. No. 60 on S.B. No. 2663

The purpose of this bill is to clarify the liability of hotels with regard to the risk and dangers involved in certain beach and ocean activities and the government's duty to warn of ocean dangers.

Your Committee is well aware of the concerns of beach-front property owners that tort liability cases have recently increased in both number and damage awards. While injuries received at our beaches can be traumatic and costly to victims and their families, without a limitation of liability hotels may find their economic position and reputation seriously eroded by a single tort claim made by a casual beach user who was not even a hotel guest.

After careful consideration, your Committee finds that to better address the intent of the legislature's concern, the bill should be limited only to the issue of a hotelkeeper's liability. Therefore, your Committee has amended this bill by deleting the section on government liability. As such, this bill substantially reflects the contents of S.B. No. 2663, S.D. 2, with a few changes in language regarding a hotelkeeper's duty to a person who is not a hotel guest.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2663, 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. 2663, S.D. 2, H.D. 2, C.D. 1.

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

Senators Tanaka and Fernandes Salling did not sign the report.

Representatives Cachola, Tom, Ishii-Morikami, White and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 61 on S.B. No. 256

The purpose of this bill is to provide for statewide regulation of smoking in both the public and private sectors.

Specifically, the bill:

- (1) Prohibits distribution of tobacco samples on public streets, sidewalks, and parks, and within five hundred feet of a school, playground, or other facility used primarily by youngsters;
- (2) Changes the current exemption for small restaurants to those who seat forty rather than fifty patrons;
- (3) Requires non-exempted restaurants, until June 30, 1995, to set aside at least fifty percent of their total dining areas for nonsmoking patrons, and in a parallel amendment to take effect July 1, 1995, prohibits restaurants from

allowing smoking unless they provide nonsmoking areas that are reasonably proportionate to the preference of the patrons and meet other specific ventilation and reporting criteria;

- (4) Effective January 1, 1994, preempts the prerogative of the counties to enact ordinances or rules regulating smoking; and
- (5) Requires all employers in the State, whether public or private, with the exception of private companies that employ five or less persons and dining areas of food service establishments, meeting and banquet rooms for private functions in hotels, motels, or other lodging establishments, or a convention center, to adopt smoking policies. Private employers that do not receive any state funding would have six months to adopt their policies.

Your Committee finds that smoking presents certain dangers to workers and the general public and favors statewide regulation.

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

- (1) Made it unlawful to distribute cigarette or tobacco promotional materials within five hundred feet of a school, playground, or other facility, but not in any permanent commercial building;
- (2) Changed the requirement for non-exempted restaurants to set aside non-smoking dining areas from fifty percent to thirty-five percent prior to July 1, 1995 and fifty percent from and after July 1, 1995;
- (3) Changed the exemption for private businesses to those that employ two or more persons;
- (4) Amended the definition of "enclosed" to include hallways, lobbies, and public areas of roofed malls;
- (5) Established a temporary task force chaired by the Department of Business, Economic Development, and Tourism to study and submit recommendations to the 1995 Regular Session of the Legislature on the economic impacts of banning smoking; and
- (6) Made several nonsubstantive technical changes for the purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 256, 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. 256, S.D. 2, H.D. 2, C.D. 1.

Senators Kanno, Baker and Koki.
Managers on the part of the Senate.

Senator Kobayashi, B. did not sign the report.

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

Representative Kawakami did not sign the report.

Conf. Com. Rep. No. 62 on S.B. No. 495

The purpose of this bill is to allow the court discretion to sentence a defendant convicted of a class A felony drug offense to probation for a period of ten years.

Your Committee believes that, in certain instances, the public is better served by allowing judges some discretion in evaluating all appropriate sentencing and treatment alternatives available for drug offenders. Furthermore, your Committee finds that a longer probationary period for class A felony drug offenders will protect the public's interests and safety in those unusual cases where probation may be granted.

Your Committee upon further consideration has made the following amendments to S.B. No. 495, S.D. 1, H.D. 1:

- (1) Changed the phrase "unless the defendant is sooner discharged by order of the court" on page 2, lines 12 and 13, to "unless the court enters the reason therefor on the record and sentences the defendant to a shorter period of probation";
- (2) Made a number of corrections to section 2, amending section 706-623, Hawaii Revised Statutes, to reflect the current statutory language, including changing the numbering and lettering of the units of organization and adding a sentence of existing statutory text that inadvertently had been omitted; and
- (3) Made technical nonsubstantive changes to reflect correct statutory language and for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 495, 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. 495, S.D. 1, H.D. 1, C.D. 1.

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

Senator Koki did not concur.

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

Representative Oshiro did not sign the report.

Conf. Com. Rep. No. 63 on S.B. No. 2393

The purpose of this bill is to provide a more comprehensive approach to firearms control in our State.

The major provisions of the bill are to: require prospective universal registration of firearms (with a few exceptions), require safety training prior to the issuance of a handgun permit, authorize certain ex parte restraining orders to prohibit the possession of firearms and authorize the issuance of search warrants to seize firearms illegally possessed by a person subject to such restraining orders, and impose absolute liability, in most circumstances, upon the owner of a handgun for any damages proximately caused by the discharge of the handgun.

Your Committee upon further consideration has made the following amendments to S.B. No. 2393, S.D. 1, H.D. 1:

- (1) Amended the absolute liability provision so that it extends to the owner of all types of firearms;
- (2) Added a new section 2 that defines the terms "firearm loaded with ammunition" and "loaded firearm" and "public highway";
- (3) Changed the age requirement for obtaining a permit to acquire a firearm from eighteen to twenty-one;
- (4) Amended section 134-2(e), Hawaii Revised Statutes, to: delete language that allows a person making a subsequent handgun permit application within a year to obtain the permit in less than fourteen days; and add a provision for the impounding and surrender of long arm permits when the permittee is arrested for certain specified crimes;
- (5) Added language to section 134-2(f), Hawaii Revised Statutes, to require the transferor of any pistol or revolver to verify that the person to whom the firearm is to be transferred is the person named in the permit;
- (6) Increased the number of hours of instruction for a course taught by a state certified or National Rifle Association firearms instructor from two to at least three hours of firing training at a firing range and at least three hours of classroom instruction;
- (7) Deleted the additional exceptions being made in section 134-3(d)(1), Hawaii Revised Statutes, to the registration requirement, except for "a firearm manufactured before 1899;"
- (8) Added a new section 5 that amends section 134-6, Hawaii Revised Statutes, to allow the forfeiture of a vehicle involved in certain firearm violations pursuant to the state forfeiture law;
- (9) Changed the language "under treatment for" to "diagnosed as having a" at page 15, line 2 and 3 with reference to persons who are prohibited from possessing firearms due to behavioral, emotional, or mental disorders;
- (10) Changed the language amending section 134-7, Hawaii Revised Statutes, with respect to ex parte restraining orders, to make the prohibition on possession of firearms apply to ex parte restraining orders issued by family court and to authorize police officers, at the time of service of a restraining order involving firearms and ammunition, to take custody of all firearms and ammunition in plain sight, discovered pursuant to a consensual search, or surrendered by the restrained person;
- (11) Added a new section 8 amending section 134-9(a), Hawaii Revised Statutes, to change the age from twenty to twenty-one of a person who may be granted a permit to carry a concealed pistol or revolver;
- (12) Deleted the amending language to section 134-17(c), Hawaii Revised Statutes, with respect to penalties for violations involving rifles and shotguns;
- (13) Added a new section amending section 134-18, Hawaii Revised Statutes, to grant qualified immunity where information is provided or an opinion rendered for purposes of investigating the continuing mental health of the holder of a valid firearm permit;
- (14) Added a new section amending section 134-32, Hawaii Revised Statutes, to authorize the revocation of a license to sell or manufacture firearms upon a violation of any of the conditions of licensure;
- (15) Added a section adding a new part to chapter 134 establishing a firearms amnesty program for persons who voluntarily surrender firearms;
- (16) Renumbered all the bill sections consecutively; and
- (17) Made a number of technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2393, 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. 2393, S.D. 1, H.D. 1, C.D. 1.

Senators Graulty, Iwase, Kobayashi, A., Koki, Matsunaga and Matsuura.

Managers on the part of the Senate.

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

Conf. Com. Rep. No. 64 on S.B. No. 3309

The purpose of this bill is to further assist residents of the Hamakua and Hilo coast and north Hilo region toward economic recovery by enabling certain permittees on state lands to obtain long-term leases in the Hamakua community development district.

Under present law, disposition of public lands is by public auction, unless specifically authorized otherwise by legislative act. The problem for Hamakua residents is that they cannot afford to prevail in a bidding to keep their lands. This bill remedies that problem by allowing the State to negotiate and enter into leases of fifteen years to thirty-five years with persons who hold revocable permits for agricultural purposes, including slaughterhouse and feedlot operations. The subject lands are those within the Hamakua community development district and the north Hilo region that are not needed by the State or the county for any other public purpose. The authority to negotiate these leases expires on June 30, 1996.

Your Committee has amended this bill by:

- (1) Changing "north Hilo region" to "Hilo coast region" throughout the bill;
- (2) Replacing the definition for "North Hilo region" with a definition for "Hilo coast region";
- (3) Adding a provision that lands eligible for lease negotiation include those engaged in an effort to create employment opportunities; and
- (4) Clarifying that the payment of annual lease rent is based on fair market value only.

The purpose of these amendments are to more clearly define the Hilo coast geographical area and to ensure that persons who are eligible to engage in long-term lease negotiations will provide job opportunities for the affected areas. Your Committee believes that it is fair to limit the annual lease rent to fair market value without adding a premium equal to one year's rent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3309, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3309, S.D. 2, H.D. 3, C.D. 1.

Senators Ikeda, Iwase, Hagino, Baker and George.
Managers on the part of the Senate.

Representatives Takamine, Ige, M., Say, Chang and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 65 on S.B. No. 905

The purpose of this bill is to grant the Director of Transportation authority to enter into agreements with aeronautical users of the statewide system of airports in setting airports rates and charges, including landing fees.

Specifically, the bill as received by your Committee authorizes the Director to set and impose rates, fees, and other charges relating to airport use if a negotiated agreement is not reached. Although the Director will be allowed to set such rates, fees, and charges without regard to chapter 91, Hawaii Revised Statutes, (Administrative Procedure Act) the Director will be required to hold public informational hearings. The bill also establishes the parameters within which such fees and charges may be set, and requires that the Director develop the schedule of rates, rentals, fees, and other charges in accordance with a residual methodology so that the airport system is self-sustaining.

Upon further consideration, your Committee believes that legislative review over the Director's authority to set rates and charges is necessary to ensure that the rates and fees so set are fair and reasonable. Accordingly, your Committee has amended the bill to include a procedure for legislative review. The review procedure requires the submission of the schedule of rates, rentals, fees, and charges to the Legislature and allows the Legislature forty-five days to disapprove such schedule by concurrent resolution. The schedule will be deemed approved if no action is taken within the forty-five day period; however, if the legislature disapproves within the forty-five day period, the Director will be required to develop a new schedule of rates within seventy-five days of such disapproval. Pending development of a new schedule by the Director, the schedule submitted to the Legislature shall remain in force.

Your Committee has also amended the bill to add a requirement that the DOT submit a detailed report to the Legislature on the circumstances and rates and charges set and a provision authorizing the director to impose landing surcharges and differential landing fees.

Your Committee notes that the language regarding the procedure for the setting of rates and fees was developed after consulting with the State's Bond Counsel to ensure compliance with bond covenants and agreements with holders of airport revenue bonds.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 905, 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. 905, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Fernandes Salling, Baker, Holt, Tanaka and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 66 on S.B. No. 3161

The purpose of this bill is to expedite agricultural land lease negotiations and to facilitate the development and acquisition of industrial parks.

Specifically, this bill would:

- (1) Require the Department of Land and Natural Resources (DLNR) to establish policies to expedite the completion of agricultural land lease negotiations as provided for in Act 237, Session Laws of Hawaii 1988, as amended;
- (2) Extend for one year the repeal date of Act 237, as amended, to July 1, 1995;
- (3) Allow the board of land and natural resources to charge fees to eligible lessees of public lands within industrial parks to cover costs of operation, maintenance, and debt service on revenue bonds and reasonable reserves, and to cover capital costs;
- (4) Allow the board to issue revenue bonds as authorized by the legislature and to designate one or more industrial parks as an "undertaking" for the purpose of issuing revenue bonds;
- (5) Formally grant the board the power to issue revenue bonds, pledge or assign receipts and revenues of the DLNR, reimburse the general fund for debt service on general obligation bonds or reimbursable general obligation bonds issued by the State, and do all things necessary to carry out the purposes of the Act;
- (6) Add to the uses of the industrial park special fund to include payment of debt service on revenue bonds issued for industrial park purposes and reimbursement of the general fund for debt service on general obligation bonds to finance industrial park projects; and
- (7) Authorize the DLNR to issue \$20,000,000 in revenue bonds to finance industrial parks developed or acquired by the DLNR.

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

- (1) Added a further amendment to section 4 of Act 237, Session Laws of Hawaii 1988, as amended, to:
 - (A) Delete the illustration relating to the twenty-five per cent premium to be added to the annual lease rent; and
 - (B) Limit to no more than four the number of years of the lease that the lessee had occupied the land under a revocable permit to which the premium can be added; and
- (2) Made technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3161, 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. 3161, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. No. 67 on S.B. No. 2615

The purpose of this bill is to establish an emergency medical service system for children program within the Department of Health.

Specifically, this bill:

- (1) Defines "emergency medical services for children" to mean comprehensive emergency medical services, including preventive, pre-hospital, hospital, rehabilitative, and other post-hospital care, for children;
- (2) Requires one physician member of the state emergency medical services advisory committee to be engaged in the full-time practice of pediatrics and to be board-eligible or board-certified by the American Board of Pediatrics; and
- (3) Limits the purpose for which the Department of Health may collect and analyze statewide emergency medical services data, including pediatrics, trauma, cardiac, medical, and behavioral medical emergencies, to improving the quality of services provided.

Your Committee finds that the establishment of a state comprehensive emergency medical services system for children is a matter of compelling state interest and necessary to protect and preserve the health of the young people of the State.

Your Committee has amended this bill by deleting those provisions limiting the physician, mobile intensive care technician, and emergency medical technician membership of the state emergency medical services advisory committee to those persons engaged in the full-time practice of their respective vocations.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2615, 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. 2615, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Holt, Kobayashi, B., Solomon and George.
Managers on the part of the Senate.

Representatives Pepper, Say, Arakaki, Kawakami and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 68 on S.B. No. 3254

The purpose of this bill is to ensure that funds for the celebration of the 1994 Samoan Flag Day are expended from the state foundation on culture and the arts base budget.

Your Committee believes that it is important to recognize the importance of Samoan culture and people, not only as neighbors and fellow Pacific islanders, but also in appreciation of the profound and positive impact, both historically and presently, that the Samoan people have had on Hawaii. Your Committee finds that appropriating funds for the 1994 Samoan Flag Day recognizes the importance of the Samoan people to the State on this important day, and emphasizes their many contributions to the rich cultural diversity of Hawaii.

Your Committee, however, believes that funds for this event should be appropriated as new funds directly from the general fund, rather than from funds previously appropriated to the state foundation on culture and the arts. Your Committee has therefore amended this bill by appropriating the amount of \$5,000 for fiscal year 1994-1995.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3254, 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. 3254, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Fukunaga, Solomon, Tungpalan and Koki.
Managers on the part of the Senate.

Representatives Lee, Kawakami, Alcon, Shon and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 69 on S.B. No. 2728

The purpose of this bill is to appropriate funds for agricultural research, development, and extension performed by the experiment station of the Hawaiian Sugar Planters' Association ("HSPA") or its successor.

Additionally, this bill conditions the release of the funds upon their being matched dollar-for-dollar by the HSPA or its successor.

Secondarily, these funds are intended to enable the HSPA to maintain its current staff and resources at its experiment station and to transfer ownership of the station to the Hawaii Agricultural Research Corporation ("HARC").

Your Committee on Conference finds that agriculture is one of the State's primary industries, and the sugar industry provides Hawaii's primary export product. However, with the downsizing of the sugar industry, agricultural research efforts must be undertaken to maintain and improve upon the output of current crops, and to develop new crops upon the prime agricultural lands opening up for use.

Your Committee further finds that HARC ownership will enable the experiment station to perform proven, results-oriented, scientific research for the agriculture industry and thereby become a catalyst for stimulating the industry, generating employment opportunities, and revitalizing the State's economy.

After full and free discussion, your Committee has amended this measure by reinstating the appropriation amount of \$1,000,000 for the agricultural research to be performed by the experiment station. Furthermore, an additional sum of \$100,000 is being appropriated for pineapple research, also to be performed by the experiment station, and under the same dollar-for-dollar match conditions as the sums for agricultural research.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2728, 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. 2728, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. No. 70 on S.B. No. 3307

The purpose of this bill is to direct the Department of Business, Economic Development, and Tourism to expend \$472,000 in funds previously allocated under Act 311, Session Laws of Hawaii 1993, to provide services and assistance to the people and community of Hamakua on the island of Hawaii.

Your Committee finds that the closure of Hamakua Sugar company will severely impact the stability of the various Big Island communities located along the Hilo-Hamakua coastline. Because of the region's traditional reliance on sugar cultivation, immediate assistance is needed to restructure and reinvigorate the area's economy. To mitigate the effects of the company's withdrawal, several important initiatives have already been approved by your Committee to assist in the economic revitalization of the area. Your Committee finds that further assistance will enable the delivery of services that will provide short-term as well as long-term benefits to the community.

While it agrees with the intent of this bill, your Committee finds that an earlier draft of a companion measure previously approved by the Senate more accurately outlines the programs that are needed to provide the necessary assistance to the region. Accordingly, this bill has been amended to reflect the draft approved earlier by your Committee.

Your Committee has amended this bill by directing the Department of Budget and Finance, rather than the Department of Business, Economic Development, and Tourism, to expend \$472,500, rather than \$472,000, in unexpended Act 311-93 funds during the upcoming fiscal year to carry out the programs necessary to assist the Hamakua region. This bill also appropriates an additional \$1,500,000 to carry out the purposes of this bill. Your Committee has further amended this bill by reducing the variety of uses identified for the funds being appropriated.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3307, 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. 3307, S.D. 2, H.D. 1, C.D. 1.

Senators Ikeda, Chang, Solomon, Tanaka and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 71 on S.B. No. 2249

The purpose of this bill is to modify the budget allotment system by incorporating a system of aggregate fiscal and personnel controls that defines the roles of the governor and the various state departments and agencies with regard to budget estimates and allotment changes.

Specifically, this bill would:

- (1) Require departments and establishments to revise personnel and expenditure estimates returned by the Director of Finance to make these estimates consistent with the recommendations of the director;
- (2) Require the Director of Finance to approve the revised estimates when they are consistent with the legislative intent of the program as well as the aggregate amount of increase or reduction required by the director; and
- (3) Require each department or agency to use supporting data as may be required by the director in revising its estimates upon receiving the changes to their estimates as determined by the director.

Your Committee finds that this bill would enable each state agency to determine its program priorities in meeting any reduction in program allocation within the legislature's intent. Not only would this measure give departments greater flexibility in accomplishing their budgeted objectives, but it would ensure greater accountability in the use of state funds.

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

- (1) Removed the requirement for departments or agencies to use supporting program data when revising estimates; and
- (2) Made technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2249, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2249, H.D. 1, C.D. 1.

Senators Ikeda, Hagino, Iwase, Tanaka and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 72 on S.B. No. 2875

The purpose of this bill is to appropriate funds for additional ambulance units and increased ambulance services on Oahu.

Your Committee on Conference finds that the need is critical for additional units and service for the metropolitan Honolulu, Mililani, Kahaluu/Kaaawa, Leeward, and Hawaii Kai areas of Oahu. In the near future, the increased populations in these areas could impair the ability of present ambulance units to respond in a timely manner and keep to a minimum the risks of aggravating life-threatening traumatic injuries. The high population density of metropolitan Oahu is especially problematic.

Your Committee has amended this measure by inserting the sum of \$110,000 for additional ambulance units specifically for metropolitan Honolulu and the sum of \$1,195,460 for increased ambulance service island-wide for Oahu.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2875, 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. 2875, S.D. 1, H.D. 2, C.D. 1.

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

Representatives Pepper, Say, Chun and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 73 on S.B. No. 2172

The purpose of this bill is to establish the Clean Hawaii Center (Center) within the Department of Business, Economic Development, and Tourism (DBEDT) to develop local processing and manufacturing industries for collected recyclables.

Your Committee has amended the bill by:

- (1) Establishing a Clean Hawaii Special Fund to fund the activities of the Clean Hawaii Center;
- (2) Amending the provisions of the Capital Loan Program to encourage the proliferation of recycling businesses in the State;
- (3) Deleting the appropriation section of the bill; and
- (4) Making numerous technical and stylistic amendments for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2172, 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. 2172, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Chang, Fukunaga, Tanaka and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 74 on S.B. No. 1628

The purpose of this bill is to provide for the dredging of the entrance to the Hawaii Kai marina main entrance channel.

Your Committee finds that the marina, although private, serves several important public functions in time of emergency. The marina is the only safe harbor for boats along the coast in the event of a sudden storm or surge. If a hazardous waste or sewage spill occurs, the marina can serve as a base for clean-up operations. Rescue operations and fire equipment may also be transported via the marina. Your Committee finds that the interests of public health and safety justify state participation in maintaining clear access to the marina.

Your Committee has amended this bill by authorizing the Director of Finance to issue general obligation bonds for this project in the amount of \$240,000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1628, 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. 1628, S.D. 2, H.D. 1, C.D. 1.

Senators Ikeda, Baker and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 75 on S.B. No. 2378

The purposes 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 limit to be exceeded at the time of issuance.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2378, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2378, H.D. 1, C.D. 1.

Senators Ikeda, Hagino, Fernandes Salling, Fukunaga, Holt, Iwase, Kanno, Levin, McCartney, Solomon, Tanaka 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. 76 on S.B. No. 576

The purpose of this bill is to eliminate hospitals from the hospital and nursing facility tax imposed by Act 315, Session Laws of Hawaii 1993, contingent upon the implementation of the Hawaii Health QUEST program.

The Department of Taxation pointed out the need to have a date certain to repeal the applicability of the tax. Therefore, your Committee has amended this bill by requiring that all taxes be levied, assessed, and collected as provided by Act 315, through the last day of the month preceding the implementation of the QUEST program. With this amendment, the change to the law can be properly implemented with a much greater level of precision.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 576, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 576, H.D. 1, C.D. 1.

Senators Ikeda, Hagino, Holt, Solomon and George.
Managers on the part of the Senate.

Representatives Say, Alcon, Pepper, Santiago and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 77 on S.B. No. 2366

The purpose of this bill is to reenact the use tax exemption for oil pollution removal equipment imported into the State or sold to certain tax-exempt, nonprofit entities retroactive to June 29, 1993.

Your Committee finds that this use tax exemption, as originally enacted by Act 184, Session Laws of Hawaii 1992, expired on June 30, 1993. Your Committee finds that extending this exemption for oil pollution removal equipment for one additional year would greatly assist the State in pursuing its stated goals and objectives of assuring a clean, stable physical environment and the protection of Hawaii's shoreline and marine resources, as provided in chapter 226, Hawaii Revised Statutes.

Your Committee has amended this bill by making the section establishing a use tax exemption an uncodified section, and clarifying that the purpose of the bill is to reenact the substance of section 1 of Act 184, Session Laws of Hawaii 1992.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2366, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2366, H.D. 1, C.D. 1.

Senators Ikeda, Fukunaga, Hagino, Iwase and George.
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. 78 on S.B. No. 3292

The purpose of this bill is to create an economical and efficient airport taxi system through the development of a master plan that would benefit taxi customers, taxi operators, and to enhance the State's Aloha Spirit to visitors to Hawaii.

The bill appropriates \$1 to the Department of Transportation to develop this master plan that includes:

- (1) Conducting a thorough review of airport taxi service and formulating a management plan;
- (2) Calculating airport taxi permit fees, if any, based upon a rational analysis of, and not to exceed the costs for, operating and administering the airport taxi system;
- (3) Consulting with members of the local taxi industry as well as technical experts in the field; and
- (4) Submitting a report on a proposed master plan to the legislature no later than twenty days prior to the convening of the regular session of 1995.

Your Committee finds that clean, reasonably priced, efficient taxi service to and from the airport is an essential part of creating a good impression on tourists, demonstrating the Aloha Spirit, and promoting return visits to the islands. However, high permit fees, poor dispatch systems, and high taxi fares have created the need for a fair and equitable policy for the management and administration of airport taxi service.

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

- (1) Changed the appropriated amount from \$1 to \$75,000;
- (2) Added a provision that unexpended or unencumbered balance as of June 30, 1995 shall lapse into the airport revenue fund; and
- (3) Changed the effective date from July 1, 1994 to upon approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3292, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3292, S.D. 1, H.D. 3, C.D. 1.

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

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

Representative Shon did not sign the report.

Conf. Com. Rep. No. 79 on S.B. No. 2161

The purpose of this bill is to establish a statewide household hazardous waste program within the Department of Health.

Your Committee finds that households throughout the State generate small quantities of hazardous waste on a continuous basis. To avoid further contamination of Hawaii's environment and groundwater resources, household wastes exhibiting hazardous properties should be segregated from those wastes that are generally discarded in the landfills of the State. This bill provides the Department of Health with the authority to develop programs to ensure the proper disposal of household hazardous wastes.

Your Committee has amended this bill by inserting an appropriation of \$150,000 to carry out the purposes of the household hazardous waste program.

Your Committee has further amended this bill by establishing the household hazardous waste program as an uncodified session law rather than a new section within the hazardous waste law.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2161, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2161, H.D. 2, C.D. 1.

Senators Ikeda, Chang, Solomon, Tanaka and George.
Managers on the part of the Senate.

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

Representative Hirono did not sign the report.

Conf. Com. Rep. No. 80 on S.B. No. 3303

The purpose of this bill is to allow the Department of Health to delegate to agencies of the various counties the powers or authority vested in the department to investigate alleged reports of illegal solid waste disposal practices.

Specifically, this bill:

- (1) Expands the definition of "solid waste" to include "inert fill material";
- (2) Defines "inert fill material" to mean material uncontaminated by solid waste or petroleum products, including earth and soil containing less than ten per cent vegetative material (such as grub material, brush, or trees), and rocks and rock-like material such as cured asphalt, brick, and clean concrete with no exposed steel reinforcing rod longer than twelve inches; and prohibits any material containing more than five per cent by volume of solid waste other than vegetative material from being considered inert fill material for the purposes of chapter 342H, Hawaii Revised Statutes (solid waste pollution);
- (3) Prohibits a person from discarding, disposing of, depositing, discharging, or dumping solid waste or arranging for the disposal of solid waste in an amount greater than one cubic yard in volume anywhere other than a permitted solid waste disposal system, without the prior written approval of the Director of Health; and
- (4) Requires a fine or penalty to be distributed equally between the department of the county whose officers or employees initiated and conducted an investigation and the environmental response revolving fund, where the county individually initiates and conducts, or the state and the county jointly initiate and conduct, an

investigation resulting in the imposition and collection of a fine or penalty for illegal solid waste disposal practices.

Despite the continued threat of fines and penalties under the existing solid waste pollution law, your Committee finds that some generators of solid wastes remain recalcitrant and continue to dispose of their wastes in an improper manner. Your Committee finds that there is a need to protect the natural beauty and integrity of Hawaii's lands by improving and updating existing state laws relating to solid waste pollution, and strengthening the existing enforcement program under the solid waste pollution law.

Your Committee has amended this bill by amending the definition of "inert fill material" to:

- (1) Delete the provision limiting "inert fill material" to material that is uncontaminated by solid waste or petroleum products; and
- (2) Add a provision limiting "inert fill material" to rocks and rock-like material, in addition to earth and soil, with a vegetative material contents of less than ten per cent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3303, 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. 3303, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Chang, Grauly and George.
Managers on the part of the Senate.

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

Representative Hirono did not sign the report.

Conf. Com. Rep. No. 81 on S.B. No. 2141

The purpose of this bill is to establish a special account to be known as the spouse and child abuse special account.

Specifically, this bill:

- (1) Requires the proceeds of the spouse and child abuse special account to be reserved for use by the Department of Human Services for grants-in-aid to make appropriations to programs engaged in spouse or child abuse intervention or prevention;
- (2) Requires funds in the account to be used to supplement existing efforts, and prohibits funds in the account from being used to supplant existing efforts;
- (3) Requires the account to consist of fees for marriage licenses remitted to the Director of Finance, and interest and investment earnings, grants, donations, and other contributions from private or public sources;
- (4) Increases the fee for a marriage license from \$16 to \$25; increases the State's share of the fee for a marriage license issued by an agent who is not an employee of the State from \$8 to \$17; requires the Director of Finance to deposit the sum of \$9 to the credit of the spouse and child abuse special account upon the receipt of any remittance from such an agent; and requires the Director of Finance to deposit the sum of \$9 to the credit of the spouse and child abuse special account upon the receipt of any remittance from an agent who is an employee of the State; and
- (5) Requires the Department of Health to amend section 2.10 of chapter 8b, Hawaii Administrative Rules, by increasing the fee charged for the issuance of certified copies of any birth, death, or marriage certificate from \$2 to \$5.

While the need for and the effective impact of programs targeted at spouse and child abuse prevention have become clear, your Committee finds that the resources for supporting these programs have become scarce. Your Committee also finds that government sometimes has been too quick to cut appropriations to nonprofit agencies when savings are needed, rather than taking a hard look at improving internal operations. Your Committee further finds that the mechanism of a special fund can be used to assert legislative priorities and preserve legislative prerogatives in the area of spouse and child abuse intervention and prevention.

Your Committee believes that the increases in fees for marriage licenses and fees for certified copies of birth, death, and marriage certificates, although not strictly user fees and not likely to generate sufficient income to fund fully the demand for spouse and child abuse intervention programs, bear a reasonable nexus to the purpose of the proposed special fund and will provide a substantive base amount upon which full funding of program services can be built.

Your Committee has amended this bill by:

- (1) Establishing a separate spouse and child abuse special account for the judiciary under chapter 601, Hawaii Revised Statutes;
- (2) Requiring all fees received for the issuance of certified copies of birth, marriage, or death certificates to be remitted to the Director of Health; and requiring the Director of Health to deposit \$1.50 for each certified copy to the credit of the spouse and child abuse special account established under chapter 346, Hawaii Revised Statutes,

to deposit \$1.50 for each certified copy to the credit of the spouse and child abuse account established under chapter 601, Hawaii Revised Statutes, and to deposit the remainder of the fee for each certified copy to the credit of the state general fund, upon the receipt of remittances;

- (3) Requiring the account established under chapter 346, Hawaii Revised Statutes, to be administered and expended by the Department of Human Services; and requiring the account established under chapter 601, Hawaii Revised Statutes, to be administered and expended by the judiciary;
- (4) Requiring the proceeds of the account established under chapter 346, Hawaii Revised Statutes, and the proceeds of the account established under chapter 601, Hawaii Revised Statutes, to be:
 - (A) Used for staff programs and purchases of services, in addition to grants; and
 - (B) Used for new programs, in addition to supplementing existing programs (efforts);
- (5) Making all realizations of the account established under chapter 346, Hawaii Revised Statutes, and all realizations of the account established under chapter 601, Hawaii Revised Statutes, subject to those conditions specified in the laws establishing the respective accounts;
- (6) Limiting the use of the proceeds of the account established under chapter 346, Hawaii Revised Statutes, and the use of the proceeds of the account established under chapter 601, Hawaii Revised Statutes, to supporting or providing spouse or child abuse intervention or prevention that is authorized by law;
- (7) Requiring the fees received for the issuance of marriage licenses by an agent who is not an employee of the State to be remitted to the Director of Health rather than the Director of Finance;
- (8) Requiring the Director of Health, rather than the Director of Finance, to deposit the fees received for the issuance of marriage licenses to the credit of the account established under chapter 346, Hawaii Revised Statutes, and to deposit the fees received for the issuance of marriage licenses to the credit of the account established under chapter 601, Hawaii Revised Statutes; and requiring the Director of Health to deposit the remainder of the fees received for the issuance of marriage licenses to the credit of the state general fund;
- (9) Specifying that \$4.50 is to be deposited to the credit of the account established under chapter 346, Hawaii Revised Statutes, and that \$4.50 is to be deposited to the credit of the account established under chapter 601, Hawaii Revised Statutes, for each marriage license issued;
- (10) Changing the fee charged by the Department of Health for the issuance of certified copies of any birth, death, or marriage certificate from a maximum of \$5 to a minimum of \$5;
- (11) Appropriating from the account established under chapter 346, Hawaii Revised Statutes, a sum not to exceed \$400,000, for fiscal year 1994-1995, for the Department of Human Services, and appropriating from the account established under chapter 601, Hawaii Revised Statutes, a sum not to exceed \$400,000, for fiscal year 1994-1995, for the judiciary;
- (12) Making the provision requiring all fees received for the issuance of certified copies of birth, marriage, or death certificates to be remitted to the Director of Health, and requiring the Director of Health to deposit \$1.50 for each certified copy to the credit of the account established under chapter 346, Hawaii Revised Statutes, to deposit \$1.50 for each certified copy to the credit of the account established under chapter 601, Hawaii Revised Statutes, and to deposit the remainder of the fee for each certified copy to the credit of the state general fund, effective after the effective date of the amendments to the rules increasing the fee charged by the Department of Health for the issuance of certified copies of any birth, death, or marriage certificate from \$2 to not less than \$5;
- (13) Exempting the account established under chapter 346, Hawaii Revised Statutes, and the account established under chapter 601, Hawaii Revised Statutes, from the law relating to transfers from special funds for central service expenses, and the law relating to special fund reimbursements for departmental administrative expenses; and
- (14) Making numerous 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. 2141, 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. 2141, S.D. 2, H.D. 2, C.D. 1.

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

Representatives Chun, Say, Arakaki and Santiago.
Managers on the part of the House.

Representative Tanimoto did not sign the report.

Conf. Com. Rep. No. 82 on S.B. No. 2261

The purpose of this bill is to authorize the Office of Hawaiian Affairs (OHA) to issue revenue bonds and to provide that the annual salary of OHA board members is to be paid by both OHA and the State sharing equally in the costs of wages and fringe benefits.

Your Committee finds that OHA, as a separate entity independent of the executive branch of state government, was established to have full control over the administration of its trust funds for the betterment of the conditions of native Hawaiians. Inherent in this statutory and fiduciary duty is the responsibility to administer the trust funds in the best interests of the trust beneficiaries. Your Committee believes that this bill will enable OHA to achieve these objectives and allow that office to maximize the trust funds without eroding the trust corpus by authorizing OHA to issue revenue bonds by and on behalf of OHA's board of trustees, and not by or on behalf of the State, to be secured by the moneys received by OHA from the twenty per cent share of revenue from the public land trust.

Your Committee has amended this bill by deleting the provisions of the bill relating to the payment of salaries of OHA board members and by making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2261, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2261, S.D. 2, H.D. 3, C.D. 1.

Senators Ikeda, Chang, Holt, Tanaka and George.
Managers on the part of the Senate.

Representatives Arakaki, Say, Apo, Beirne and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 83 on S.B. No. 2908

The purpose of this bill is to designate Hawaii Qualified Health Centers (HQHCs) and to assure cost-based reimbursements for HQHCs for the delivery of enabling services.

Specifically, this bill:

- (1) Grants power to the Director of Health to designate, with the concurrence of the Director of Human Services, community-based primary care centers not yet designated as federally qualified health centers (FQHCs) as Hawaii Qualified Health Centers (HQHC).
- (2) Provides that any FQHC or FQHC-lookalike, or Rural Health Center be designated as a HQHC and be known as essential community providers;
- (3) Requires the Department of Human Services (DHS) to make a supplemental capitation payment to HQHCs based on the number of clients without insurance who are provided enabling services at those HQHCs;
- (4) Gives the DHS the administrative flexibility to expend funds through QUEST contracts, a modified voucher system, or through chapter 42D, Hawaii Revised Statutes;
- (5) Defines "enabling services" to include enabling services as defined by FQHC standards; and
- (6) Requires HQHCs receiving supplemental payments to reconcile their costs annually.

Your Committee finds that this bill would preserve the primary care services, outreach, and other enabling services of community health centers through the designation of these centers as HQHCs.

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

- (1) Clarified that the centers not yet federally designated but deserving of support may be designated as HQHCs;
- (2) Inserted the proviso that the DHS is to provide a supplemental capitation program only if the QUEST program is implemented;
- (3) Deleted all references to capitation payments including limits as to certain clients whose cost-based reimbursement have been waived and individuals not in state or federal programs who continue to be without health insurance; and
- (4) Made technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2908, 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. 2908, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Kobayashi, B., Levin and Holt.
Managers on the part of the Senate.

Senator George did not sign the report.

Representatives Chun, Say, Isbell and Tanimoto.
Managers on the part of the House.

Representative Duldulao did not sign the report.

Conf. Com. Rep. No. 84 on S.B. No. 2170

The purpose of this bill is to promote the recycling of glass containers in the State by:

- (1) Establishing an advance disposal fee program to be administered by the Department of Health;
- (2) Establishing requirements for county glass recovery programs; and
- (3) Requiring that a minimum of ten percent crushed glass aggregate be used in all public highway and road construction and improvement projects.

Your Committee has amended the bill by changing the effective date of sections 3 and 4 from July 1, 1996 to July 1, 1994.

Senators Ikeda, Chang, Fukunaga, Solomon and George.
Managers on the part of the Senate.

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

Representative Herkes did not sign the report.

Conf. Com. Rep. No. 85 on S.B. No. 2377

The purpose of this bill is to set standards of qualification, education, and experience for those persons who seek to represent themselves to the public as social workers.

Under this bill, social workers will be licensed under a program established in the Department of Commerce and Consumer Affairs. To be eligible, a person must have a master's degree and have passed the national examination given by the American Association of State Social Work. Exemptions are granted for persons doing similar kinds of work or possessing less than the master's degree as long as they do not purport to be licensed social workers.

An appropriation of \$132,552 is provided to establish the program.

Your Committee finds that the practice of social work should be regulated in order to ensure the protection and welfare of the consuming public.

Your Committee has amended this bill by:

- (1) Deleting the licensing exemption for those who would hold themselves to be social workers by virtue of an educational degree;
- (2) Providing penalties for violations of rules adopted pursuant to the regulatory power herein granted;
- (3) Changing the appropriation to \$26,000; and
- (4) Making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2377, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2377, S.D. 2, H.D. 3, C.D. 1.

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

Representatives Chun, Bunda, Tom, Say and Santiago .
Managers on the part of the House.

Representatives Hirono and Tanimoto did not sign the report.

Conf. Com. Rep. No. 86 on S.B. No. 1249

The purpose of this bill is to increase access to high-quality, safe, appropriate, and cost-effective primary health care services.

This would be accomplished by providing advanced practice registered nurses with limited prescriptive authority, establishing a formulary council, including at least one advanced practice registered nurse on the Board of Nursing, and appropriating funds to implement these provisions.

Your Committee agrees that efforts must be made to make high-quality health care more accessible.

After further consideration, your Committee has amended this bill by deleting its substance and inserting a new section to Chapter 457, Hawaii Revised Statutes, instructing the Department of Commerce and Consumer Affairs to grant authority to advanced practice registered nurses to prescribe from applicable formularies designated by the Board of Medical Examiners and to require an interim report on the establishment of formularies by December 31, 1994.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1249, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1249, S.D. 1, H.D. 3, C.D. 1.

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

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

Conf. Com. Rep. No. 87 on S.B. No. 2653

The purpose of this bill is to increase the gallonage tax rates on various liquor categories over a four-year period.

The bill also repeals the automatic annual liquor tax "escalator" provision of section 244D-4.5, Hawaii Revised Statutes, that can either increase or decrease the tax rates each year.

Your Committee upon further consideration has made the following amendments to S.B. No. 2653, S.D. 1, H.D. 1:

- (1) Inserted, in place of an unspecified amount, a dollar figure representing a 1.00 per cent increase on distilled spirits and a 1.25 per cent increase in all other liquor categories in current tax rates for each year of the fiscal year periods from July 1, 1995 to July 1, 1998. Your Committee used the figures of \$5.75 per wine gallon for distilled spirits and 89 cents per wine gallon for beer other than draft as the base rates for computation; and
- (2) Corrected the spelling of the word "gallon" on line 8 of page 2 and correctly renumbered the Ramseyer and effective date sections.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2653, 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. 2653, S.D. 1, H.D. 1, C.D. 1.

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

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

Representative Kawakami did not sign the report.

Conf. Com. Rep. No. 88 on S.B. No. 2262

The purpose of this bill is to continue the process of resolving claims against the State and the federal government arising from the Hawaiian home lands trust.

Specifically, this bill:

- (1) Extends the term of service of the court-appointed independent representative to December 1, 1995;
- (2) Permits either the independent representative or a task force member to apply to the circuit court for findings on specified issues; and
- (3) Appropriates \$1 to pay the independent representative.

Your Committee finds that the State has recognized its duty to beneficiaries of the Hawaiian homes land trust, and seeks resolution of the claims of the beneficiaries. Your Committee further finds that the task of compiling and achieving resolution of these claims through nonjudicial processes is time-consuming and that additional time is necessary for the independent representative to finish the task.

Your Committee has amended this bill by:

- (1) Extending the term of service of the independent representative to June 30, 1995;
- (2) Requiring, rather than permitting, the independent representative to file findings and recommendations with the legislature no later than twenty days prior to the convening of the regular session of 1995;
- (3) Defining the term "impasse" and establishing the procedure to find a volunteer arbitrator to resolve impasses;
- (4) Appropriating \$150,000 to pay the independent representative and paying for additional services; and
- (5) Adding a severability clause.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2262, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2262, S.D. 2, H.D. 3, C.D. 1.

Senators Ikeda, Chang, Grauly and Iwase..

Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Arakaki, Tom, Say, Apo and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 89 on S.B. No. 3045

The purpose of this bill is to establish the Agribusiness Development Corporation with the authority to carry out programs to promote the development of new agricultural enterprises, to assist expansion of existing agricultural enterprises, and to alter or modify agricultural enterprises to take advantage of changing market conditions.

The downsizing of plantation industries such as sugar and pineapple presents the State with an unprecedented opportunity to plan and coordinate the transition of vast acreages of prime agricultural lands into agricultural ventures made viable by timely market analysis and development. Within the next decade, more than 75,000 acres of agricultural lands are expected to be released by the plantations. In addition, 50 million gallons per day of irrigation water will be released. More importantly, the idling of large tracts of agricultural lands will idle the valuable inventory of supporting infrastructure such as pumps, pipelines, drainage systems, processing and packing facilities, maintenance workshops, and warehouses. The establishment of a strong advocate for agriculture will provide the leadership and instrument capable of handling the transition of agriculture in a coordinated and comprehensive manner.

The transition from large plantations with single crops to diversified agricultural ventures producing a large variety of commodities will require strong leadership and coordination. Agricultural ventures will have to compete in constantly evolving markets. The Agribusiness Development Corporation established by this measure will monitor the changing local, national and international markets, and based on detailed studies and analyses, advise and assist agricultural producers in anticipating market changes to take advantage of newly identified marketing opportunities or altering production because of shrinking marketing advantages.

The Agribusiness Development Corporation will be the catalyst for the evolution of Hawaii agriculture. The Corporation will assist existing farmers, who are seeking to expand their operations, in obtaining land and conducting marketing studies to determine the viability of crops to avoid conflicts with other producers and to give the farmer advice on the best local, national and international marketing opportunities for success. The Corporation will be able to create joint ventures and other synergistic arrangements for agricultural production. Moreover, by utilizing the concept of a "coordinating entrepreneur," the Corporation will be able to facilitate the creation of operations to produce crops on a large enough scale for national and international markets identified through detailed marketing research. The coordinating entrepreneur can be an existing farmer, a new farmer, or anyone able to function much like a konohiki. The coordinating entrepreneur is the person responsible for organizing and operating the agricultural enterprise. Through "right-to-till agreements" with other farmers, the coordinating entrepreneur will coordinate the production of the farmers for the identified market. Further, the Corporation will be able to assist farmers and coordinating entrepreneurs in obtaining financing based on sound business plans.

Your Committee has amended the bill to provide for staggered terms of its members and that the eight public members of the board of directors of the corporation shall consist of four members selected by the President of the Senate and four members selected by the Speaker of the House. The three ex officio, voting members of the board shall be the Director of Business, Economic Development, and Tourism; the chairperson of the board of agriculture; and the chairperson of the board of land and natural resources. Your Committee has provided that the board shall annually elect its chairperson who shall not be an ex officio member.

Your Committee has amended provision under the general powers of the Corporation relating to the development of irrigation systems based on the recommendation of the Attorney General.

Your Committee has amended this bill by amending the provisions relating to native Hawaiian rights and entitlements to water, to delete the sentence that reads, "In making any decision affecting water supply for its projects, the corporation shall assure that adequate water is reserved to support current and foreseeable homestead development under the Hawaiian Homes Commission Act in the areas which could be serviced by the same water source if transmission facilities were made available". The entitlements under section 221, Hawaiian Homes Commission Act, 1920, are to government-owned water unless privately-owned surplus water is acquired. Leaving this sentence could require reservation of agribusiness project water that is not government-owned and not surplus water.

Your Committee has further amended this bill by deleting paragraph (B) relating to the decisions of the corporation on water rights being subject to water commission approval and replacing it a provision that all water use shall be made in accordance with the State Water Code and other applicable laws.

Your Committee has also amended this bill by amending the provision that the corporation shall develop, promote, assist, and market export crops exclusively to delete the word "exclusively" and provide that the corporation shall develop, promote, assist, and develop export market crops "and other crops approved by the board of agriculture." This amendment allows the development of crops for local markets where the great majority of produce is imported. This amendment will enable the replacement of imports with locally-grown crops that are produced by enhancement of local production or the encouragement of new producers in a coordinated manner so that existing local farmers are complemented by new and enhanced production.

Your Committee has amended the bill to require the preparation of a Hawaii agribusiness plan to establish goals, objectives, policies, and priority guidelines for the Corporation's agribusiness development strategy. The Corporation shall include the agribusiness plan in its annual report to the governor and the legislature.

Your Committee has further amended this bill by inserting an amendment to exclude irrigation water systems from the definition of "public utility." The definition of "public utility" includes persons conveying, transmitting, or delivering water, without specifying whether the intention of the law is to regulate potable or nonpotable water. Chapter 167, Hawaii Revised Statutes, empowers the Department of Agriculture with the functions and duties for the acquisition, distribution, and transmission of irrigation water. Further, under Chapter 167, the Board of Agriculture may fix and adjust the rates and charges for the furnishing of irrigation water so that the revenues derived from the providing of water shall be sufficient to cover the cost of operation, maintenance, replacement, and capital costs of the system. Agricultural irrigation water systems are more properly regulated by Chapter 167 and should be excluded from public utility regulation.

Your Committee has also included amendments to specify that the projects of the Corporation shall be executed with the written consent of affected landowner and further that the landowner shall give written consent to the establishment of assessment areas for bond financed project facilities.

Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3045, 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. 3045, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. No. 111 on H.B. No. 1731

The purpose of this bill is to extend the provisions of Act 95, Session Laws of Hawaii (SLH) 1987, from July 1, 1995, to July 1, 1999.

By way of background, Act 95, SLH 1987, inter alia, requires an applicant to provide the Real Estate Commission with proof that the applicant has attended ten hours of continuing education or its equivalent prior to the renewal of the applicant's real estate broker or real estate salesperson license.

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

- (1) Requires the Legislative Auditor to evaluate the continuing education program for real estate brokers and salespersons, and submit a report of the findings and recommendations not later than twenty days prior to the convening of the regular session of 1995;
- (2) Reinserts the repeal date of July 1, 1995; and
- (3) Making technical, nonsubstantive revisions for purposes of clarity, style and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1731, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1731, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 112 on H.B. No. 2746

The purpose of this bill, as received by your Committee on Conference, is to provide the State with a clean, safe, and economical alternative energy product that would reduce Hawaii's dependence upon imported petroleum, as well as assist in the revival of the State's agricultural industry by authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000 for the construction of a demonstration fuel-grade ethanol production plant in Hamakua, Hawaii.

Fuel-grade ethanol, which is produced by fermenting agricultural or municipal solid waste by-products, is a clean, safe, and economical alternative to petroleum. Since Hawaii continues to depend almost entirely upon imported petroleum-based fuels to fulfill its transportation and electrical energy needs, ethanol could be an alternative source of energy that would help alleviate the State's dependency on petroleum.

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

- (1) Increasing the bond authorization amount from \$10,000,000, to \$25,000,000;
- (2) Authorizing the demonstration fuel-grade ethanol production plant to be constructed in any appropriate location in the State, including Hamakua, Hawaii, or Kau, Hawaii, or Waialua, Oahu, instead of only Hamakua, Hawaii; and
- (3) Making technical, nonsubstantive revisions for purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2746, 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. 2746, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Hagino, Matsunaga, Matsuura and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 113 on H.B. No. 2333

The purposes of this bill are to:

- (1) Establish a 15-member Convention Center Neighborhood Advisory Committee appointed by the Governor that will exist until the completion of construction of the center and serve as the liaison between the community and the Convention Center Authority;
- (2) Extend the expiration date of the Convention Center Authority from June 30, 1995, to June 30, 1998; and
- (3) Appropriate \$1 to the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Convention Center Authority should have statutory assurance of its existence in order to allow it to enter into construction agreements and to supervise the construction of the center.

The convention center development process requires participation from residents of the surrounding community, and the authority should provide assurance that it will carefully consider community concerns.

The existing Convention Center Advisory Committee includes, in its membership, representatives from the Ala Moana, Kakaako, McCully, Moiliili, and Waikiki neighborhood boards. The Convention Center Authority has also proposed to add a fifth subcommittee on neighborhood impact. The current arrangements, with the added subcommittee and the numerous meetings and public hearings that the authority will schedule as required by law, will provide more than adequate opportunity for community input in the convention center development process.

Your Committee has revised this bill by:

- (1) Removing the provisions constituting SECTION 1 relating to the creation of the Convention Center Neighborhood Advisory Committee;
- (2) Removing SECTION 3 relating to an appropriation;
- (3) Providing that the act shall take effect upon approval; 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. 2333, 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. 2333, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Holt, Kobayashi, A., Tanaka 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. 114 on H.B. No. 2344

The purpose of this bill is to ensure funding for the publication of the replacement volumes of the Hawaii Revised Statutes by appropriating funds for fiscal biennium 1993-1995 to:

- (1) Authorize the Legislative Reference Bureau to develop alternative methods of compiling, distributing, and selling the Hawaii Revised Statutes; and
- (2) Require legislative approval by concurrent resolution before the Legislative Reference Bureau can implement any alternative method of compiling, distributing, or selling the Hawaii Revised Statutes.

Upon further consideration, your Committee has amended this measure by requiring the Legislative Reference Bureau to obtain approval from the President of the Senate and Speaker of the House of Representatives, instead of legislative approval by concurrent resolution.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2344, 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. 2344, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Fukunaga, Holt, Kobayashi, A. and George.

Managers on the part of the Senate.

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

Conf. Com. Rep. No. 115 on H.B. No. 3326

The purpose of this measure is to extend autonomous operation to the remaining four rural hospitals, a medical clinic, and the administrative office of the division of community hospitals of the Department of Health under the autonomy pilot program.

Your Committee finds that Acts 223, 187, and 211, Session Laws of Hawaii 1990, 1992, and 1993 respectively, granted autonomous operation to eight of the thirteen community hospitals in a pilot program. This bill will add the four remaining rural hospitals (Ka'u, Honoka'a, Kohala, and Lanai Community Hospitals), a medical clinic, (Hana Medical Clinic), and the Division of Community Hospitals administrative staff office to the pilot program granting autonomous operation to the community hospitals.

Furthermore, it was understood that the entire community hospitals system is served by only two positions within the attorney general's office. However, the complex legal and health issues facing all large hospitals require adequate legal support. As a result, it is believed that the hospitals' and the division's autonomous operation would be greatly enhanced by the freedom to engage the services of private legal counsel, especially on the neighbor islands. Moreover, contracting these attorneys through the Office of the Attorney General ensures coordination with the attorney general.

After careful consideration, your Committee on Conference has decided to amend this bill by:

- (1) Making a technical change that changes the amended section from Section 103D-209, Hawaii Revised Statutes, to Act 8, Special Session Laws of Hawaii, 1993. Act 8 does not take effect and therefore does not become statutory material until July 1, 1994. Therefore, to keep correctness and consistency within the bill, this amendment had to be made; and
- (2) Making 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. 3326, 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. 3326, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Holt, Kobayashi, B., Solomon and George.
Managers on the part of the Senate.

Representatives Pepper, Say, Morihara and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 116 on H.B. No. 3451

Under current law, the Public Utilities Commission regulates public utilities, water carriers, and motor carriers. In addition, the commission oversees their financial situation as well as their performance. Also under current law, the Consumer Advocate represents the interests of customers of public utilities, water carriers, and motor carriers.

The purpose of this bill is to establish a public utilities commission special fund to be used by the commission and the division of consumer advocacy for administrative expenses relating to the regulation of public utilities, water carriers, and motor carriers.

The fund would be established by an increase in the surcharge of one-eighth of one percent of the gross revenues of the public utilities, water carriers, and motor carriers.

Upon consideration, your Committee on Conference has amended the bill by:

- (1) Inserting a new section 2, amending §92-21, to clarify that monies will be deposited in the special fund;
- (2) Renumbering the sections following; and
- (3) Making technical nonsubstantive changes to cross references in the effective date section.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3451, 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. 3451, H.D. 2, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. No. 117 on H.B. No. 3160

The purpose of this bill is to make an emergency appropriation to prevent the reduction or discontinuance of board and board-related payments to children requiring out-of-home care.

Your Committee has agreed to the substantive portion of H.B. No. 3160, H.D. 2, S.D. 1, with the exception of the amount to be appropriated out of the general revenues of the State.

Your Committee has amended this measure by replacing the amount "\$1,162,000" with "\$1,960,353", which the Department of Human Services has indicated as the amount necessary to carry out the purposes of this Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3160, 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. 3160, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Levin, Holt, Nakasato and Solomon.
Managers on the part of the Senate.

Senator Reed did not sign the report.

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

Conf. Com. Rep. No. 118 on H.B. No. 3458

The purpose of this bill is to designate the Deputy Director for Community Hospitals as the Chief Procurement Officer (CPO) for the Division of Community Hospitals in the Department of Health.

Your Committee has amended this bill by repealing the designation of the Community Hospitals CPO on June 30, 1996, to conform to the scheduled repeal date of the pilot hospital autonomy project.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3458, 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. 3458, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Chang, Kobayashi, B., Solomon and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 119 on H.B. No. 3132

The purposes of this bill are to:

- (1) Establish the Nonpresentment of Warrants and Checks Trust Fund (Fund) to temporarily hold moneys appropriated for the payment of state warrants and checks that are not timely presented for payment; and
- (2) Conform statutory language to include the use of checks which the State will begin issuing instead of warrants as of July 1, 1994.

Your Committee has amended this bill by:

- (1) Establishing a cap of \$500,000 for the Fund and requiring any amount in excess of the cap to be transferred to the general fund;
- (2) Deleting the provision requiring that unexpended and unencumbered balances in the Fund be transferred annually into the general fund;
- (3) Adding an appropriation of \$360,000 to satisfy claims for recovery filed with the comptroller; and
- (4) Amending the effective date to July 1, 1994, providing that section 1 will be repealed on July 1, 1996, and section 40-68 will be reenacted in its form prior to the Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3132, 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. 3132, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 120 on H.B. No. 3212

The purpose of this bill is to enhance and expand the prerogatives of certain highly qualified licensed nurses and to provide for continued regulation of the nursing profession through a reconstituted Board of Nursing.

Your Committee has recognized that there are certain highly qualified nurses who have achieved an educational level above and beyond that of a registered nurse (RN). Further, your Committee felt that it has become necessary to recognize these advanced practice registered nurses (APRN).

More importantly, it was realized that Chapter 457 which establishes the Board of Nursing was to be repealed on December 31, 1994. Since the Board of Nursing is the body which regulates and licenses nurses, it has become imperative to extend the date of this Chapter.

Therefore, upon further consideration, your Committee has amended this bill by:

- (1) Deleting any language in the bill which references prescriptive authority;
- (2) Inserting a definition of advanced practice registered nurse (APRN); and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, conformity, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3212, 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. 3212, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 121 on H.B. No. 3333

The purpose of this bill is to appropriate an unspecified amount to repair, remove, replace, or restore homes built in the Panaewa residential lots, units 3 and 4.

Your Committee has amended this bill as follows:

- (1) Directed that any funds recovered from parties involved with the construction or development of the homes in Panaewa are to be deposited into the Hawaiian Home Administration Account (Account);
- (2) Allowed moneys in the Account to be used from July 1, 1994, to July 1, 1995 for:
 - (a) Repair, removal, or replacement of homes; or
 - (b) Direct settlement with homeowners in Panaewa;
- (3) Increased the amount of the appropriation to \$3,000,000; and
- (4) Placed up to \$3,000,000 in funds recovered from the general contractor or other parties into the Hawaiian Home Administration Account, and placed funds recovered above this amount into the general fund, rather than placing the entire amount in the general fund;

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3333, 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. 3333, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Chang, Solomon, Tanaka and George.
Managers on the part of the Senate.

Representatives Isbell, Arakaki, Say, Beirne, White and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 122 on H.B. No. 2605

The purpose of this bill is to create a class of liquor license for brewpubs. Specifically, brewpub licensees are authorized to:

- (1) Manufacture an indefinite number of barrels of malt beverage on the licensee's premises during the license year;
- (2) Sell malt beverages manufactured on the premises for consumption on the premises; and
- (3) Sell malt beverages manufactured on the premises to wholesale dealer licensees.

Your Committee on Conference finds that most of the largest brewpub licensees in the United States manufacture less than four thousand barrels on their own premises. Accordingly, your Committee on Conference believes that limiting brewpub licensees to three thousand barrels manufactured on the premises will not deter entrepreneurs from starting a brewpub business.

Further, your Committee on Conference finds that, although brewpubs attract patrons based on their own unique malt beverage, patrons still want a variety of beverages. Therefore, brewpubs need authorization to sell all intoxicating liquors for consumption on the premises.

Based on these concerns, your Committee on Conference has amended this bill by returning substantially to the provisions of H.B. No. 2605, H.D. 2. The bill is specifically amended to:

- (1) Limit licensees to three thousand barrels manufactured on the premises per license year;
- (2) Allow licensees to sell intoxicating liquor for consumption on the premises;
- (3) Allow a licensee to sell not more than fifteen percent of a licensee's total production, manufactured by the licensee in brewery-sealed packages to class 3, wholesale dealer licensees; and
- (4) Allow licensees to set up a standard bar or premises in which live entertainment or recorded music is provided.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2605, 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. 2605, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Chang, Solomon, Tanaka and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 123 on H.B. No. 2647

The purpose of this bill is to establish an Environmental Education Clearinghouse and Environmental Education Council (Council) within the Department of Land and Natural Resources (Department) for administrative purposes, and to make an unspecified appropriation to the Department for the same purpose.

Your Committee has amended this bill to conform to the language contained in H.B. No. 2647, H.D. 2, including:

- (1) Deleting mandatory representation of the not-for-profit environmental education community and the community-at-large from the Council;
- (2) Deleting the proviso prohibiting use of revenues for public relations or advertising costs; and
- (3) Appropriating \$25,000 to carry out the purposes of this Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2647, H.D. 2, S.D. 2, as amended herein, and recommend that it pass Final Reading in the form attached hereto as H.B. No. 2647, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Chang, Solomon, Tanaka and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 124 on H.B. No. 1609

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 1 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 1 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 1.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1609, 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. 1609, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Holt, Solomon and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 125 on H.B. No. 1615

The purpose of this bill is to provide fund authorizations and appropriations for the fiscal biennium 1993-1995 for collective bargaining unit 7 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit's representative.

Your Committee has received a message from the Governor, dated February 15, 1994:

- (1) Stating that additional funding is needed for retroactive payments included in the settlement for a two-year collectively bargained agreement with the exclusive representative of bargaining unit 7; and
- (2) Requesting the Legislature for immediate passage of this bill to ensure retroactive payments.

Your Committee on Conference has amended this bill by:

- (1) Stating that the Governor has requested immediate passage of this measure in accordance with Article VII, Section 9, of the State Constitution;
- (2) Inserting in Section 3 of the bill, the actual amounts to be appropriated or authorized to fund the cost items and salary adjustments pertaining to collective bargaining unit 7; and
- (3) Making technical, nonsubstantive revisions for purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1615, 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. 1615, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Holt, Solomon and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 126 on H.B. No. 1618

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 10 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 10 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the appropriate dollar amounts for fiscal year 1994-1995 for executive and judicial branch employees in collective bargaining unit 10.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1618, 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. 1618, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Holt, Solomon and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 127 on H.B. No. 3630

The purpose of this bill is to change the Hawaiian Sovereignty Advisory Commission from an advisory body to an implementing agency, and to give the renamed Hawaiian Sovereignty Commission additional powers to help implement self-determination for Hawaiians. This bill gives the Hawaiian Sovereignty Commission the authority to oversee a plebiscite on self-determination. In addition, if the plebiscite is approved, this bill provides a process to resolve issues related to the form, structure, and status of a Hawaiian nation.

Your Committee finds that the Commission has evolved into an effective body since its creation in mid-1993. While serving in an advisory capacity to the Legislature, the Commission has been successful in gathering input from a broad range of Hawaiian groups and has begun the process of unifying Hawaiian efforts.

Your Committee further finds that based on the numerous public informational meetings conducted by the Commission, many Hawaiians expressed a need for:

- (1) More information and education on sovereignty before a plebiscite is held;
- (2) A process that is independent of the State; and
- (3) The Commission to continue its work as presently constituted, but not as an advisory body.

After careful consideration, your Committee concurs that the work of the Commission should continue and that it should be given a greater role in determining how to facilitate the efforts of the Hawaiian people to be governed by an indigenous sovereign nation of their own choosing. Accordingly, your Committee has amended this bill by:

- (1) Renaming the "Hawaiian Sovereignty Advisory Commission" to the "Hawaiian Sovereignty Elections Council" ("Council") as set forth in SECTION 4 of this bill;

- (2) Inserting a provision as set forth in SECTION 11 of this bill which clarifies that the individuals who were duly appointed under Act 359, Session Laws of Hawaii 1993, and are serving as members of the Commission on the effective date of this bill shall continue to serve as members of the Council under this measure;
- (3) Inserting a provision in lines 12 through 18 on page 5 as set forth in SECTION 7 of this bill requiring that any vacancy occurring on the Council after July 1, 1994, shall be filled by the Governor from a list of nominees submitted by the Council. If the Governor fails to make an appointment within thirty days of receiving the list, the Council shall make an appointment from the list of nominees. Currently, the Governor fills all vacancies on the Commission; and
- (4) Designating the year "1995" as set forth in SECTION 6 of this bill in which to hold a plebiscite to determine the will of the indigenous Hawaiian people to restore a nation of their own choosing.

To support the Council's operations, the bill has been amended by:

- (1) Amending section 4 of Act 359, Session Laws of Hawaii 1993, as set forth in SECTION 7 of this bill to transfer the Council from the Office of State Planning to the Department of Accounting and General Services; and
- (2) Inserting an appropriation from the general fund in the amount of \$900,000 to be matched by the Office of Hawaiian Affairs' special fund as set forth in SECTION 12 of this bill.

Under this bill, the Council would not only be authorized to continue its work of educating the Hawaiian community, but also to proceed with various election-related tasks including: planning and conducting the plebiscite; carrying out the responsibilities for the conduct of elections and the convening of delegates; providing for an apportionment plan; and establishing the eligibility of convention delegates. In this regard, the Council would be responsible for establishing a process that will enable the Hawaiian people to take another major step towards sovereignty. Your Committee finds that this task should be accomplished within a specific time period. Accordingly, language has been inserted to repeal the provisions of this bill on December 31, 1997, as set forth in SECTION 17 of this bill.

Finally, your Committee has amended this bill by:

- (1) Inserting a provision as set forth in SECTION 13 of this bill which provides that nothing in the bill shall be construed to require the State to expend or appropriate funds beyond those appropriated herein;
- (2) Inserting a provision as set forth in SECTION 14 of this bill which provides that nothing resulting from the Hawaiian convention or the ratification vote on convention proposals shall be interpreted to supersede the laws of the State or counties; and
- (3) 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. 3630, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3630, H.D. 3, S.D. 2, C.D. 1.

Senators Ikeda, Chang, Solomon, Tanaka and George.
Managers on the part of the Senate.

Representatives Arakaki, Tom, Say, Apo, Lee and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 128 on H.B. No. 3135

The purpose of this bill is to appropriate \$872,013 for the development and implementation of a juvenile justice information system, including the establishment of up to seven permanent positions in the Department of the Attorney General to collect, store, disseminate, and analyze juvenile justice data.

Your Committee on Conference has amended this bill to provide funding in the amount of \$600,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3135, 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. 3135, H.D. 1, S.D. 1, C.D. 1.

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

Senators Grouly and Koki did not sign the report.

Representatives Tom, Say, Ishii-Morikami, Kawakami and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 129 on H.B. No. 3506

The purpose of this bill is to appropriate funds to the Honolulu Police Department to support its involvement in the "No Hope in Dope" program.

Your Committee on Conference has amended this bill by inserting an appropriation of \$52,212 for the Department of Public Safety's involvement in the "No Hope in Dope" program.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3506, 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. 3506, H.D. 2, S.D. 2, C.D. 1.

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

Senators Grauly and Koki did not sign the report.

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

Conf. Com. Rep. No. 130 on H.B. No. 1317

The purpose of this bill is to strengthen the time share laws, and to stagger registration renewal requirements.

Upon due consideration, your Committee on Conference has amended this bill by removing its contents and amending it to conform substantively to the content of H.B. No. 1317, H.D. 2. As amended, the bill requires sellers of residential property to provide a description of the condition of the property in writing to the prospective purchaser.

This bill, as amended, differs from H.B. No. 1317, H.D. 2, in the following respects:

- (1) Clarifies that a buyer rescinding a real estate purchase contract based on incomplete or inaccurate disclosure may do so in the same manner provided for in subsections -5(b) and (c);
- (2) Provides that the fact that an occupant of the property was afflicted with acquired immune deficiency syndrome related complex (ARC) or was tested for human immunodeficiency virus (HIV) may be excluded from the Disclosure of Real Property Condition Statement;
- (3) Clarifies that the requirements for disclosure forms, pursuant to section -11, are minimum requirements;
- (4) Deletes the proviso in section -16 which limits an award of administrative fees and costs to those incurred due to arbitration or mediation;
- (5) Increases the penalty for violations to include actual damages to the buyer, attorneys' fees, court costs, administrative fees, and a civil fine of \$1,000 to be paid to the buyer;
- (6) Makes technical, non-substantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1317, 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. 1317, H.D. 2, S.D. 2, C.D. 1.

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

Representatives Bunda, Tom, Say, Cachola, Ishii-Morikami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 131 on H.B. No. 2928

The purpose of the bill is to regulate the manufacture and importation of fireworks.

Upon consideration, your Committee has deleted the contents of the measure and substituted a measure which provides for state-wide regulation of the importation, sale, and use of fireworks.

Your Committee finds that the current practice of county regulation of fireworks has been unworkable. Despite increased law enforcement, the recent holidays have seen no reduction in the use of dangerous fireworks.

Your Committee believes that state-wide regulation of fireworks is the only means toward reducing certain forms of fireworks that are a danger to the community.

At the same time, your Committee remains aware of and wishes to accommodate the many persons who enjoy and participate in the traditional use of fireworks.

Therefore, your Committee has amended this bill by:

- (1) Eliminating all of the current language in this bill; and
- (2) Providing a comprehensive scheme to control the use of fireworks, and limiting control by the counties on this issue.

The new chapter set forth in this amended bill provides, in essence, that aerial fireworks and explosive devices exceeding the size and composition of a small firecracker are prohibited except for limited commercial use and public display. The State Fire Council will control the importation and sale of fireworks, while the counties will issue permits for special uses.

Times and dates for use of fireworks by the public are designated; liability for the parents of minors who use fireworks is defined; and various exceptions to the provisions of the act are included. Other provisions relating to fees, permitted use, and other regulatory standards are included.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2928, 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. 2928, H.D. 1, S.D. 1, C.D. 1.

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

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

Representative Tajiri did not sign the report.

Conf. Com. Rep. No. 132 on H.B. No. 759

The purpose of this bill is to reduce the current payroll costs of state and county government by providing an early retirement incentive to those employees covered under the Employees' Retirement System ("ERS") who meet the requirements of this bill.

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

- (1) Addressing concerns to cut costs in government, with the exception of negatively impacting education in the purpose of this bill;
- (2) Reducing the one-time early retirement bonus from three to two additional years as set forth in SECTION 2 of this bill;
- (3) Clarifying in SECTION 2 of this bill that any member of the ERS who has never been a retiree shall be eligible for the bonus of two additional years of service credit, which shall provide an unreduced benefit; provided that:
 - (A) The member is not employed by the Department of Education (DOE) or University of Hawaii (UH), formally notifies the employing agency by October 1, 1994, files a formal application for retirement not less than 30 days nor more than 90 days before the effective date of retirement, and retires by December 31, 1994; or
 - (B) The member is employed by the DOE or UH, formally notifies the employing agency by October 1, 1994, files a formal application for retirement not less than 30 days nor more than 90 days before the effective date of retirement, and retires on June 30, 1995;
- (4) Providing that the mayor of the respective county, the Board of Education, the Board of Regents (BOR), and the Chief Justice may exercise discretion regarding participation in this program and shall transmit a list of participants to the Board of Trustees of the ERS by November 1, 1994, as set forth in SECTION 2 of this bill;
- (5) Providing that the department heads of the executive branch shall transmit a list of participants to the Board of Trustees of the ERS by November 1, 1994, as set forth in SECTION 2 of this bill;
- (6) Including a provision as set forth in SECTION 3 of this bill that with respect to vacated positions in the UH:
 - (A) 70 percent of the vacated positions may be refilled by the President of UH, with the approval of the board of regents; provided that these positions shall be reallocated as necessary to restructure and organize the university to ensure the continued provision of appropriate, direct, student-related services; and
 - (B) 30 percent of the vacated positions shall be held vacant for fiscal year 1995-1996; provided that after June 30, 1996, the President of UH may propose the transfer of vacant positions between divisions, programs, and departments as necessary to fill essential positions, subject to approval by the Legislature through the executive budget;
- (7) Including a provision in SECTION 3 of this bill that with respect to vacated positions in the DOE, 20 percent of the vacated statewide administrative positions shall be eliminated;
- (8) Including a provision in SECTION 3 of this bill requiring the departments to report position reallocations to the Director of Finance, who shall report to the Legislature before the 1996 session;
- (9) Inserting a provision in SECTION 4 of this bill requiring the State and the counties to make separate additional payments to the ERS in amounts required to liquidate the additional actuarial present value of benefits over a 5-year-period beginning July 1, 1997;
- (10) Appropriating \$150,000 for FY 1994-1995 to carry out the purposes of this bill as set forth in SECTION 5 of this bill;

- (11) Changing the effective date to July 1, 1994 as set forth in SECTION 6 of this bill; and
- (12) 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. 759, 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. 759, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Holt, Kanno and Tanaka.
Managers on the part of the Senate.

Senator Koki did not sign the report.

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

Conf. Com. Rep. No. 133 on H.B. No. 1332

The purpose of this bill is to establish a new level of care to be designated as "care IV" for residents of adult residential care homes. This bill also authorizes the use of Medicaid waiver funds to conduct the Maluhia Waitlist Demonstration Project, which discharges certain types of hospital patients into adult residential care homes.

Your Committee has amended this bill by:

- (1) Creating a new category of adult residential care homes or community-based residences rather than a new level of "care IV" for residents of adult residential care homes;
- (2) Revising the provisions relating to rules and qualifying criteria so that they apply to the new category of adult residential care homes or community-based residences rather than to the new level of care IV;
- (3) Including community-based services in the Maluhia Waitlist Project;
- (4) Requiring the project to provide for rather than emphasize specified services;
- (5) Deleting skilled home health care services from the specified services of the project;
- (6) Revising the qualifying criteria;
- (7) Authorizing rather than requiring the transfer of \$1,000,000 from HMS 230 to HMS 601, and adding the condition of obtaining all federal and State waivers;
- (8) Adding a repeal date of June 30, 1996; and
- (9) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1332, 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. 1332, H.D. 2, S.D. 2, C.D. 1.

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

Senator Holt did not sign the report.

Representatives Chun, Pepper, Kawakami, Nakasone and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 134 on H.B. No. 3443

The purposes of this bill are to:

- (1) Require the Department of Labor and Industrial Relations (Department) to prepare annual reports on unsafe employment for women; and
- (2) Create a temporary Occupational Safety and Health Training and Assistance Fund consisting of \$200,000 in fines, interest, and penalties, collected for violations of the State Occupational Safety and Health Law, to be used for training programs, health conferences, additional staff, and the preparation of reports.

Your Committee has amended this bill by:

- (1) Changing the focus of the Department's study to health and safety issues of concern to working women, the impacts of those issues on Hawaii, and what steps are being taken to address those concerns;
- (2) Expressly prohibiting use of the Occupational Safety and Health Training Fund to fund any personnel positions; and

- (3) Extending the repeal date for section 2 of this bill from July 1, 1996, to July 1, 1998.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3443, H.D. 1, S.D. 2, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 3443, H.D. 1, S.D. 2, C.D. 1.

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

Senator Koki did not sign the report.

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

Conf. Com. Rep. No. 135 on H.B. No. 2221

The purposes of this bill are to establish a Missing Children State Clearinghouse Center as a pilot project to coordinate the efforts of government agencies to locate, recover, and protect missing children and to promote community awareness of the problem of missing children. The bill also creates a trust fund to receive contributions from the public and private sectors to support these purposes.

Your Committee has amended the bill by:

- (1) Removing the substantive language creating the Missing Children State Clearinghouse Center and the Hawaii Missing Children's Clearinghouse Trust Fund from statutes and instead including it only in the Session Laws since these are pilot projects;
- (2) Establishing the trust fund in the Hawaii Justice Foundation rather than the Hawaii Community Foundation;
- (3) Adding an advisory board to be appointed by the Hawaii Justice Foundation to:
 - (a) Solicit funds for the trust fund;
 - (b) Establish criteria for the expenditure of funds; and
 - (c) Make recommendations for expenditures;
- (4) Adding the requirement that there shall be an endowment component of the trust fund;
- (5) Deleting the requirement that only the income and capital gains earned by investment of the trust fund may be expended;
- (6) Deleting the requirement that income and capital gains earned by investment of the trust fund shall not be used during any period that the value of the fund is less than the aggregate principal sum contributed to the fund;
- (7) Requiring the matching of State appropriations by private contributions by June 30, 1997, rather than by June 30, 1995;
- (8) Adding that the Missing Children State Clearinghouse Center shall receive first consideration for trust fund awards;
- (9) Changing the amount appropriated for a coordinator of the Missing Children State Clearinghouse Center, as well as equipment and supplies, from \$50,504 to \$32,000;
- (10) Changing the amount appropriated for deposit to the Hawaii Missing Children Clearinghouse Trust Fund from \$5,000 to \$1; and
- (11) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2221, 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. 2221, H.D. 2, S.D. 2, C.D. 1.

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

Senators Grauly and Koki did not sign the report.

Representatives Chun, Tom, say, Santiago and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 136 on H.B. No. 3323

The purpose of this bill is to facilitate the recovery of Medicaid payments from the estates of certain deceased recipients.

This bill facilitates recovery by:

- (1) Discouraging the intentional transfer or divestiture of assets to another within the federal "lookback" period for the sole purpose of becoming eligible for medical assistance by allowing the Director of Human Services (Director) to attribute these assets;
- (2) Allowing the Department of Human Services (Department) (to comply with P.L. 104-66) to place a lien, subject to certain circumstances, against the real property of Medicaid recipients who are inpatients in nursing or intermediate care facilities for the mentally retarded or other medical institutions and who cannot be discharged;
- (3) Making any intentional transfer to qualify for Medicaid a misdemeanor, and treating as prima facie evidence of such a transfer if the transfer was made for less than fair market value within the federal "lookback" period;
- (4) Reducing from age sixty-five to age fifty-five the threshold for the department's filing of liens for recovery of payments; and
- (5) Augmenting the requirement for claimants against a third person or a third person's insurance carrier to notify the Department before the release of any awarded or settlement proceeds.

This bill also requires the Director to adopt rules to consider issuing conditional certificates of release in cases of extreme hardship.

Your Committee on Conference has amended this bill by:

- (1) Retaining and amending Section 346-29(7), Hawaii Revised Statutes (HRS), which prohibits considering as income or resources, any payment for services to, or any benefit received by, a participant of the JOBS program rather than the workfare program, which has been repealed;
- (2) Requiring an attorney representing a client to make reasonable inquiry as to whether the claimant has received or is receiving medical assistance; and
- (3) Requiring that, upon obtaining a judgment or reaching a settlement, but before the release of any award or settlement proceeds, the Department be notified by:
 - (a) The claimant's attorney, if the attorney has received actual notice from the Department of a lien or if the attorney has reason to know that a lien exists; or
 - (b) The claimant or the claimant's heirs, representatives, or beneficiaries, if not represented by an attorney who has received actual notice of the lien;
- (4) Deleting section 6 of the bill which would have amended Section 346-37(i), HRS; and
- (5) Adding a disclaimer that this Act shall apply only to settlements and judgments which occur after the effective date.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3323, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3323, S.D. 2, C.D. 1.

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

Senator Holt did not sign the report.

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

Conf. Com. Rep. No. 137 on H.B. No. 2284

The purpose of this bill is to prohibit an agency from implementing a new program until the agency demonstrates that the new program is an appropriate function of state government and that it can be implemented by the public sector as cost-effectively as by the private sector while meeting the same goals and conditions of employment.

Your Committee has amended this measure by deleting section 1 which would have established the program implementation provisions in a new part. Section 2 establishes these provisions by amending section 37-68 relating to the responsibilities of agencies.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2284, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2284, S.D. 2, C.D. 1.

Senators Ikeda, Chang, Kanno, Solomon, Tanaka and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 138 on H.B. No. 3300

The purpose of this bill is to add three new parts to the State's procurement code relating to preferences for Hawaii products; federal and state surplus property; and inventory management.

Your Committee has amended this measure by:

- (1) Deleting the provision requiring the Hawaii software service center to develop and make public a list of state agencies requesting software development services;
- (2) Deleting the provision requiring that bid security must be equal to five per cent of the amount of the bid and leaving the language that it must be at least five per cent of the amount of the bid;
- (3) Deleting the provision establishing a procedure whereby a person who furnished labor and materials to a subcontractor can proceed against the contractor's performance bond for the subcontractor's failure to pay the person in full for the labor and materials;
- (4) Deleting the exemption from the State Procurement Code for the selection of provider agencies to operate and manage state-owned homeless facilities;
- (5) Deleting the exemption from the State Procurement Code for the selection of provider agencies to receive homeless shelter stipends; and
- (6) Making technical nonsubstantive changes for purposes of style, clarity, consistency and to correct drafting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3300, 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. 3300, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Chang, Solomon, Tanaka and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 139 on H.B. No. 2780

The purpose of this bill is to provide supplemental appropriations for the office of Hawaiian affairs (OHA) by amending OHA's biennial budget (Act 276, Session Laws of Hawaii 1993).

In the past, the legislature has raised concerns over OHA's ability to develop a budget which was accurate, consistent, and fiscally prudent. Therefore, your committee is pleased to note that general improvements have been made this year in OHA's development of its supplemental budget request.

However, your committee continues to be concerned about OHA's treatment of its special funds. In reviewing the budget request, certain discrepancies and inconsistencies in the use of these special funds were evident. While OHA maintains that their operational expenses must be equally funded with general funds and special funds to serve both Native Hawaiian and Hawaiian constituents, OHA does not adhere to this practice. Rather, OHA has used special funds at their discretion to increase staff, expand office space leased, and increase salaries for their employees.

Upon discussing these issues with OHA, it has become apparent that no clear policy or guidelines have been established in the use of special funds. Thus, it is unclear at this time which areas should appropriately be funded solely with special funds and which areas should appropriately be funded equally with special funds and general funds. Without these guidelines, a consistent, cohesive budget cannot be developed.

Your Committee is cognizant of the fact that many of OHA's budgetary problems have been long standing and will take considerable time and effort to resolve. Compounding this is the fact that OHA is in a period of great change. OHA is no longer a minor state agency. The recent settlement of back payments of ceded land revenues has significantly altered the size and complexity of the Office. OHA is now a major organization with substantial resources to use at its discretion.

In addition, a new administrator has recently taken over the helm of OHA. With the new administration, it is inevitable that OHA will undergo significant operational and organizational changes.

The new administrator's responsibilities are formidable as he must grapple with rectifying OHA's long standing problems while simultaneously guiding OHA through this important transition period. Your Committee encourages the administrator to make the budget preparation process a priority so that for the fiscal biennium 1995-1997, a budget is developed which is fiscally prudent and responsible.

Aside from the noted concerns regarding OHA's budget, your Committee is keenly aware that economic conditions dictate that all budget requests be reviewed in a fiscally responsible manner. Although the recent council on revenues report released in March 1994 projected slight increases in the state revenues, the economic outlook continues to remain uncertain. Equally uncertain are future costs for critical items which the State must fund. If efforts are not made at this time to curtail general fund expenditures, the State's financial integrity may be compromised. It is in light of this situation that your Committee has reviewed the supplemental budget request submitted by OHA.

Despite the uncertainty of the present economic situation, your Committee acknowledges that OHA provides many important programs for the Native Hawaiian and Hawaiian community and is therefore committed to continue funding these programs through fiscal year 1995. The budget developed by your Committee maintains funding levels for noteworthy projects such as the Waianae Diet program in the health and human services division; the Operation Ohana project, which has been centralized with the planning and research office; the voter registration program (Hui Ho'ala) in the government affairs office; Operation Blue Print in the land and natural resources division; the community based economic development projects and the management and technical assistance services provided by the economic development division; the scholarship program, the tutorial program, and the Center for Gifted Native Hawaiian Children (Na Pua No'eau) in the education division; and the self-help housing project within the housing division.

In addition to maintaining current programs, the budget restores funding for OHA's evaluation program. This program is essential in order for OHA to determine which activities should be expanded, modified, or eliminated and enables OHA to develop and maintain effective and worthwhile programs.

Your committee has also provided additional funding which will allow OHA to continue their involvement in the nine hundred ninety-nine year homestead lease program. In their analysis of the lease program, OHA recommended that informational workshops be conducted with the affected lessees, and that mediation sessions be offered in order to resolve potential disputes.

SUMMARY

Your Committee has carefully considered the budget requests of OHA and has sought to ensure that critical programs were maintained for fiscal year 1995. Although your Committee was unable to fund any expansion of services and programs, your Committee believes that the current funding is sufficient and will enable OHA to meet their program objectives.

Your Committee has also amended this bill by correcting several technical errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. 2780, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. 2780, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Fukunaga, Hagino, Holt, Iwase, Kanno, Levin, McCartney, Fernandes Salling, Solomon, Tanaka 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. 140 on H.B. No. 2990

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2990, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE JUDICIARY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

FINANCIAL AND BUDGETARY OVERVIEW

Hawaii entered the 1990's with an increased awareness of the need for fiscal restraint. For two consecutive fiscal bienniums, your Committee has had to contend with an uncertain economic future and revenue shortfall. The realities of limited financial resources have compelled your Committee to reduce the Judiciary Supplemental Budget Request while trying to maintain maximum government service.

The Budget that your Committee developed is a responsible one. We planned for the future by controlling government growth and spending so that the State can live within its means now and most importantly will continue to be able to do so over the next few years. It was with this fiscal framework that your Committee faced the challenge of developing a financially responsible Budget. Your Committee acknowledges that Hawaii is facing and will continue to face major financial challenges requiring innovative responses, cutbacks in funding, and scaling back of programs to ensure the State's fiscal solvency.

COMMITTEE DELIBERATIONS

In developing the Judiciary budget, your Committee appropriated funds necessary for the Judiciary to meet its current program and operational requirements. After this examination, your Committee based its funding decisions on several factors:

- (1) The premise of zero growth for all programs;
- (2) A review of other information requested from the Judiciary;
- (3) A historical review of the Judiciary's spending trends; and
- (4) The impact of prior budget reductions in previous years.

After much analysis, your Committee concurred that an additional \$823,142 in general funds be appropriated to the Judiciary Supplemental Budget. Funds for the Intermediate Courts of Appeal and Driving Under the Influence judgeships were authorized in an attempt to address the continual backlog which exists in both areas. Several temporary positions were deemed essential and therefore converted to permanent positions with the goal of providing better adjudication to the public sector. In addition, \$375,000 was allocated to provide purchases of service for both the Domestic Violence Clearinghouse and the Family Visitation Center.

CONCERNS

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. After reviewing this year's budget request, your Committee was disappointed once again by the Judiciary's lack of sound fiscal management, poor budget planning and justification, and little or nonexistent execution of budget policies mandated by the Legislature. Responsible budgeting focuses management's attention on carefully contemplated goals and objectives and the determination of resources needed to achieve these goals and objectives.

Your Committee recommends the development of spending plans with stricter controls that utilize limited resources in a more effective and efficient manner. Budgeting should control, integrate, and guide the activities of an organization for purposes of financial and program decision-making. At the same time, your Committee recognizes that as the demand for government services increases, the Judiciary will be compelled to exercise fiscal responsibility - responsibility that dictates the identification of innovative ways to maximize the return on State investment through increased productivity and the efficient delivery of public services.

Your Committee expects the Judiciary to develop, communicate, and execute operational expenditure plans before the 1994-1995 fiscal year commences. These plans should be strictly controlled, communicated to all those involved, and be accountable to the Legislature.

SUMMARY

Your Committee believes that this Budget provides a responsible allocation of limited resources to the Judiciary. Your Committee believes that this Budget balances the need for fiscal restraint while maintaining an independent state judicial system that is accountable to the public.

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. 2990, 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. 2990, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Fukunaga, Hagino, Holt, Iwase, Kanno, Levin, McCartney, Fernandes Salling, Solomon, Tanaka 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. 141 on H.B. No. 2500

The purpose of this bill is to provide supplemental appropriations for the Executive Branch by amending the General Appropriations Act of 1993 (Act 289, Session Laws of Hawaii 1993).

FINANCIAL AND BUDGETARY OVERVIEW

For Hawaii, the 1990's have been marked by an uncertain economic outlook and harsh realities of limited financial resources. National and international socioeconomic trends continue to strain the financial structure of our state economy. At the same time, the need for state services by the people of Hawaii has not decreased. Your Committee recognizes these facts and has carefully considered the State's dilemma to strike a balance between the necessity of fiscal responsibility and our obligation to serve the people of Hawaii.

When the Executive, Judiciary, and Office of Hawaiian Affairs (OHA) Budgets for the 1993-1995 fiscal biennium were developed, your Committee was encumbered by financial woes triggered by the Persian Gulf War, the national recession, and changes in Japanese business investment policies, all of which led to a downturn in the tourism industry. This year, although the national economy appears to be rebounding and the State Council on Revenues recently revised its projections upward for fiscal biennium 1993-1995, your Committee felt constrained by the continuing uncertainty of Hawaii's economic future. This year's Supplemental Budgets remain burdened by the same problems as in 1993, which are compounded by the plight of the sugar industry, growing economic distress in Japan, reductions in federal military support, and the potential effects of the federal tax increases approved in August 1993.

It was within this context that your Committee faced the challenge of developing a financially responsible budget. The goal of your Committee was to develop an essentially zero-growth budget that controlled state spending while providing essential services and meeting important needs.

After carefully reviewing the supplemental requests proposed by the Governor, your Committee took on the arduous task of reviewing in-depth the operations of the state government. Unlike past Supplemental Budget years, the members of your Committee reviewed the base appropriations as well. This was done to find new areas where operating costs could be reduced to streamline government to meet our zero-growth budget goal.

PRIORITIES: EDUCATION

Education is critical to Hawaii's future. Our educational system must not only produce individuals capable of executing basic skills, but prepare them to adapt and respond to the changing needs and demands of today's global economy and diverse society. Therefore, despite our fiscal woes, your Committee made every attempt to assist our students and the public schools.

Your Committee focused on improving school facilities to revitalize Hawaii's schools and to inspire students to pursue a lifetime of learning. An additional \$2,800,000 was appropriated to purchase equipment, textbooks, musical equipment, and supplies for new facilities. \$165,000 was appropriated for the equipment, supplies, and other expenses for the 50 currently unfunded Parent-Community Network Centers. Recognizing that innovative solutions often begin in the schools, your Committee provided \$250,000 for the first high school to adopt School-Community Based Management (SCBM).

The physical condition of our school facilities is critical to learning. However, school construction must be cost-effective. It is not only necessary to build more school facilities to meet Hawaii's growing needs, but we must rethink and redesign the way we build and maintain schools.

Although the Legislature created the Educational Facilities Improvement Special Fund to provide \$90,000,000 annually for the construction of new school facilities, the Department of Education (DOE) has been able to spend less than \$55,000,000 a year, resulting in over \$200,000,000 in unspent funds. To relieve this bottleneck, your Committee has, therefore, reprioritized the usage of these funds by eliminating \$36,550,000 from previously proposed appropriations that would otherwise remain unused during the 1993-1995 fiscal biennium. Instead of approving these capital improvement projects (CIP) and leaving the funds unspent while schools' needs continue to rise, your Committee has redirected these funds to other projects that require immediate funding. In this way, your Committee seeks to provide the best possible facilities for Hawaii's students in a timely and efficient manner.

Your Committee recognizes that increasing DOE and school fiscal autonomy will require greater accountability if lump sum budgeting is to significantly improve our schools. This requires easier access to more information, so that policy makers can make effective decisions. To fulfill this need, the DOE developed the Data Warehouse Information System--a database capable of accessing and analyzing a wide variety of information ranging from school financing to student performance and more. Your Committee has appropriated \$50,000 toward the development and improvement of this system, which will be an effective tool toward developing programs and policies to improve school performance and, thus, play a role in shaping the future of our schools.

Such initiatives by the DOE are viewed by the Committee as necessary innovations to improve the efficiency and effectiveness of our educational system. Technology will continue to play a key role in revolutionizing the relationships between the DOE, our schools, and the Legislature. The development of such databases will allow rapid responses by policy makers to the changing environment and will provide subjects for meaningful and productive dialogue among all the partners in our most important endeavor.

PRIORITIES: THE ECONOMY

By all indicators, 1994 will be another difficult year for Hawaii's economy. Despite positive economic news from the U.S. mainland, we will once again face another uphill struggle to regain a more stable and healthy revenue base. With this in mind, we will need to labor hard to strengthen our economy and maintain our special quality of life.

However, as the national economy improves, our tourist industry is expected to attract more visitors from the U.S. mainland. The downturn in the tourism industry for the past three years vividly illustrates the need for the State to diversify its tourism base and improve marketing programs. To further diversify Hawaii's visitor base, your Committee has appropriated \$100,000 to develop a plan to promote ecotourism in Hawaii. To compete successfully against other vacation destinations, your Committee has provided \$5,000,000 for the Hawaii Visitor's Bureau to increase its advertising, public relations, promotion, and marketing campaigns to bolster Hawaii's tourist industry.

For these efforts to succeed, your Committee realizes that Hawaii's competitive edge in this volatile industry lies in our people and our culture. To this end, a task force was established to investigate ways to preserve, foster, and promote the Aloha Spirit among the people of Hawaii. Furthermore, to ensure that residents, as well as visitors, enjoy a clean and healthy environment, programs such as the Natural Area Partnership Program, which is dedicated to conserving Hawaii's resources through the cooperative management of private lands, were supported to maintain and enhance our State's unique landscape.

PRIORITIES: HUMAN SERVICES

While trying to maintain a conservative approach to the Budget, your Committee could not neglect the needs of the State's residents. In response to the stagnant economy, the welfare population has increased dramatically over the current fiscal year with more enrollees expected for the next fiscal year. In response to the hardship expected for Hawaii's people, your Committee approved an additional supplemental appropriation of \$14,000,000 for the Aid to Families with Dependent Children Program, as well as an additional \$5,400,000 for the General Assistance Program.

Your Committee has also recognized the escalating costs of Medicaid. Approximately \$78,000,000 would have been needed in the next biennium if steps were not taken to contain these costs. Your Committee, therefore, approved the Department of Human Services' transfer of positions and funds to implement the statewide Health QUEST program. This

program would combine the General Assistance, Aid to Families with Dependent Children, and the State Health Insurance Plan populations under one managed care system. By implementing this project, the federal government will match state funds for all recipients. Over the next five years, the State could save over \$400,000,000 by managing health care costs rather than paying straight Medicaid benefits.

The Department of Human Services has realized the need to invest in Hawaii's future. That future lies in its people. Helping individuals achieve financial independence from welfare has been the goal of the Department through its JOBS program. Your Committee has recognized the Department's approach in offering long-term solutions rather than quick, short-term solutions that do more harm in the long run. With this in mind, your Committee has appropriated an additional \$906,697 to the Department to implement JOBSWORKS!, a new program that helps those waiting to be enrolled into the JOBS program find immediate employment. Such a unit will help recipients acquire skills necessary for personal growth and independence.

Your Committee also recognizes the State's commitment to address rising incidents of child abuse and neglect. Your Committee approved continued funding in the amount of \$4,800,000 for the Families Together Initiative within the Child Welfare Services Program.

PRIORITIES: HEALTH

Health services for children and adolescents received primary consideration. In an effort to take a long-term comprehensive approach, your Committee provided needed services to help alleviate the social and financial costs of treatment once more serious illness has set in. Pursuant to these goals, your Committee approved \$1,500,000 for the Healthy Start Program to prevent child neglect and abuse. To aid adolescents in need of mental health treatment, \$2,000,000 was appropriated to fund a new residential treatment facility. In addition, \$4,600,000 was approved to provide mental health services to children in public schools. To improve health services to our teenagers, your Committee appropriated \$500,000 to establish permanent funding for school-based health clinics.

Your Committee wishes to express its continued support for all initiatives enhancing the health delivery and regulatory systems of the Department of Health. Your Committee will also continue to provide assistance in identifying both existing and future health care needs.

CONCERNS

In these changing times, we must be effective and efficient managers, responsive to public needs. Your Committee has worked to help streamline government and use its resources more efficiently. Through this bill and others, we will:

- (1) Call for the increased utilization of existing special funds rather than an increase in general fund expenditures;
- (2) Eliminate vacant and unnecessary positions through layoffs, cutting positions, and implementing reforms to increase efficiency and responsiveness at all levels;
- (3) Require each state department to carefully examine their operations and execute programs aimed at evaluating and assessing all operations to identify and create ways to increase efficiency, contain costs, operate within projected revenues, and save taxpayer dollars; and
- (4) Act cautiously in authorizing general obligation bond financing and conserving general obligation credit to meet future needs.

CONCLUSION

To ensure the fiscal integrity of the State, while still remaining responsive to the needs of the people of Hawaii, your Committee carefully deliberated on this Supplemental Executive Budget bill as well as others that affect state finances. In these uncertain fiscal times, your Committee must act responsibly to meet a wide range of pressing community needs and concerns.

This Budget, which your Committee has developed, is a sound and responsible one. We looked to the future by controlling growth of government and spending so that the State can live within its means now and in the future. Your Committee made some tough choices to "rightsize" State government and use our limited resources more efficiently and effectively.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2500, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2500, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Fernandes Salling, Fukunaga, Hagino, Holt, Iwase, Kanno, Levin, McCartney, Solomon, Tanaka 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. 142 on H.B. No. 3144

The purpose of this bill is to fund salary increases and other cost adjustments for fiscal biennium 1993-1995 for executive and judicial officers and employees excluded from collective bargaining.

Section 89C-2, Hawaii Revised Statutes (HRS), provides that the compensation, terms, and conditions of employment and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted by the chief executive of the State, the Board of Education, the Board of Regents, or the Chief Justice, as applicable. Further, section 89C-5, HRS, stipulates that any adjustments that constitute cost items shall be subject to appropriation by the Legislature.

Your Committee has received a message from the Governor, dated February 15, 1994:

- (1) Stating that additional funding is needed for retroactive payments to adjust the salary and cost adjustments for certain excluded officers and employees to maintain parity with those employees in collective bargaining unit 7 who agreed to a two-year agreement; and
- (2) Requesting the Legislature for immediate passage of this bill to ensure retroactive payments.

Your Committee has amended this bill by:

- (1) Stating that the Governor has requested immediate passage of this measure in accordance with Article VII, Section 9, of the State Constitution;
- (2) Inserting in section 2 of the bill the actual amount 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, and Budgeting (BUF 101));
- (3) Inserting in section 4 of the bill the actual amount to be appropriated or authorized to fund the cost items and salary adjustments pertaining to officers and employees of the judiciary who are excluded from collective bargaining (Administrative Director Services (JUD 201));
- (4) Inserting in section 8 of the bill the actual amount to be appropriated or authorized to fund the salary increases and other cost adjustments for officers and employees of the Office of the Auditor, the Ethics Commission, the Legislative Reference Bureau, and the Ombudsman;
- (5) Changing the effective date to, upon approval, take effect retroactive to July 1, 1993; and
- (6) Making technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3144, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3144, S.D. 2, C.D. 1.

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

Senator Koki did not sign the report.

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

Conf. Com. Rep. No. 143 on H.B. No. 2730

The purpose of this bill, as received by your Committee on Conference, is to ensure improved public participation in the legislative process.

This bill proposes to accomplish this by:

- (1) Making the Public Access Room (Room) a permanent feature within the Legislature;
- (2) Requiring the Director of Commerce and Consumer Affairs (Director) to collect the full percentage authorized by the Federal Communications Act of 1934, as amended, from the fees paid by cable operators that operate a cable franchise in counties with a population of two hundred thousand or more, and require that these fees which are not specifically earmarked for other services be used to fund legislative access initiatives;
- (3) Appropriating funds to provide television broadcasts of the Regular Session of 1995;
- (4) Appropriating \$3,930,000, for the installation of equipment such as cameras, cables, and control panels as part of the State Capitol renovation program; and
- (5) Appropriating funds for the staffing, operating, and equipping of the Room.

During the Regular Session of 1989, the Legislature passed one of the most farsighted bills passed by any state legislature. Act 331, Session Laws of Hawaii 1989, provided a means for the citizenry of Hawaii to interact with legislators in the legislative process. Your Committee on Conference believes that any steps that the Legislature can take to improve and increase the public's participation in the legislative process is essential and thus should be taken.

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Changing the title of the proposed new chapter from "State Capitol Public Access Room" to "Public Access", to conform it to the title of the bill;
- (2) Deleting the section of the bill that would have appropriated funds to install equipment such as cameras, cables, and control panels as part of the State Capitol renovation program;
- (3) Inserting the actual amounts to be appropriated for providing cable television broadcasts for the 1995 Regular Session and for the staffing, operating, and equipping of the Room;
- (4) Deleting language that provided for the repeal of the cable operator fee provision and its subsequent reenactment; and
- (5) Making technical, nonsubstantive revisions for purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2730, 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. 2730, H.D. 1, S.D. 2, C.D. 1.

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

Representatives Kanoho, Say, Ihara, Young and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 144 on H.B. No. 3513

The purpose of this bill, as received by your Committee on Conference, is to allow the State Auditor (Auditor) to concentrate its limited resources on activities that would be most consistent with its primary mission of auditing all state agencies.

This bill proposes to accomplish this by:

- (1) Clarifying in Section 91-1, Hawaii Revised Statutes, (HRS) as set forth in SECTION 1 of this bill that the Auditor, in conducting postaudits, to the extent practicable and applicable to the audit scope and objectives, review and assess the audited agency's rules pursuant to law;
- (2) Repealing Section 23-4(c), HRS, as set forth in SECTION 1 of this bill which requires the Auditor to maintain and keep current a compilation of all rules adopted pursuant to Chapter 91, HRS;
- (3) Modifying the "sunset" evaluation process in Section 26H-4, HRS, as set forth in SECTION 3 of this bill by:
 - (a) Repealing the existing schedule for repealing regulatory programs;
 - (b) Requiring any new regulatory program to be repealed at the end of the third full calendar year following the program's enactment; and
 - (c) Requiring the Auditor to evaluate the new programs prior to each program's repeal date;
- (4) Inserting language in Section 26H-5, HRS, as set forth in SECTION 4 of this bill to clarify that the Auditor is not required to automatically evaluate any board, commission, or regulatory program; provided that this does not prevent the Auditor from conducting an evaluation of a board, commission, or regulatory program at the specific request or direction of the Legislature;
- (5) Inserting language in Section 91-4.1, HRS, as set forth in SECTION 5 of this bill requiring each state agency to maintain a file of its rules in the Ramseyer format, and make the file available for public inspection and copying at a reasonable cost;
- (6) Repealing Section 91-4.1(b), HRS, as set forth in SECTION 5 of this bill requiring the Auditor to review each rule and rule amendment submitted by a state agency to determine if the rule or amendment violates the substantive authority under which the rule or amendment was adopted;
- (7) Repealing Part IV of Chapter 23, HRS, that requires the adoption of a concurrent resolution requesting the Auditor to prepare and submit to the Legislature a report that assesses both the social and financial effects of proposed mandated health insurance coverage, before any legislative measure that mandates health insurance coverage can be considered; and
- (8) Repealing Section 26H-8, HRS, as set forth in SECTION 8 of this bill providing for the reenactment of regulatory programs repealed in accordance with the "sunset" evaluation process.

Presently, the Auditor is required to evaluate each regulatory program prior to the program's repeal date, and recommend to the Legislature whether the health, safety, and welfare of the public are best served by reenactment, modification, or repeal. These evaluations consume a disproportionate amount of the Auditor's limited resources, especially considering that the Department of Commerce and Consumer Affairs, the agency that administers these programs, has dramatically improved its operations.

With respect to the law that requires the Auditor to assess the social and financial impacts of mandated health care coverage, your Committee on Conference finds that this law was enacted to provide the Legislature with an objective assessment of the potential effects of proposed mandated health insurance. It was also intended to allow a significant amount of time to pass, during which legislators, health insurance companies, health care providers, and the public, could more thoroughly review and discuss the potential impact of proposed mandated health insurance. This objective assessment is necessary, especially at this time, as health care costs are increasing at an alarming rate, increasing the cost of doing business in Hawaii.

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Restoring Part IV of Chapter 23, HRS, which requires that the Auditor assess the social and financial impacts of mandated health care coverage;
- (2) Amending Section 91-13.1, HRS, as set forth in SECTION 7 of this bill to clarify that if a board or commission subject to the jurisdiction of the Department of Commerce and Consumer Affairs, denies or refuses to issue a license or certificate, the aggrieved person has sixty days from the date of refusal or denial to submit a request for a contested case hearing;
- (3) Inserting an appropriation of \$200,000 as set forth in SECTION 9 of this bill for the Auditor to carry out the purposes of this bill; and
- (4) Making technical, nonsubstantive revisions for purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3513, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3513, H.D. 3, S.D. 2, C.D. 1.

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

Senator Aki did not sign the report.

Representatives Kanoho, Bunda, Say, Apo and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 145 on H.B. No. 3600

The purpose of this bill is to address the housing needs of people affected by the closure of the Hamakua Sugar Company and the C. Brewer and Company sugar operations on the island of Hawaii by:

- (1) Providing an emergency loan program that will provide temporary assistance to families who, as a result of plantation closure, require assistance to make mortgage payments on their homes; and
- (2) Developing a grant program to address administrative, maintenance, and critical infrastructure improvement costs to ensure the continued operation of Hamakua Sugar Plantation camp housing units.

Your Committee has amended this bill by:

- (1) Revising the stated purpose of this bill as set forth in SECTION 1, by referring to the target group as those "who will be in danger of losing their homes and shelter" rather than those "who will be losing their jobs";
- (2) Directing the Housing Finance and Development Corporation to develop as part of the grant program a "special rental subsidy program" rather than a "mechanism to provide rental subsidies," as set forth in SECTION 2 of this bill;
- (3) Specifying that the special rental subsidy program will be used for "employees, employees in transition, and retirees who are currently residing in plantation housing" rather than "renters that may require financial assistance" as set forth in SECTION 2 of this bill;
- (4) Changing the appropriation amount as set forth in SECTION 2 of this bill from \$800,000 to \$600,000 for the low-interest loan program;
- (5) Changing the appropriation amount as set forth in SECTION 3 of this bill from \$800,000 to \$600,000 for the grant program;
- (6) Inserting a provision as set forth in SECTION 5 of this bill requiring the Housing Finance and Development Corporation to submit a report to the legislature of the use of funds appropriated in Section 58, Act 289, Session Laws of Hawaii 1993, not later than twenty days prior to the convening of the regular session; and
- (7) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3600, 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. 3600, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Baker, Holt, Solomon and George.

Managers on the part of the Senate.

Representatives Isbell, Say, Kawakami, White and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 146 on H.B. No. 1241

The purposes of this bill are to:

- (1) Delete ten deputy director positions and the administrative assistant to the Superintendent position; and
- (2) Establish an administrative assistant to the State Librarian position;

as of January 1, 1995.

Upon further consideration, your Committee has amended the bill by deleting the substance and inserting new material to provide fund authorizations and appropriations for collective bargaining units 3, 4, and 13 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining units 3, 4, and 13 for the fiscal biennium 1993-1995.

In addition, the effective date of this measure has been amended to, upon approval, take effect retroactive to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1241, 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. 1241, H.D. 2, S.D. 2, C.D. 1.

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

Senator Koki did not sign the report.

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

Conf. Com. Rep. No. 147 on H.B. No. 3456

The purpose of this bill is to augment the autonomous operation of Maui Memorial Hospital, Hilo Hospital, and Kona Hospital and the community hospital system, by providing permanent fiscal flexibility to the division of community hospitals.

Your Committee notes that the pilot project to foster the autonomous operation of the community hospitals has contributed effectively to expediting and improving the delivery of health care services by Hawaii's public hospital system. Given the projects success, your Committee believes that increased fiscal flexibility to the division of community hospitals is warranted.

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

- (1) Adding language that gives the division the ability to decrease rates, rents, fees, or charges or establish rates for new medical services without regard to Chapter 91, Hawaii Revised Statutes. However, a provision has also been added to allow review of the proposed rates by the division with an appropriate body including representation from health benefit plans;
- (2) Inserting language that allows the division of community hospitals to purchase data processing and telecommunications equipment without the review and approval of the Director of Finance provided that the total does not exceed \$25,000 per year per facility ; and
- (3) 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. 3456, 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. 3456, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Chang, Kobayashi, B., Solomon and George.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 148 on H.B. No. 334

The purpose of this bill is to exempt Maui Memorial Hospital and Hilo Hospital from the competitive bidding requirements of Chapters 103 and 103D, Hawaii Revised Statutes.

Your Committee finds that significant benefits have been achieved by the Division of Community Hospitals' Pilot Autonomy Program. Included in this program are Maui Memorial Hospital and Hilo Hospital. Further, it has been

claimed that by removing the competitive bidding requirements faced by the community hospitals, the purchase of medical equipment and other supplies by the community hospitals can be done quickly and can reduce administrative time and overhead.

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Reinserting language that exempts Hilo Hospital and Maui Memorial Hospital from the reimbursements for departmental administrative expenses;
- (2) Added a requirement that the Auditor's report include the effect that autonomy has had on the operations of the community hospitals;
- (3) Reinserting language that requires state agencies to waive otherwise applicable rules, policies, or procedures that may affect Hilo or Maui Memorial Hospital when requested to do so by the Director of Health unless the state agency can justify a denial of the request to the Governor within 30 days after receipt of the request; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, conformity, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3324, 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. 3324, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Chang, Kobayashi, B., Solomon and George.
Managers on the part of the Senate.

Representatives Pepper, Say, Isbell and Morihara.
Managers on the part of the House.

Representative Tanimoto did not sign the report.

Conf. Com. Rep. No. 149 on H.B. No. 2515

The purposes of this bill, as received by your Committee on Conference, are to:

- (1) Restore the original intent of Act 357, Session Laws of Hawaii 1993 (SLH), which was to grant retirement eligibility to water safety officers, without reduction for age, upon 25 years of service;
- (2) Extend the pensioners' bonus from 1995 to 1997; and
- (3) Provide for a blank amount of the excess earnings to be deposited with the Employees' Retirement System (ERS).

Your Committee has amended the bill by:

- (1) Adding language in the purpose section of the bill on the need to address unfunded benefit obligations;
- (2) Adding a provision requiring actuarial review of the Employees' Retirement System beginning in fiscal year 1995, and recommendations to the Legislature based on that review;
- (3) Specifying that the expense fund shall be credited with the investment earnings of the system in the amount necessary to provide for the operation of the system in a given biennium, as determined by the Board of Trustees;
- (4) Specifying that the State and the counties shall pay any additional amount required to meet the investment yield rate for the preceding year until fiscal year 2000;
- (5) Requiring that:
 - (a) Beginning in fiscal year 1995, ten percent of any excess earnings shall be deposited in the Pension Accumulation Fund, and the remaining shall be applied to the amount of annual contribution owed to the Pension Accumulation fund by the State and counties;
 - (b) In each succeeding year, another ten percent shall be similarly allocated, until the allocation reaches one hundred percent; and
 - (c) After each five-year review, the Legislature shall evaluate the allocation and distribution of investment earnings in excess of the investment yield rate and make the adjustments as appropriate;
- (6) Specifying that the bonus authorized in Section 88-11, Hawaii Revised Statutes, shall be paid into the Pension Accumulation Fund;
- (7) Clarifying that the Legislature shall review amounts paid into the expense fund, subject to approval by the Governor;
- (8) Adding a provision setting out the assumptions upon which actuarial valuations shall be made;
- (9) Changing the date by which water safety officers may elect to become Class C members to September 1, 1994;

- (10) Adding a severability provision;
- (11) Deleting the provision extending the pensioners' bonus from 1995 to 1997;
- (12) Changing the effective date of the bill from the date of its approval to July 1, 1994; and
- (13) Making technical, nonsubstantive amendments for purposes of clarity, style, and to conform to legislative drafting standards.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2515, 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. 2515, H.D. 1, S.D. 2, C.D. 1.

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

Senator Hagino did not sign the report.

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

Representative Santiago did not sign the report.

Conf. Com. Rep. No. 150 on H.B. No. 3169

The purposes of this bill are to:

- (1) Mandate the Department of Labor and Industrial Relations to establish and use a worker profiling system, as required under federal law; and
- (2) Extend maximum potential unemployment benefits to 52 weeks for individuals who become unemployed because of a plant closure or mass layoff after June 1, 1993, and before June 1, 1995.

Your Committee has amended this bill by:

- (1) Deleting the provisions extending maximum unemployment benefits;
- (2) Excluding service performed by a direct seller from the definition of employment;
- (3) Changing the effective date to take effect upon its approval; and
- (4) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3169, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3169, S.D. 2, C.D. 1.

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

Senator Hagino did not sign the report.

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

Conf. Com. Rep. No. 151 on H.B. No. 3179

The purposes of this bill are to:

- (1) Extend civil service recruitment flexibility provisions, which exempt the State Director of Personnel Services from certain statutory requirements for filling vacant civil service positions, for two years;
- (2) Authorize the County Directors of Civil Service and the Administrative Director of the Courts to follow similar requirements; and
- (3) Require the State Director of Personnel Services to report to the Legislature after consulting with and assisting the County Directors of Civil Service and the Administrative Director of the Courts in preparing them for the implementation of recruitment flexibility provisions.

Your Committee has amended this measure by deleting its substance and inserting instead provisions:

PART I:

- (1) Making permanent civil service recruitment flexibility provisions, which exempt the State Director of Personnel Services from certain statutory requirements for filling vacant civil service position;

- (2) Providing the County Directors of Civil Service and the Administrative Director of the Courts the option to implement recruitment flexibility standards similar to those of the state government; and
- (3) Requiring the State Director of Personnel Services to report to the Legislature about the progress made by the counties and the Judiciary before the 1996 legislative session;

PART II:

- (4) Inserting the provisions of H.B. No. 1241, H.D. 2, S.D. 2, including abolishing:
 - (A) One in the Department of Transportation;
 - (B) Three in the Department of Health;
 - (C) One in the Department of Human Services;
 - (D) Two in the Department of Business, Economic Development, and Tourism;
 - (E) One in the Department of Budget and Finance;
 - (F) One in the Department of Land and Natural Resources; and
 - (G) One in the Department of Taxation;

and

- (5) Providing an Administrative Assistant for the State Librarian.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3179, 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. 3179, H.D. 1, S.D. 2, C.D. 1.

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

Senator Hagino did not sign the report.

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

Conf. Com. Rep. No. 152 on H.B. No. 3438

The purpose of this bill is to designate the Deputy Director for Community Hospitals as the Chief Procurement Officer for the Division of Community Hospitals in the Department of Health.

Your Committee has amended this bill by correcting a drafting error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3458, H.D. 1, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3458, H.D. 1, S.D. 2, C.D. 2.

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

Senator George did not sign the report.

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

Conf. Com. Rep. No. 153 on H.B. No. 3428

The purpose of this bill is to enhance the administration of the Insurance Code by:

- (1) Removing a duplicative initial hearing option that may be requested at the outset of the appeal process while retaining the party's right to a formal hearing;
- (2) Providing the Insurance Commissioner (Commissioner) with flexibility in enforcing an insurer's annual filings;
- (3) Adding a penalty of \$100 to \$500 for each day that an insurer is delinquent in submitting the annual filings, audits, or other required documents;
- (4) Specifying that until June 30, 1995, the Insurance Commissioner may use the No-Fault Administration Revolving Fund to hire one no-fault compliance specialist, one no-fault insurance investigator, and three no-fault cost compliance assistants on a civil service exempt basis;

- (5) Changing the liability and medical payment coverage for motorcycles and motor scooters to make it consistent with the motor vehicle insurance laws amounts;
- (6) Providing policyholders affected by an approved workers' compensation rate filing to have adequate notice of the filing;
- (7) Clarifying the requirements a foreign or alien captive insurance company must comply with to become a Hawaii domestic captive insurance company;
- (8) Identifying the requirements a domestic captive insurance company must comply with before transferring to a new domicile; and
- (9) Giving voting rights to Hawaii Property Insurance Association board members who represent insurance agents and the public.

Upon further consideration, your Committee on Conference has made a clarifying amendment to section 11. The language in this section is ambiguous with respect to the repeal of Section 4 of this Act on June 30, 1995. Therefore, your Committee on Conference has provided that Section 431:10C-115.5, HRS, as amended shall be repealed effective on June 30, 1994, and is reenacted in the form in which it read on the day before the approval of this Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3428, 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. 3428, H.D. 2, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. No. 154 on H.B. No. 3607

The purpose of this bill is to require the Director of Business, Economic Development, and Tourism (Department) to adopt rules to mandate the use of ethanol in transportation fuel in order to diversify the State's economy by accelerating the development and production of alternative transportation fuels.

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

- (1) Deleted specific references to the Hamakua Sugar Company;
- (2) Provided that any distributor or any other person violating the ethanol content requirements shall be subject to a fine of not less than \$2 per gallon of nonconforming fuel, up to a maximum of \$10,000 per infraction;
- (3) Inserted the definition for "competitively priced" to mean fuel-grade ethanol for which the wholesale price, minus the value of all applicable federal, state, and county tax credits and exemptions, is not more than the average posted rack price of unleaded gasoline of comparable grade published in the State;
- (4) Deleted the definitions of "director" and "distributor" because they are already defined in Chapter 486E, Hawaii Revised Statutes;
- (5) Provided that the Department may authorize the sale of gasoline that does not meet the ethanol content requirements to the extent that sufficient quantities of competitively-priced ethanol are not available to meet minimum requirements;
- (6) Provided that the Department shall submit monthly reports to the Legislature regarding progress in constructing ethanol production facilities in the State; and
- (7) Made technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committee on Conference notes that information on the published rack price is available daily from the Lundberg Survey, Inc. Diary.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3607, 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. 3607, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Baker, Hagino, Matsunaga and Koki.
Managers on the part of the Senate.

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

Conf. Com. Rep. No. 155 on H.B. No. 3676

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in an amount not to exceed \$200,000,000 to assist the Queen's Health Systems and its nonprofit subsidiaries in the delivery of health services.

Your Committee finds that this bill will enable the Department of Budget and Finance to provide tax-exempt financing for qualified health care projects of the Queen's Health Systems. It was noted that the monies made through the sale of these bonds will help transform the State's existing fragmented health care system into a cost effective integrated health care system.

Your Committee recognizes that Queen's Health Systems has most generously demonstrated their continued commitment to Molokai by their \$6.8 million subsidy of Molokai General Hospital from 1988 to 1994, and their "commitment to establish dialysis services on Molokai, whether at Molokai General Hospital or off-campus or via home dialysis." (per letter from Dr. Ruth M. Ono, Vice President, Queen's Health system, April 28, 1994)

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Deleting language which directed the Queen's Health Systems to develop plans and cost estimates for the construction of a renal dialysis facility on the island of Molokai; and
- (2) Making other 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. 3676, 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. 3676, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Holt, Kobayashi, B. and Solomon.
Managers on the part of the Senate.

Senator George did not sign the report.

Representatives Pepper, Kawakami, Chang and Tanimoto.
Managers on the part of the House.

Conf. Com. Rep. No. 156 on H.B. No. 3657

The purpose of this bill is to restructure the public education system through systemic reforms which provide increased autonomy in support of school-level decision making.

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

CONSTITUTIONAL AMENDMENTS

- (1) Deleted language from Article X, section 3 of the Constitution of the State of Hawaii, that would have allowed the Board of Education to adopt performance standards and assessment models, monitor school success, and develop and acquire facilities;
- (2) Deleted language from the question to be printed on the ballot stating that the Board of Education's powers shall include adopting performance standards and assessment models, monitoring school success, and developing and acquiring facilities;
- (3) Inserted language to Article X, section 2 of the Constitution of the State of Hawaii providing that the Board of Education shall be appointed by the Governor and confirmed by the Senate;
- (4) Inserted language relating to the question to be printed on the ballot as to whether the Board of Education shall be appointed by the Governor and confirmed by the Senate;

HOUSEKEEPING AMENDMENTS FOR APPOINTED BOARD

- (5) Made amendments to various sections in the Hawaii Revised Statutes in the event the Board of Education is appointed by the Governor;

ROLES AND RESPONSIBILITIES

- (6) Inserted language in the event the Board of Education is appointed by the Governor that the Board shall have power in accordance with law to:
 - (A) Formulate statewide educational policy;
 - (B) Adopt student performance standards and assessment models;
 - (C) Monitor school success; and
 - (D) Appoint the Superintendent as the chief executive officer;
- (7) Inserted a provision that the Board of Education shall consist of fifteen members to be appointed as follows:

- (A) Each school advisory council shall submit a list of three nominees who are residents of the council's geographic region and the Governor shall select one member from each list to serve a two-year term;
- (B) The Governor shall appoint the remaining eight members for four year terms, with at least one member from each of the school/community-based management participant groups; and
- (C) One student to be appointed by the State Student Council;
- (8) Inserted language stating that a vacancy occurring in the membership of the Board during a term shall be filled for the unexpired term; provided that:
 - (A) The Governor shall appoint a member from the same category as the member being replaced; and
 - (B) No person shall be appointed consecutively to more than two terms as a member of the same Board;
- (9) Deleted the provision that the Superintendent shall submit to the Board of Education and the Legislature, an annual education status report which includes a school-by-school reporting of academic performance;

DEPARTMENT RESTRUCTURING

- (10) Deleted the provision that all principals shall collaborate within their assigned school complex to facilitate the efficient use of instructional resources between the schools within their respective complex;
- (11) Inserted a definition of "school complex" to mean a grouping of schools established by the Department of Education for administrative and organizational purposes;
- (12) Inserted a definition for "regional administrative unit" to mean a grouping of complexes established by the Department for administrative and organizational purposes;
- (13) Stated that beginning with the 1995-1996 school year and until June 30, 1999, school level support for curriculum and instruction shall be provided through learning support centers to be governed by the schools within each complex;
- (14) Clarified that "administrative expenses" includes those state, district, or regional administrative unit expenditures pertaining to business services; personnel services; compliance with laws and rules; facilities planning; telecommunications and information systems services; planning and evaluation; communications and public relations; administration of state, regional, and district offices; and other state, district, and regional functions;
- (15) Clarified that "instructional expenses" include those expenses pertaining to the operation and maintenance of school facilities; school instructional personnel; school food services; school-based health services; after-school care; learning support centers; curriculum development; training of instructional personnel and noninstructional school staff; diagnostic services; school administration; school safety and security services; and other such expenses incurred in the delivery of instruction at the school and complex level;
- (16) Stated that beginning with the 1995-1997 fiscal biennium, the Department's operating budget for the public school system shall separate administrative from instructional expenses and shall be submitted to the Governor pursuant to Chapter 37; provided that the Department's administrative expenditures shall not exceed 6.5 percent of the total Department operating budget unless approved by the Legislature;
- (17) Stated that the Department shall not transfer any funds from instructional expense categories for administrative expenditures, except for unforeseeable circumstances that pose a threat to the health and safety of personnel and students, and subject to approval by the Governor and notification to the Legislature;
- (18) Deleted the section on schools needing assistance;
- (19) Inserted the definition for "school-based budget flexibility" to mean an operating budget preparation and allocation process which shall provide maximum flexibility to individual schools, complexes, and learning support centers in the preparation and execution of their operating budgets;
- (20) Stated that beginning with the 1995-1997 fiscal biennium, the Department shall implement school-based budget flexibility for schools, complexes, and learning support centers;
- (21) Incorporated the establishment of statewide performance standards;
- (22) Stated that the Department, in consultation with, and the concurrence of the University of Hawaii, shall establish rules to permit qualified students to enroll in any vocational or academic courses offered by the University of Hawaii system;
- (23) Stated that effective September 1, 1994, any provisions of chapters 89 and 37, Hawaii Revised Statutes, to the contrary notwithstanding, the Superintendent shall initiate the equitable reallocation of no less than twenty percent of the state and district office personnel/positions, along with related expenses, to the learning support centers and shall complete this reallocation by August 31, 1995;
- (24) Stated that effective September 1, 1995, any provisions of chapters 89 and 37, Hawaii Revised Statutes, to the contrary notwithstanding, the Superintendent shall initiate the equitable reallocation of no less than twenty percent

of the remaining state and district office personnel/positions, along with related expenses, to the learning support centers and shall complete this reallocation by August 31, 1996;

- (25) Stated that the Department shall not replace positions and funds transferred, and that the complexes, through the learning support centers, shall determine how the positions and funds are to be used;
- (26) Required that the Department shall submit to the Legislature a status report outlining the specific reallocation of personnel and positions to the learning support centers;

STUDENT-CENTERED SCHOOLS

- (27) Stated that "student-centered schools" means the implementation of alternative frameworks with regard to curriculum; facilities management; instructional approach; length of the school day, week, or year; and personnel management;
- (28) Provided that the allocation for self-contained special education students and for other special education students shall be adjusted appropriately to reflect the additional expenses incurred for the students in these programs;
- (29) Provided that any appropriation retained in accordance with Section 37-41.5, Hawaii Revised Statutes, may only be used for instructional purposes at the schools, complexes, or learning support centers;
- (30) Provided that the Department shall require every student-centered school to conduct annual self-evaluations to include:
- (A) The identification and adoption of benchmarks to measure and evaluate administrative and instructional programs; and
- (B) The impact upon the students in the student-centered school;

EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY

- (31) Provided that the Department of Education shall submit to the Legislature and the Governor an educational status report;
- (32) Inserted that the Department of Education shall provide electronic access to computer-based financial management, student information, and other information systems to the Legislature and the Auditor;
- (33) Required that the Auditor shall submit to the Legislature and the Governor, a fiscal accountability report which shall include but not be limited to the following:
- (A) The financial analysis of expenditures by the Department; and
- (B) The measures of accuracy, efficiency, and productivity of the Department, districts, and schools in delivering resources to the classroom and the student;
- (34) Provided that the Auditor shall conduct evaluations of public school programs and their administration and financial audits of the accounts and transactions of the public school system, including the Board of Education, the Department of Education, and the individual public schools;

CIVIL SERVICE EMPLOYEES

- (35) Stated that no officer or employee of the State, except for superintendents, subordinate superintendents, and other employees serving at the pleasure of the Board of Education, shall suffer any involuntary loss of employment, tenure or regular civil service status, classification, salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege as a consequence of Department of Education reorganization, or the implementation of Project Ke Au Hou, or other transitional plans developed by the restructuring commission; and

MISCELLANEOUS

- (36) Made technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3657, 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. 3657, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, McCartney, Baker, Fernandes Salling, Hagino, Holt, Iwase, Solomon and Koki.
Managers on the part of the Senate.

Representatives Ige, D., Tom, Say, Chumbley, Kawakami, Stegmaier and Marumoto.
Managers on the part of the House.

STANDING COMMITTEE REPORTS

SCRep. 1750 Ways and Means on H.B. No. 2280

The purpose of this bill is to appropriate funds to defray the expenses of the legislature, the auditor, the legislative reference bureau, and the ombudsman during fiscal year 1994-1995.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2280, 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. 1751 Legislative Management on S.R. No. 14

The purpose of this resolution is to establish policies for a legislative access pilot project for the Senate of the Seventeenth Legislature, Regular Session of 1994.

Your Committee finds that in an effort to enhance the public's ability to participate in the legislative process, the Hawaii State Legislature enacted Act 331, Session Laws of Hawaii 1989, to establish a legislative public access project. When first envisioned, the purpose of Act 331 was to facilitate public access to the legislative process so that the citizenry of the State could provide legislators with the necessary public input to make informed decisions.

As a part of this vision, the broadcasting of certain legislative proceedings through cable access television was deemed necessary to provide a means for citizens, who were otherwise unable to attend legislative proceedings, to keep informed of important occurrences at the State Capitol.

The policies established by this resolution clarifies the roles of the Senate and "Olelo" in broadcasting of legislative proceedings. Your Committee believes that the policies contained within the Resolution are necessary in order to enhance the public's ability to participate in the legislative process.

Your Committee on Legislative Management concurs with the intent and purpose of S.R. No. 14, and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.

SCRep. 1752 Judiciary on S.B. No. 2190

The purpose of this bill is to appropriate funds to the Judiciary for the provision of domestic violence education, counseling, legal representation, and technical assistance.

Testimony in support of the bill was received from the Chief Judge of the Family Court, Domestic Violence and Legal Hotline, Hawaii State Commission on the Status of Women, Single Parent Advocacy Network, Sex Abuse Treatment Center, Hawaii Lawyers Care, Hawaii Women's Political Caucus, PACT, HPD, and several other organizations and many individual citizens.

Your Committee finds that the funds appropriated to the Judiciary may be used to contract for the provision of these services through a private social service provider. Currently, the Domestic Violence Clearinghouse and Legal Hotline is providing telephone crisis counseling, referrals, community program and system information, legal representation, community education, professional training, advocacy for system reform and technical assistance about domestic abuse issues. Federal funding for the Domestic Violence Clearinghouse and Legal Hotline will end in May 1994.

Your Committee finds that without State funding, a large demand for the services which are presently provided by the Domestic Violence Clearinghouse and Legal Hotline will go unmet. Consequently, further demands will be placed on other State agencies like the courts, the Department of Human Services, and the police at a far greater cost.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 2190 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1753 Judiciary on S.B. No. 2192

The purpose of this bill is to provide additional funding and permanent positions to the Hawaii Civil Rights Commission for the purpose of expediting the caseload of its investigators.

Testimony in support of the bill was submitted by representatives for the Hawaii Civil Rights Commission, the Sex Abuse Treatment Center, the Alliance for Equal Rights, and the Government Committee of the Hawaii Women's Political Caucus.

Your Committee finds that there is a need to process in a timely fashion the 642 pending cases before the Hawaii Civil Rights Commission. Your Committee believes that it is important for Hawaii that victims of discrimination are afforded an avenue of redress in a timely manner. The appropriation of \$206,624 and the establishment of 5.5 permanent positions would greatly assist the Commission in meeting its public mandate in this important area.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2192 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1754 Judiciary on S.B. No. 2680

The purpose of this bill is to appropriate funds for a center specifically designed to provide a secure and safe environment for court-ordered family visitations.

Testimony in support of the bill was submitted by the Domestic Violence Legal Hotline, Parents and Children Together, The Family Peace Center, Hawaii State Committee on Family Violence, The Junior League of Honolulu, Inc., and several individuals.

Your Committee finds that the family visitation center in Hawaii is one of the most progressive in the nation. The center is designed to protect partners who have been ordered not to have contact with one another from encountering each other during child visitations, avoid bitter exchanges between parents and protect children from being caught in the cross-fire of friction and abuse between parents. Testimony from Parents and Children Together indicates that the visitation center will be in operation on evenings and weekends to supplement existing court-ordered supervised visitations in child abuse and domestic abuse cases.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2680 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1755 Judiciary on S.B. No. 2778

The purpose of this bill is to convert the present One Day/One Trial system of jury service to a One Week/One Trial system.

Your Committee received testimony in support of the bill from the Judiciary.

Your Committee finds that the Judiciary has diligently pursued improvements in jury operations over the last three years. Converting to a One Week/One Trial term of service would save taxpayer funds by reducing the cost of mailing since fewer potential jurors would be called under the new system. Your Committee believes that the One Week/One Trial would not extend jury service an inordinate length of time and would make the Judiciary more efficient.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2778 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1756 Judiciary on S.B. No. 2802

The purpose of bill is to appropriate State grants-in-aid to the Departments of the Prosecuting Attorney in the City and County of Honolulu, County of Hawaii, County of Maui, and County of Kauai for special prosecution units and victim witness programs.

The bill seeks to provide grants-in-aid to the county prosecuting attorneys for their career criminal prosecution units, their victim witness programs, their youth gang prosecution units, and a domestic violence prosecution unit for the County of Kauai.

Written and oral testimony was submitted by the Honolulu, Hawaii, and Maui Prosecuting Attorneys and the Kauai County Prosecutor testified orally in support of the bill. Testimony in support of the bill was also submitted by Hawaii State Commission on the Status of Women, Hawaii Justice Foundation, Hawaii State Committee on Family Violence, Domestic Violence Clearinghouse and Legal Hotline, Sex Abuse Treatment Center, Director of the Victim/Witness Assistance Division (Maui), and the volunteer coordinator for the Victim/Witness Assistance Branch (Honolulu).

Testimony submitted by the Honolulu Prosecuting Attorney indicated that the career criminal prosecution unit, the youth gang prosecution unit, and the victim/witness assistance program are at the heart of their efforts to prosecute crime in our communities and are invaluable to protecting public safety.

The Kauai Prosecuting Attorney testified that federal funds have become available for their domestic violence unit and that state funds are not necessary at this time. Your committee therefore amended the bill by deleting Sections 7 and 8 which related to the unit.

For purposes of consistency, your Committee has amended the bill by renumbering section 9 to section 7.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2802, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2802, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1757 Health on S.B. No. 1030

This is a shortform bill.

Your Committee finds that incentives are needed to maximize federal reimbursements for family health services, and that these reimbursements can allow programs, such as the healthy start program for child abuse prevention and the zero-to-three early intervention services, to expand to meet their full target populations by using new federal funds not already received.

Your Committee has amended this bill by replacing its contents with a bill to establish the family health services special fund in order to:

- (1) Create incentives for the public and private sectors to maximize federal reimbursements for family health services programs; and
- (2) Allow programs that can generate federal reimbursements, such as the healthy start program for child abuse prevention and the zero-to-three early intervention services, to expand to meet their full target populations.

Program expansion would utilize new federal funds not already received.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1030, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1030, S.D. 1, and be recommitted to the Committee on Health for further consideration.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 1758 Housing on S.B. No. 2342

The purpose of this bill is to rescind the Rental Housing Trust Fund Commission's (Commission) power to obtain the services of technical and support staff of other government agencies.

Your Committee finds that Section 201F-5(4), Hawaii Revised Statutes (HRS), limits the Commission's ability to hire its own staff to carry out its intended purpose. However, your Committee believes that simply deleting Section 201F-5(4), HRS, would lead to a certain amount of ambiguity with regard to the hiring of necessary staff for the Commission.

Furthermore, in the course of its deliberations, it has come to your Committee's attention that certain other provisions of Chapter 201F, HRS, require clarification to enable the Commission to more effectively carry out its mandated purpose.

In recognition of this concern, your Committee has amended the bill by deleting the proposed amendment to Section 201F-5(4), HRS, and adding new sections to:

- (1) Amend the definition of "nonprofit organization" in Section 201F-1, HRS, to clarify that a nonprofit organization is actually designated as such through a written determination from the Internal Revenue Service;
- (2) Amend Section 201F-2(b), HRS, to allow the Commission to expend a legislatively authorized amount of trust funds on administrative expenses, rather than the existing limit of one percent of the total Rental Housing Trust Fund (RHTF) balance;
- (3) Amend Section 201F-3(a), HRS, by adding capacity building of nonprofit housing developers to the list of permitted uses of the RHTF;
- (4) Amend Section 201F-4(a), HRS, to clarify that the staggered terms apply to the five public members and to shorten the term that a county official serves as member of the Commission from four to two years to allow for a complete rotation of county officials from all counties within eight years, rather than in sixteen years as currently written; and
- (5) Amend Section 201F-5, HRS, by authorizing the Commission to hire an executive director and one administrative assistant who are exempt from the civil service laws of the State and to enter into contracts with consultants.

Your Committee believes that these amendments will help the Commission achieve its intended purpose.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2342, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1759 Housing on S.B. No. 2657

The purpose of this bill is to streamline the permitting process for housing project developments.

Specifically, the bill provides that where a housing development permit request requires the amendment of a county general plan, a county community development plan, a county zoning map, or any combination of the three, the processing of these requests for amendments shall be done concurrently upon request of the applicant. Additionally, the bill requires these plan and zoning map amendment requests to be processed concurrently with any State Land Use Commission redesignation requests that affect the permitting of the project.

Your Committee received testimony in support of the bill from the Office of State Planning, the State Streamlining Task Force, the City and County of Honolulu, the Land Use Research Foundation of Hawaii, and the Chamber of Commerce of Hawaii.

Your Committee finds that the concurrent processing of amendment requests would expedite the permitting process, thereby not only facilitating a faster rate of construction of new dwellings, but lowering the total cost of the project as well.

Your Committee has amended the bill by adding language that would clarify that the concurrent processing of land redesignation requests by the State Land Use Commission is required only at the request of the applicant.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2657, S.D. 1, and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 1760 Housing on S.B. No. 2658

The purpose of this bill is to provide state agencies charged with the responsibility of approving permits to construct housing projects with the flexibility to extend the review period in contested cases.

Specifically, the bill allows a state agency that is reviewing a request to construct housing through a contested case hearing, to extend the maximum six month time period for an additional ninety days. The ninety day extension can only be granted if stipulated by all parties to the proceeding or if the extension is deemed necessary by the state agency.

Testimony in support of the bill was received from the Land Use Commission, the State Streamlining Task Force, the Land Use Research Foundation of Hawaii, the Hawaii Association of Realtors, and the Hawaii Developers' Council.

Your Committee finds that in contested case proceedings, it is important that the parties are afforded sufficient opportunity to present relevant evidence so that the state agency has an accurate and complete record upon which to make its decision. However, the six month time period is too constrictive for those contested cases which may require more time to ensure adequate notice and opportunity to present evidence.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2658 and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 1761 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2261

The purpose of this short form bill is to amend the laws of the State relating to Hawaiian affairs.

Your Committee has amended the bill by inserting provisions that extend the existence of the court-appointed independent representative for Hawaiian Home Lands Trust claimants and appropriates funds for the representative's retainer.

Your Committee finds that Act 352, Session Laws of Hawaii 1993, authorized the appointment of an independent representative to act as sole counsel to beneficiaries for claims against the State for breaches of the Hawaiian Home Lands Trust.

Your Committee also finds that although Act 352 sought to conclude settlements with regard to these breaches by December 1, 1994, many claims have yet to be resolved and are not foreseen to be concluded by the December 1st deadline.

Your Committee believes that extending the existence of the independent representative will help facilitate the expedient conclusion of these trust claim proceedings.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2261, S.D. 1, and be recommitted for further discussion.

Signed by all members of the Committee except Senators Fukunaga, Solomon and Reed.

SCRep. 1762 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2262

The purpose of this short form bill is to amend the laws of the State relating to Hawaiian affairs.

Your Committee has amended the bill by inserting provisions that allow for the circuit court to render decisions on certain matters in which the independent representative of Hawaiian Home Lands Trust beneficiaries and the State Task Force on Department of Hawaiian Home Lands Title and Related Claims (Task Force) are at an impasse. Your Committee has also added two sections that appropriate undetermined amounts to:

- (1) Assist the Task Force in preparing the remaining claims package for submission to the Legislature in 1995; and

- (2) Assist the State Department of the Attorney General in pursuing breaches of Hawaiian Home Lands Trust claims against the federal government.

Your Committee finds that Act 352, Session Laws of Hawaii 1993, authorized the appointment of an independent representative to act as sole counsel to Hawaiian Home Lands beneficiaries for claims against the State for breaches of the Hawaiian Home Lands Trust. The independent representative and the Task Force were to resolve these claims in a nonjudicial forum. However, in the course of resolving these claims, impasses between the independent representative and the Task Force have occurred and the law does not provide any recourse to final determinations.

Your Committee believes that providing a means for circuit court intervention to resolve impasses in these proceedings will facilitate the eventual resolution of all Hawaiian Home Lands Trust claims against the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2262, S.D. 1, and be recommitted for further discussion.

Signed by all members of the Committee except Senators Fukunaga, Solomon and Reed.

SCRep. 1763 Health on S.B. No. 2076

The purpose of this bill is to finance the relocation of the Department of Health Laboratory Division and to provide operating funds for fiscal year 1994-1995.

Testimony in support of the bill was presented by the Department of Health.

Your Committee finds that new facilities for the Laboratory Division of the Department of Health have been constructed in Pearl City and funding is necessary for the expense of relocating from the Division's present site at Kinau Hale to Pearl City. Your Committee finds an additional need for funds to purchase laboratory equipment and for operating expenses.

Your Committee has amended the bill to reduce the appropriation from \$1,800,000 to \$1,082,446 to reflect the total cost as detailed by the Department of Health.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2076, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2076, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1764 Health on S.B. No. 2834

The purpose of this bill is to ensure that the employees in federally funded temporary Hawaii Women, Infants, and Children (WIC) nutrition program positions retain employee benefits when those jobs are converted to permanent civil service positions.

Specifically, the bill amends Act 289, Session Laws of Hawaii 1993, to require that the 79.5 positions of the WIC nutrition program be converted to permanent civil service status, without loss of salary, seniority, prior service credit, accrued vacation, sick leave, or other employee benefits and without the necessity of examination.

Your Committee received testimony in support of the bill from Hawaii State Department of Health, Hawaii Government Employees Association, and other concerned citizens.

Your committee finds that this bill, by enabling experienced employees to remain in their positions, would prevent a disruption in existing WIC operations, which provide nutritious foods, nutrition education, and breastfeeding promotion for 24,520 individuals at medical risk. Further, this benefit comes at no cost to the State, since federal funds cover all salaries and benefits for WIC Program employees.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2834 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1765 Health on S.B. No. 2845

The purpose of this bill is to authorize the issuance of special purpose revenue bonds not to exceed \$200,000,000 to finance construction of facilities and purchase of equipment for the Queen's Health Systems.

Your Committee received testimony in support of the bill from the Queen's Health Systems.

Your Committee finds a need for the creation of a more accessible and quality conscious delivery system for health care that, at the same time, is more cost-effective. The proceeds from the authorized bonds will not be used in the traditional sense of increasing the capacity of existing health care facilities, but instead to help fund the transformation of our existing fragmented health care delivery system to a cost-effective, user friendly, integrated health care delivery system.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2845 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1766 (Joint) Health and Human Services on S.B. No. 2281

The purpose of this bill is to appropriate funds for respite care services to families with members with special needs.

Specifically, this bill appropriates \$1,500,000 for respite care services to families providing home care to a family member who is an infant or toddler with developmental delay, an adult with serious mental illness, a child with serious emotional disturbances, a child with serious or terminal illness, or a child or adult with developmental disabilities.

Testimony in support of the bill was received from the Hawaii State Department of Health, Commission on Persons with Disabilities, State Planning Council on Developmental Disabilities, Governor's Committee on HIV/AIDS, IMUA Rehab, Hawaii Early Interventions Coordinating Council, Hawaii State Alliance for the Mentally Ill, HIV Coalition for Hawaii's Women, Children and Families, Hawaii Island Adult Care, Inc., Protection and Advocacy Agency of Hawaii, Po'ohala (East Hawaii), and other concerned citizens.

Your Committees find that while the number of families applying for respite care programs has increased, the amount of money allocated to these services has not changed. This appropriation would make respite care more accessible not only to families who are caring for disabled or seriously ill children, but also to those parents who are living with serious illnesses, such as HIV/AIDS.

Your Committees, based on a request by the Governor's Committee on HIV/AIDS, have amended section 1 of the bill by adding the phrase "include but not be limited to" on line 4 after the words "services to".

Your Committees on Health and Human Services are in accord with the intent and purpose of S.B. No. 2281, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2281, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1767 Ways and Means on S.B. No. 2653

The purpose of this bill is to adjust the gallonage tax on various liquor categories and to repeal the annual escalator adjustments to the gallonage tax rates.

Your Committee finds that the bill would make it possible to increase liquor tax rates but repeals the automatic annual escalator adjustment provision that may either increase or decrease these rates each year.

Your Committee finds that it would be more appropriate to refrain from any possible increase in liquor tax rates while extending the suspension of any automatic adjustments to tax rates for a further two years.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2653, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Fukunaga and Solomon.

SCRep. 1768 Judiciary on S.B. No. 2824

The purpose of this bill is to facilitate participation of Hawaii's voters by allowing eligible citizens to register and then vote on election day.

Hawaii ranks among the lowest states in voter turnout in the last several elections. This bill will remove existing administrative impediments to voters unable to register under the current deadlines. This bill will increase voter participation: a voter who comes to the polling place to register on election day will cast a ballot.

Testimony in favor of this bill was received by the office of the lieutenant governor and the League of Women Voters of Honolulu.

Your Committee has amended this bill substantively by adding an appropriation of \$55,000 and changing the effective date of the appropriation to July 1, 1994.

Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2824, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2824, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1769 Judiciary on S.B. No. 2829

The purpose of this bill is to permit the chief election officer to contract with community organizations and other nonprofit entities to provide precinct officials and other election related personnel and to exempt from taxation the compensation paid to these groups. The bill also:

- (1) Reduces the number of days for political parties to submit names of precinct officials from ninety to sixty days before the close of filing for an election;
- (2) Allows the chief election officer to recruit precinct officials without regard to party affiliation and to waive precinct official recruitment and placement requirements in special needs circumstances; and
- (3) Allows the payment schedule for precinct officials and other election day employees to be set by rule instead of by law.

Your Committee has amended this bill to exempt from taxation all persons working as precinct officials instead of only community organizations, school booster clubs, and other nonprofit entities.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2828, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1770 (Majority) Judiciary on S.B. No. 1770

The purposes of this bill are to: (1) increase from \$100 to \$250 the allowed income tax deductions for campaign contributions to central or county committees of political parties whose candidates have qualified to be voted for in the immediately previous general election and the amounts contributed to individual candidates; and (2) delete the requirement that individual candidates receiving tax deductible contributions abide by the campaign expenditure limits set forth in section 11-209, Hawaii Revised Statutes (HRS).

Your Committee agrees with the intent of this bill and finds that it will encourage residents of the State to show an interest in the election process and will increase voting and participation.

Your Committee finds, however, that there is an inconsistency between section 235-7(g), HRS, as amended by the bill, and section 11-226, HRS, which requires a candidate for public office to agree to abide by campaign spending limits for contributors to the candidate's campaign to take an income tax deduction for monetary contributions made to the campaign. Your Committee has therefore amended the bill by repealing section 11-226 to remove that inconsistency. Your Committee has also made a technical amendment to the effective date section to provide that, upon its approval, the Act shall apply to taxable years beginning after December 31, 1994, rather than 1993.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2866, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 1771 Judiciary on S.B. No. 1147

The purpose of the bill is to amend section 134-7, Hawaii Revised Statutes, to allow the Honolulu Police Department to utilize the professional opinion of a physician, psychologist, or a psychiatrist as a basis for the denial of a permit to acquire a firearm.

The Legislature approved a bill last session providing all physicians immunity from liability for any response and/or opinion furnished in the firearm application process. HPD testified in strong support of this bill viewing it as a logical extension of what the Legislature did during the previous session.

Testimony received from the HPD indicated that current law under Section 134-7(c)(4) requires that a significant behavioral, emotional, or mental disorder as defined specifically by the most current diagnostic manual of the American Psychiatric Association would disqualify anyone from acquiring a handgun permit. This bill would allow the HPD to deny a permit to someone undergoing treatment on the basis of the professional opinion rendered by his physician, psychiatrist, or psychologist.

The Hawaii Rifle Association objected to the bill on the grounds that most physicians, psychiatrists, and psychologists are not competent to judge an individual's capacity for firearms possession or control. The HRA argued that the impossibility of predicting future psychiatric behavior by clinical impression or diagnostic testing makes this requirement unreasonable. HRA also argued that physicians rarely agree on clinical issues, and fear that placing the ultimate decision on the police officer at the licensing desk is dangerous to individual rights and the quiet enjoyment of safe leisure activities. HRA recommended that the Committee adopt a procedure in which a rebuttable presumption would be created that the applicant was competent if the applicant obtained an opinion from another physician, psychiatrist, or psychologist that the individual could safely own, operate, or possess a firearm. This would shift the burden to the HPD to prove that the individual was not capable of safely owning, operating, or possessing a firearm.

Your Committee believes that HPD should be able to rely on the opinion of a physician, psychiatrist, or psychologist regarding the fitness of an applicant to own and operate a firearm in deciding whether a permit should be granted to the individual. There is nothing in the law to preclude an individual from obtaining a second opinion from a physician, psychiatrist, or psychologist, then presenting that opinion to the HPD. In the balance between protecting the public and allowing an individual to acquire a firearm, your Committee believes that the Legislature's responsibility is on the side of protecting the public's safety.

Your Committee amended the bill by making technical non-substantive changes to correct a drafting error on page 2 lines 5-6 of the bill.

Your Committee amended the bill by inserting language to ensure that the provisions of the bill are not retroactive.

Your Committee also amended the bill by changing the effective date to July 1, 1994.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1147, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1772 Judiciary on S.B. No. 2136

The purpose of this bill is to amend Section 134-6, Hawaii Revised Statutes, to provide for the forfeiture of vehicles used to carry loaded firearms. Under current law, a motor vehicle may be forfeited if it is used to facilitate the commission of a variety of crimes listed in chapter 712A, HRS, which include drug offenses, most major felonies and certain misdemeanors. However, the offense of carrying a loaded firearm in a motor vehicle is not currently listed as a "covered offense".

Testimony in support of the bill was received from the Law Enforcement Coalition, which consists of the Attorney General and the four county police chiefs and prosecutors. The HRA objected to the bill on the grounds that the language "loaded with ammunition" was not defined anywhere in the chapter.

Your Committee agrees that carrying a loaded firearm in a vehicle should be made an offense which would subject a vehicle to forfeiture for two reasons. First, it is a serious public safety problem to have loaded firearms in motor vehicles, a matter already recognized by the Legislature in enacting Section 134-6(d), HRS. Not only could such firearms discharge accidentally, but motorists sometimes find themselves in heated confrontations with other motorists. If firearms are involved, such a confrontation could become deadly. A loaded firearm also represents an unreasonable threat to law enforcement officers during traffic stops. Secondly, forfeiture has been shown to be an effective law enforcement tool in deterring certain crimes, particularly when youthful offenders are the predominant defendants. Youthful offenders, especially gang members, often fear the loss of their vehicles more than they fear a relatively short-term loss of their freedom. Thus, loss of the vehicle could be a more effective deterrent than a possible jail sentence.

Your Committee agrees that passage of this bill will help make the roadways of our state safer for everyone. Your Committee amended the bill by defining the term "loaded with ammunition" as suggested by the Hawaii Rifle Association. Although the language suggested by the HRA and the Attorney General's Office are similar, the language recommended by the Attorney General's Office was preferred. Your Committee believes that detachable magazines whether inserted in the firearm or not should not be in the vehicle.

Your Committee amended the bill by inserting language to ensure that the provisions of the bill are not retroactive.

Your Committee further amended the bill by changing the effective date to July 1, 1994.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2136, submitted herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2136, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1773 Judiciary on S.B. No. 2160

The purpose of the bill is to allow legal aliens to obtain permits for the acquisition of firearms. The Hawaii Rifle Association testified in support of the bill, indicating that legal aliens living and working in Hawaii should not be precluded from enjoying hunting and shooting sports and that it was discriminatory for these permanent residents to be precluded from acquiring a permit to purchase or possess a firearm.

Current law allows a long gun to be possessed by a legal alien with a hunting license for sixty days. While this may be adequate for an alien visiting Hawaii for a brief period of time, it is neither sufficient nor equitable for the permanent resident alien. Furthermore, federal law allows legal aliens to possess firearms. As argued by the HRA, Japanese competitors in Olympic shooting sports train for several months on the mainland prior to their qualifying matches and they would probably prefer Hawaii for a portion of that training, but for our strict laws against aliens. Your Committee believes that at a time when tourism is at its lowest point in decades, our state could welcome more foreign sportsmen to Hawaii but for our current firearms law.

Your Committee amended the bill by requiring that legal aliens eligible for permits must be twenty one years of age or more, rather than the current eighteen years provided for in the statute. Your Committee believes that it would be anomalous for young people under twenty-one not to be allowed to purchase alcohol, yet be allowed to purchase firearms whether they be citizens or legal aliens.

Your Committee also amended the bill by inserting language to ensure that the provisions of the bill are not retroactive.

Your Committee further amended the bill by changing the effective date to July 1, 1994.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2160, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2160, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1774 (Majority) Judiciary on S.B. No. 2346

The purpose of the bill is to amend Sections 134-2 and 134-3, Hawaii Revised Statutes, to require that an applicant for a firearms permit: (1) submit a separate application and undergo a 14-day waiting period and background check for each firearm acquisition; (2) require that the permit be used within ten days of issuance; and (3) require that all firearms be registered. Currently, permits issued to acquire a rifle or shotgun (long gun) are valid for one year and an unlimited number of long guns can be purchased by the permit holder during that period.

Your Committee received strong testimony in support of the bill from the Law Enforcement Coalition, which consists of the Attorney General and the four county police chiefs and prosecutors, the League of Women Voters, the Hawaii State Commission on the Status of Women, the Hawaii Medical Association, the American Academy of Pediatrics, the Director of Health, the Director of the Department of Business and Economic Development and Tourism, the President of the Hawaii Visitors Bureau and many other organizations and individuals. Testimony in strong opposition to the bill was received from the National Rifle Association of America, and the Hawaii Rifle Association. Opponents of the bill contend that limiting the term of validity for long gun permits and requiring separate permits for each firearm will divert scarce law enforcement resources away from the pursuit of real criminals to pushing paper and performing background checks on law-abiding citizens. Over one hundred other individuals with similar views presented testimony in opposition to the bill.

This bill requires a separate permit, background check, and waiting period for each firearm acquisition. It would also require that all firearms, including those acquired prior to the effective date of the legislation, be registered by July 1, 1995. Your Committee believes that these changes will help ensure that the background of every firearm permit applicant is checked, that existing firearms ownership prohibitions are enforced, and that a full inventory of all firearms in our State can be obtained.

Your Committee believes that mandatory statewide registration of all firearms is in the public interest. In a poll published by the Honolulu Star Bulletin on February 5, 1994, 93 per cent of all registered voters statewide believe that all firearms should be registered. Statewide registration of all firearms will enable the courts to know whether a person subject to a restraining order has in fact turned in all weapons to the police. Additionally, police officers should know prior to conducting an investigation or following up on a complaint whether firearms are available on the subject premises. The end result of this bill will be fewer injuries and deaths for the women, children and police officers of our state.

Your Committee made several amendments to the bill to correct drafting errors in section 134-2(e) and 134-3(b). Your Committee also amended the bill by adding language found in S.B. No. 2184 on the same subject. The Honolulu Police Department testified that the three-day period to register a firearm by a person arriving in the state under current law may be insufficient. Your Committee therefore amended section 134-3(a) by extending the period to five days.

Your Committee also received testimony from the President of Mothers of Murdered Children indicating that her son may have been killed by an antique weapon using black powder. Your Committee therefore finds that registration should be required for even those devices designed to fire loose black powder, those devices incapable of readily being restored to firing condition, and even unserviceable firearms and destructive devices registered with the Bureau of Alcohol, Tobacco, and Firearms pursuant to federal law. The law was changed in 1988 to delete this requirement.

Your Committee amended the bill by inserting language to ensure that the provisions of the bill are not retroactive, excluding the provision in Section 3 which specifically requires the registration of all firearms acquired legally without a permit prior to the passage of this bill.

Your Committee also amended the bill by changing the effective date to July 1, 1994.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2346, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senators Chang and Reed did not concur.

SCRep. 1775 (Majority) Judiciary on S.B. No. 2347

The purposes of this bill are: (1) to amend section 134-4, Hawaii Revised Statutes, to prohibit the selling or transfer of all handguns to anyone within the State other than to a licensed dealer or a law enforcement officer, except as provided in Section 134-9, Hawaii Revised Statutes; (2) to require handguns obtained by bequest or intestate succession to be rendered inoperable or to be sold or transferred to a licensed dealer or to the chief of police; (3) to amend Section 134-9, Hawaii Revised Statutes, to require that an applicant for a permit to acquire a handgun demonstrate to the chief of police that he or she: (a) has reason to fear injury to the applicant's person or property; (b) is qualified to use a firearm in a safe manner; (c) is not disqualified by Section 134-7, HRS, from acquiring a firearm; and (d) is not insane or appear to be mentally deranged. This same standard now applies to the issuance of licenses to carry concealed firearms.

Your Committee believes that the threat posed by handguns involve both their lethality and availability. Research suggests that the use of a handgun strongly increases the likelihood that a given assault or suicide attempt will end in death. Research also indicates that an assault with a handgun is five times more likely to result in a fatality than an

assault with a knife. Your Committee finds that the primary threat of handgun violence is not random acts by strangers, but violence from acquaintances, friends, and family. Nationally, as well as in Hawaii, approximately 85 per cent of murder victims are related to or acquainted with their killer. Most homicides occur as a result of assaults during arguments or altercations, with only a minority occurring during a commission of a robbery or other felony. In cases of assault, people tend to reach for weapons that are readily available. More tragically, gun ownership is strongly associated with homicides in the home.

From 1988 to 1992, twenty eight women in the state of Hawaii were killed in firearms-related domestic homicides. Children and young adults are particularly vulnerable to firearm-related injury and death. In Hawaii, suicide is the third leading cause of death for those between the ages of five to fourteen years of age, the second leading cause of death for youths between the ages of fifteen and twenty-four and the leading cause of death (tied with motor vehicle injuries) for twenty-five to thirty year olds.

Your Committee believes that the unabated proliferation of firearms, particularly easily concealable handguns, poses a far more deadly threat to the citizens of Hawaii than anything else today. Hawaii is at a critical stage and unless decisive action is taken now, our residents will find ourselves in situations similar to many cities on the mainland where handgun-related deaths have increased dramatically. The Director of Health testified that from 1989-1992, there were eleven children murdered with firearms, fourteen children killed themselves with a firearm and six children died unintentionally in firearms-related incidents. Most of these preventable deaths were caused by the availability of handguns. In our communities here in Hawaii, handguns are being found and brought to our schools more frequently than before. Handguns are increasingly available to our young people and the damage done in lives, healthcare costs and heartache are far too great to allow the situation to continue.

Your Committee acknowledges the strong testimony against the bill by the Hawaii Rifle Association which contends that the bill is clearly an infringement on the constitutional right to keep and bear arms. The HRA believes that a handgun is the most effective and practical self-protection option available, that this bill is not the answer to the crime problem, that only law-abiding citizens will be affected by these measures, that the number of deaths from firearms in Hawaii is statistically small and that this is an attempt by Big Brother to disarm the populace and bring us into a police state.

Your Committee finds these arguments unpersuasive. Reducing the availability of handguns in Hawaii may not affect the crime problem as criminals may always find ways to obtain handguns. Your Committee believes however that this bill will in fact save lives by reducing the supply of handguns in our communities, our schools and in our homes.

Your Committee wishes to point out that this bill does not propose a total ban on handguns. Rather, it would restrict transfers and new purchases to only those individuals who can demonstrate a need to own a handgun by showing that they are somehow at greater risk than the average person and that they can safely possess and use a handgun. Section 134-4(f) was therefore amended to clarify this point by inserting the words "Except as authorized by Section 134-9"

Your Committee amended the bill by inserting language to ensure that the bill is not retroactive. Your Committee also amended the bill to make it effective July 1, 1994.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2347, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senators Chang, Koki and Reed did not concur.

SCRep. 1776 Judiciary on S.B. No. 2393

The purpose of the bill is to allow the family or district court to order the surrender of all firearms upon the issuance of an ex parte temporary restraining order (TRO).

Your Committee believes that the period following the service of a TRO by the district or family court is typically the most volatile period of an ongoing domestic violence situation. This is the time when it is imperative that firearms be removed from a potentially explosive situation. The Law Enforcement Coalition testified strongly in favor of the bill, pointing out that Act 215 passed by the Legislature last year, though well meaning in concept, has proven difficult to enforce. HPD was under the impression that once a respondent failed to comply with a court order to turn in weapons, the court would issue a contempt warrant upon notification by the HPD. HPD has since discovered that if a respondent refuses to comply with the order, the court must allow the individual an opportunity to explain his refusal to comply. Thus, in a refusal situation, the court must first issue an order to show cause to ascertain the rationale for non-compliance, hold a hearing, and only after which, can the court then issue a contempt warrant. Your Committee believes that this system is fraught with loopholes and technicalities which make it difficult for the HPD to enforce court orders for protection.

Strong testimony in support of the bill was received from the Domestic Violence Clearinghouse and Legal Hotline, the League of Women Voters, the Hawaii Council of Churches, Mrs. Peggy Scully, Developing Options to Violence, Mrs. Maria Ching, mother of Lynn Kotis, the Family Crisis Shelter, the Director of Health, the Hawaii State Commission on the Status of Women, the Family Peace Center, the Parents of Murdered Children, and several other individuals. The Hawaii Rifle Association objected to the bill on the grounds that it would lead to the disarmament of women in our community and take away their ability to defend themselves. The Public Defender's Office suggested that a respondent relinquish possession of a firearm only upon being properly noticed as required in Section 586-6, Hawaii Revised Statutes.

Your Committee is concerned that respondents still refuse to turn in their firearms even after being served by the police with a restraining order and therefore provided new language allowing the police officer to take custody of any and all

firearms and ammunition in plain sight, those firearms discovered pursuant to a consensual search or those firearms registered pursuant to Chapter 134, Hawaii Revised Statutes.

Your Committee amended the bill by inserting language to ensure that the provisions of the bill do not affect proceedings begun before the effective date of this bill.

Your Committee further amended the bill by changing the effective date to July 1, 1994.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2393, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1777 (Majority) Judiciary on S.B. No. 2681

The purpose of this bill is to amend Section 134-17, Hawaii Revised Statutes, to increase the criminal penalties for those individuals providing false information or offering false evidence of a person's identity in connection with the requirements for firearms registration.

Your Committee received testimony in support of the bill from the Honolulu Police Department, the Parents of Murdered Children, the YWCA of Oahu, the League of Women Voters, Mrs. Peggy Scully, the Domestic Violence Clearinghouse and Legal Hotline and other individuals. Your Committee also received testimony against the bill from many members of the Hawaii Rifle Association, the Pu'uloa Rifle and Pistol Club and other gun clubs and individuals. Those opposing the bill have accused the Legislature of treating firearm owners as a suspect class of citizens, attempting to violate all of these citizens rights. A person convicted of class C felony is subject to a term of imprisonment of up to three years and a fine of up to \$10,000.

Under provisions of the bill, a person arriving in the state who fails to register a firearm within the appropriate time limit would be guilty of a misdemeanor. A person who fails to obtain a permit to acquire a firearm before doing so, or a person who fails to register a firearm within five days of acquisition, or a person who transfers a firearm without a permit as required by Section 134-4, HRS, could be convicted of a class C felony. A person who fails to obtain a license to carry a firearm would likewise be subject to a class C felony under Section 134-9. The penalties for violations of section 134-10, 134-15, and 134-16(a) would also be subject the individual to a class C felony. Your Committee believes that these increased penalties are necessary and appropriate to emphasize the seriousness of complying with all firearms permit and registration laws.

Your Committee amended the bill by inserting language to ensure that the provisions of the bill are not retroactive.

Your Committee amended the bill by changing the effective date to July 1, 1994.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2681, S.D.1, and be placed on the calendar for Third Reading.

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

SCRep. 1778 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2161

The purpose of this bill is to appropriate funds to conduct a statewide household hazardous waste collection project.

Your Committee received testimony in support of the bill from the Department of Health, the Hawaii Pest Control Association, and the Sierra Club of Hawaii.

Your Committee finds that household hazardous waste, if improperly disposed, threatens our drinking water. Accordingly, the collection of household hazardous wastes is a worthwhile project and in the best interest of the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2161 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1779 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2528

The purpose of this bill is to promote environmental education in the State.

Specifically, the bill mandates that the State include in its environmental policy, a statewide comprehensive education program to:

- (1) Facilitate and support the development and establishment of cooperative environmental education initiatives with the private sector;
- (2) Develop, adopt, and implement a statewide plan for environmental education;

- (3) Develop and provide continued support for a statewide database of environmental education programs, services, and curricula;
- (4) Require teacher training in environmental education as a criterion for certification and require in-service training for certified teachers; and
- (5) Establish post secondary environmental education and training programs to provide qualified personnel and to enhance environmentally sensitive economic activity within the State.

Your Committee received testimony in support of the bill from the Department of Health, the Hawaii Nature Center, and Atlantis Submarines Hawaii. The Department of Education submitted testimony that supported the intent of the bill, but qualified its support on the basis that requiring environmental education as prerequisite to certification would not only place an undue burden on existing and potential educators, but would also pose significant cost and scheduling implications as well. The Department of Education suggested instead that opportunities for environmental education be made available to existing and potential educators. Your Committee has amended the bill to address this concern of the Department of Education.

Your Committee believes that the environmental education initiatives contained in the bill will result in the proliferation of environmentally-literate citizens who are better able to effectively and constructively solve existing environmental problems, prevent new ones, and maintain a sustainable environment of high quality for future generations.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2528, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1780 Ways and Means on S.B. No. 2249

The purpose of this bill is to establish a system of aggregate fiscal and personnel controls as a part of the allotment system.

Specifically, this bill would:

- (1) Require departments and establishments to revise personnel and expenditure estimates returned by the director of finance to make these estimates consistent with the recommendations of the director; and
- (2) Require the director of finance to approve the revised estimates when they are consistent with the aggregate amount of increase or reduction required by the director.

Your Committee received testimony in support of this measure from the state auditor.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2249 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1781 Ways and Means on S.B. No. 2378

The purpose of this bill is to comply with the general obligation bond debt limit requirements established under the Constitution of the State of Hawaii.

Your Committee finds that Article VII, section 13 of the Constitution of the State of Hawaii requires the legislature to include a declaration of findings in every law authorizing the issuance of general obligation bonds stating that the total amount of principal and interest estimated for such bonds and all bonds outstanding would not cause the debt limit to be exceeded. This bill also authorizes the issuance of general obligation bonds to finance project appropriations in other measures of the legislature.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2378 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1782 Ways and Means on S.B. No. 2404

The purpose of this bill is to add savings banks and depository financial services loan companies as allowable trustees for individual housing accounts.

Your Committee agrees with the intent of this bill, namely, to expand the types of financial institutions that may establish and receive funds for individual housing accounts, to encourage individuals to save for the purchase of a home.

Your Committee notes, however, that although savings banks may be chartered pursuant to chapter 412, article 6, Hawaii Revised Statutes, no state-chartered savings banks currently exist in the State. Your Committee has therefore amended the bill to delete references to savings banks.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2404, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1783 Ways and Means on S.B. No. 2591

The purpose of this bill is to meet the constitutional mandate requiring a tax refund 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 it appropriate to leave the exact amount of the credit unspecified at this time in order to promote future discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2591 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1784 Ways and Means on S.B. No. 2964

The purpose of this bill is to amend the general excise tax law to eliminate possible arguments that the law unconstitutionally discriminates against manufacturers selling products in interstate commerce.

Specifically, this bill amends the general excise tax law by:

- (1) Repealing the requirement for manufacturers and producers selling goods in interstate commerce that the sales must be for use in a business in order to be tax exempt;
- (2) Clarifying that Hawaii manufacturers and producers selling in Hawaii are not subject to manufacturing or producing tax on wholesale or retail sales; and
- (3) Repealing the requirement that sugar and pineapple products sold to the United States government must be for use and consumption in the State in order to be tax exempt.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2964 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1785 Ways and Means on S.B. No. 2970

The purpose of this administration bill is to clarify that the administrative refund provision applicable to various state tax laws also applies to the estate and transfer tax law, the fuel tax law, the conveyance tax law, and the rental and tour vehicle surcharge tax law.

Your Committee finds that this measure was proposed by the Department of Taxation to ensure overall consistency in state tax law administration. This bill clarifies that in cases involving tax credits or refunds made as a result of a taxpayer's claim of unconstitutionality of the taxing statute, the remedy of payment under protest provided in section 40-35, Hawaii Revised Statutes, is applicable.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2970 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1786 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2016

The purpose of the bill is to appropriate funds for five faculty and two support positions to serve as an administrative core for the Center for Disability Studies.

Your Committee received testimony from the University of Hawaii, Winners at Work, Special Parent Information Network, Hawaii Early Intervention Coordinating Council, Hawaii Centers for Independent Living, and two concerned citizens.

Your Committee finds a need to improve the quality of life and care of persons with disabilities of all ages and that a coordinated, comprehensive service system of well-trained personnel is essential to the achievement of this goal.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2016 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1787 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2080

The purpose of this bill is to appropriate funds for the design and construction of the basic infrastructure, instructional facilities, and student housing associated with University Park at the University of Hawaii at Hilo.

Your Committee received testimony relative to the bill from the University of Hawaii, the Hawaii Island Contractor's Association, the Hawaii Island Economic Development Board, the Hawaii Island Chamber of Commerce, the Japanese Chamber of Commerce and Industry of Hawaii, labor leaders and other interested individuals.

Your Committee finds a need to complete the infrastructure requirements of the University Park at Hilo which will allow for occupancy and connection of the University Park with the main University of Hawaii at Hilo campus. This will integrate education and research at these facilities for higher learning. Your Committee further finds that the University Park of the University of Hawaii at Hilo was designed and master planned to accommodate the expansion of academic programs, student residence halls and academically related research activities and that the institution envisioned cannot be completed without the basic facilities to be funded by the bill.

Your Committee has amended the bill to increase the amount of the appropriation from \$9,350,000 to \$10,030,000 to reflect the latest projected cost as determined by the University of Hawaii.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2080, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1788 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2156

The purpose of this bill is to authorize discretionary spending of up to \$7,500 by the Chancellor of the University of Hawaii at Hilo and the Chancellor of the University of Hawaii at West Oahu from the moneys appropriated for fiscal year 1994-1995.

Testimony in support of this bill was received from the Director of University Relations from the University of Hawaii at Hilo.

Your Committee finds that in 1989 the Legislature authorized the Chancellor of the University of Hawaii at Hilo to engage in discretionary spending for institutional support. This bill reinstates that discretionary authority and extends the same to the Chancellor at the University of Hawaii at West Oahu.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2156 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1789 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2169

The purpose of this bill is to appropriate funds for master planning of the new permanent West Oahu campus of the University of Hawaii.

Your Committee received testimony relative to the bill from the University of Hawaii, the Estate of James Campbell, and a concerned citizen.

Your Committee finds that the funds provided for in the bill are necessary to implement the decision of the Board of Regents to locate a permanent campus of the University of Hawaii in West Oahu to be situated at Kapolei. The appropriation in this bill will be used for a long-range physical development plan that will enable the Board to move expeditiously in the first phase development of this project.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2169 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1790 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2319

The purpose of this bill is to provide \$10,759,00 for capital improvement projects at Windward Community College.

Specifically, this bill provides for the completion of site and infrastructure improvements which are required before additional construction facilities can continue, including the replacement of the deteriorated sewer, water and electrical systems, upgrading the telecommunications system, and providing parking for students and staff.

Testimony in support of the bill was received from the Senior Vice President and Chancellor for Community Colleges.

Your Committee finds that the continued campus development of Windward Community College is important to the University. Windward Community College has begun implementing the physical master plan, including renovation of

existing buildings and the construction of new buildings. This item is not included in the Executive Supplemental Budget request, but it is the No. 6 priority in the University of Hawaii Board of Regents Capital Improvements Program Budget.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2319 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1791 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2622

The purpose of this bill is to appropriate \$1,268,976 for improvements and programs at Honolulu Community College, University of Hawaii.

Specifically, this bill provides \$32,070 for the automotive technology program, \$200,000 for the autobody repair and painting program, \$864,114 for the marine education and training center, and \$172,792 for the aviation technology facility.

Testimony was received by the Senior Vice President and Chancellor for Community Colleges.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2622 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1792 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2623

The purpose of this bill is to establish a revolving fund for conference center programs by the various community colleges.

Specifically, the bill requires that all moneys collected in conjunction with the conference center programs of each community college are to be deposited in separate accounts within the revolving fund and expended by the designated provost or designee.

Testimony in support of this bill was received by the Senior Vice President and Chancellor for Community Colleges.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2623, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1793 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2641

The purpose of the bill is to authorize the issuance of general obligation bonds to fund the construction of agricultural science facilities at the University of Hawaii at Manoa.

Testimony in support of the bill was presented by the University of Hawaii and an interested individual.

Your Committee finds that the agricultural science project at the University of Hawaii at Manoa has previously received State and federal funds and that the funds provided for in this bill will complete the State's obligation for matching federal funds through the U.S. Department of Agriculture.

Your Committee has amended the bill by making a technical amendment that has no substantive effect.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2641, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2641, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1794 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2836

The purpose of this bill is to appropriate \$891,410 to fund the Kauai Community College Theatre which suffered damage from Hurricane Iniki.

Testimony in support of this bill was received from the Senior Vice President and Chancellor for Community Colleges.

Your Committee finds that this bill addresses the need to complete construction of the theater, which is the only theater of its kind on the island of Kauai. Specifically, this bill appropriates \$191,410 for operating expenses, \$200,000 for staff and equipment, and \$500,000 for construction and furnishings.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2836 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1795 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2779

The purpose of the bill is to improve methods for the free exchange of information relative to persons having records in the criminal justice system.

Specifically, the bill removes certain restrictions on the divulgence of records and information between criminal justice agencies at both state and federal levels.

Your Committee finds that the administration of justice will be improved by ensuring sufficient information concerning a person in the criminal justice system is made available to key decision making authorities on a timely basis.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2779 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1796 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2949

The purpose of the bill is to allow the Hawaii Civil Rights Commission to disclose non-privileged records at the request of parties before the commission without the necessity of obtaining a court order.

Your Committee finds that allowing disclosure will avoid expensive and time consuming legal proceedings for the parties and the commission.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2949 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1797 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2644

The purpose of this bill is to establish a wastewater facility connection charge tax credit.

Specifically, the bill allows a qualified person to claim as a tax credit against state personal income tax liability, an amount equal to the cost of the wastewater facility connection charge.

Your Committee finds that as wastewater facilities become available to more areas, area residents are required to hook up with these facilities. Your Committee realizes the environmental necessity of this mandate, however, it also recognizes the prohibitive cost component that hook up charges may present. Your Committee believes that the tax credit would ease the financial burden of connecting to wastewater facilities.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2644 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1798 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2996

The purpose of this bill is to appropriate funds to help resolve individual claims against the State for breaches of the Hawaiian Home Lands Trust.

Specifically, the bill appropriates:

- (1) \$776,842 for the administrative expenses of the Hawaiian Home Lands Trust Individual Claims Review Panel (HHLTICRP); and
- (2) \$115,984 to fund a special assistant to the Chairperson of the Hawaiian Homes Commission position, support staff, and other costs related to the claims process.

Testimony in support of the bill was received from the HHLTICRP.

Your Committee finds that under Act 323, Session Laws of Hawaii 1991, the HHLTICRP was established in order to resolve individual claims against the State for breaches of the Hawaiian Home Lands Trust.

Your Committee believes that the bill will assist in ameliorating breaches by the State with regard to individual Hawaiian Home Lands Trust claims.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2996 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1799 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3056

The purpose of this bill is to approve advisory opinions of the Hawaiian Home Lands Trust Individual Claims Review Panel (HHLTICRP) and to appropriate funds for the resolution of these claims.

Testimony in support of the bill was received from the HHLTICRP.

Your Committee finds that under Act 323, Session Laws of Hawaii 1991, the HHLTICRP is required to submit an advisory opinion to the Legislature in order to obtain approval and funding for the compensation of a claim.

Your Committee believes that the bill will assist in ameliorating breaches by the State with regard to individual Hawaiian Home Lands Trust claims.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3056 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1800 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3205

The purpose of this bill is to authorize counties to issue bonds to finance environmental clean-up activities, costs associated with environmental emergencies, and other costs authorized by law.

Testimony in support of the bill was received from the City and County of Honolulu.

Your Committee finds that the bill allows the counties to utilize their credit capacity to meet unforeseen expenses associated with environmental liabilities and other catastrophic losses as well.

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 S.B. No. 3205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3205, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1801 Health on S.B. No. 3064

The purpose of this bill is to make an emergency appropriation for to Hamakua Medical Center.

This bill provides for an additional emergency appropriation for the Hamakua Medical Center, through the Private Hospitals and Medical Services Fund of the Department of Health.

Your Committee finds that the Hamakua Medical Center will expend all appropriated funds from 1993 before the end of this fiscal year and will be unable to function without further assistance. Since the closure of Hamakua Sugar Company, many of the people in the community are uninsured or insured through third party payors. Because of the poor economic conditions, the number of patients using Hamakua Medical Center services and the frequency of their visits have substantially declined. To meet these needs and to serve the public interest, this bill provides an emergency appropriation to continue the operation of Hamakua Medical Center.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3064 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1802 Health on S.B. No. 2943

The purpose of this bill is to enforce good manufacturing practices on producers of medical devices.

Specifically, the bill requires manufacturers of medical devices to comply with the same requirements previously only applicable to drug manufacturers. Section 328-14, Hawaii Revised Statutes, is amended to delete the references to drugs and include manufacture of medical devices in the requirements of the provisions.

Your Committee finds that although federal regulations contain guidelines for current good manufacturing practices for drug products and medical devices, the state guidelines only apply to drug manufacturers. Consequently, there is no control over the medical devices manufactured and sold in the State of Hawaii. The Department of Health needs to be able to enforce the good manufacturing practices for medical devices that are manufactured and sold locally.

Testimony in support of this bill was received from the Director of Health.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2943 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 1803 Health on S.B. No. 3010

The purpose of this bill is to increase the Division of Community Hospitals' special fund appropriation.

Specifically, this bill would make an emergency appropriation for the Division of Community Hospitals to provide for the additional cost of billing for public hospitals for medical services. The funds would cover the costs of the new billing contracts for laboratory, radiology, emergency, and anesthesiology services for the community hospitals. This appropriation shall be in addition to the operating appropriations made for the same programs by Act 289, Session Laws of Hawaii 1993.

Your Committee is in accord with the recommendations of the Director of Health and has amended the bill by changing the amounts appropriated to Hilo hospital from \$2,717,877 to \$1,795,090 and to Maui Memorial Hospital from \$7,617,601 to \$5,722,402.

Testimony in support of this bill was received from the Director of Health.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3010, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1804 Ways and Means on S.B. No. 2966

The purpose of this bill is to make a technical amendment with respect to income tax refund limitations. In particular, this bill amends section 235-111(b), Hawaii Revised Statutes (HRS), by deleting the provision denying any credit or refund of income taxes unless the claim is made within three years from the due date of the return.

Section 235-111, HRS, was amended by Act 257, Session Laws of Hawaii 1993, to provide a limitation on the amount of credit or refund a taxpayer may request and receive, or the amount of credit or refund the Department of Taxation may apply or issue on overpaid income taxes. This credit or refund limitation depends on whether and when a claim for the credit, in the form of a tax return or amended tax return, is filed by a taxpayer.

Section 235-111(b)(1), HRS, provides that when a claim for refund or credit is filed within three years of the due date of the original tax return, the credit or refund will be limited to the amount of income taxes paid within the three-year period immediately preceding the filing of the claim plus any extension of time for filing the original tax return.

Section 235-111(b)(2), HRS, provides that if the claim for refund or credit was not filed within the three-year period, then the amount of the refund or credit is limited to the taxes paid during the two years immediately preceding the filing of the claim for refund or credit.

Paragraph (3) of this section provides that if no claim is filed, the refund or credit shall not exceed the amount allowable under paragraph (1) or (2), as the case may be, if the claim was filed on the date the credit or refund is allowed.

Section 235-111(b), HRS, also contains a provision 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 by the taxpayer within that time.

This last provision prohibiting the filing of credit or refund claims after three years from the due date of the tax return conflicts with the provisions of section 235-111(b)(2), HRS, which allows a refund or credit taxes overpaid, subject to an amount limitation, when a claim is filed by the taxpayer after the three-year time period.

This bill deletes the conflicting provision currently contained in section 235-111(b), HRS, without amending the intent of Act 257, Session Laws of Hawaii 1993. Elimination of this provision will also conform the law to Internal Revenue Code section 6511 upon which these provisions are based.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2966 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1805 Ways and Means on S.B. No. 2971

The purpose of this bill is to apply the State's tax administration law relating to the suspension of the running of the statute of limitations during bankruptcy proceedings to the rental motor vehicle and tour vehicle surcharge tax law.

This bill would toll the statute of limitation on the assessment of vehicle surcharge taxes on the same basis as all other state taxes when assessments are prohibited during bankruptcy proceedings. Your Committee received testimony in support of this bill from the Department of Taxation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2971 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1806 Ways and Means on S.B. No. 2969

The purpose of this bill is to assist the Department of Taxation in computing interest on underpayment or nonpayment of taxes by requiring that interest be computed starting the calendar day after the payment is due, rather than the next work day.

Your Committee finds that changing this date will aid the department by removing the need to reprogram the department's computer to account for due dates immediately prior to a weekend or holiday. Your Committee also finds that this method is comparable to the method used by the Internal Revenue Service.

Testimony in favor of this bill was received from the Department of Taxation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2969 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1807 Education on S.B. No. 2715

The purpose of this bill is to appropriate funds to establish twenty-eight additional full-time athletic trainer positions in the public high schools.

Your Committee finds that athletic trainer positions are important for the safety and well-being of students who choose to participate in school athletic programs and events. Your Committee further finds that full-time athletic trainers are more able identify, treat, and rehabilitate injuries, resulting in safer athletic programs and healthier athletes.

Testimony in support of this measure was submitted by the Department of Education and the Athletic Training Curriculum Director at the University of Hawaii.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2715 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1808 Housing on S.B. No. 2929

The purpose of this bill is to exempt the Housing Loan Program Revenue Bond Special Fund (HLPRBSF) and the Housing Project Bond Special Fund (HPBSF) from the five percent surcharge by the Director of Finance for central services expenses.

Your Committee finds that these funds receive revenue from mortgage payments of the Hula Mae Single Family Mortgage Program, rental payments from the Multi-Family Rental Program, and interest from bond funds. The revenue from these funds are used to pay the costs of administering, operating, and maintaining the respective programs that generate the revenue, pay the principal and interest on the revenue bonds issued for these programs, establish reserves, and any other purpose authorized under these programs.

Your Committee also finds that because of the relatively large sums of revenue deposited into the funds, the five percent surcharge imposed on the funds for central services expenses has resulted in substantial amounts of revenue being taken from these funds, thus severely hampering the funds' ability to achieve the purposes for which these funds were intended.

Your Committee received supporting testimony from the Housing Finance and Development Corporation.

Your Committee has amended this bill by making technical amendments which do not affect the substance of the bill.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2929, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1809 Housing on S.B. No. 3083

The purpose of this bill is to increase the production of affordable housing in the State.

Specifically, the bill provides a one-year extension on the general excise tax exemption for qualified persons that participate in the production of affordable housing developments and lowers the income limit qualifications from the current 140 percent of the area median income to 120 percent for those seeking to purchase affordable housing.

Your Committee finds that the Legislature's intent in enacting Act 303, Session Laws of Hawaii 1992, was to promote the development of affordable housing units in the State. Since then, even though affordable housing developments have

been initiated or completed, the need for affordable housing in the State has not subsided. Therefore, your Committee believes that the extension of the exemption is in the best interest of the State.

Additionally, your Committee finds that although the amendment that lowers the qualifying income limit for affordable housing has noble intent, current law already authorizes the State Land Use Commission to require affordable housing project developers to build housing for income levels below 140 percent.

Consequently, your Committee has amended the bill by removing the amendment lowering the qualifying income limit and by making technical amendments to conform with recommended drafting style.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 3083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3083, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1810 Housing on S.B. No. 3267

The purpose of this bill is to provide Filipino veterans of World War II and their families with the benefit of discretionary preference toward low income rental housing offered by the Hawaii Housing Authority.

Specifically, the bill amends the definitions of "family of veterans" and "veteran" to include Filipino veterans of World War II that participated in various resistance efforts and military campaigns.

Your Committee finds that providing Filipino veterans of World War II and their families with discretionary preference for low income rental housing managed by the Hawaii Housing Authority is a worthwhile endeavor and is a token of the State's appreciation for the sacrifices made by these brave individuals.

Your Committee has made technical amendments which have no substantive effect to conform to recommended drafting style.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 3267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3267, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1811 Housing on S.B. No. 3293

The purpose of this bill is to further refine the purpose of the Housing Finance and Development Corporation (HFDC).

Specifically, the bill adds four new sections to Chapter 201E, Hawaii Revised Statutes (HRS), that require the HFDC to:

- (1) Utilize statistical income information available on each county to determine the percentage of residents that qualify for affordable housing in order to project the future housing needs of the area;
- (2) Increase efforts in providing low income rental units, rather than developing housing units for sale in this category and develop incentive programs for private developers to do likewise;
- (3) Adopt a high density housing program that would incorporate townhouses and duplexes in order to make housing available to those unable to afford single family residential units; and
- (4) Adopt a housing educational program that includes the use of a housing "sticker price list" that would educate buyers on the costs associated with developing the unit.

In addition to these new sections, the bill also:

- (1) Deletes the HFDC's exemption from the competitive bidding laws of the State;
- (2) Provides the HFDC with the flexibility to accept material house bonds from qualified issuers as a portion of a performance bond requirement; and
- (3) Makes numerous amendments to Chapter 201E, HRS to clarify the intended purpose of the HFDC.

Your Committee finds that although affordable housing is being provided in the State, the level at which it is being provided is nowhere near the actual need. The bill would assist the HFDC in focusing its efforts on the exact needs of each county and income group.

Your Committee has amended the bill by deleting the amendment that would repeal the HFDC's competitive bidding law exemption and by making numerous technical amendments which have no substantive effect for the purposes of clarity and style.

Your Committee believes that these amendments will facilitate a clearer understanding of the responsibilities of the HFDC and invokes a more readily achievable State housing development policy that will result in housing for more people in a shorter period of time.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 3293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3293, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1812 Agriculture on S.B. No. 2000

The purpose of this bill is to appropriate funds to inform the public of the detrimental impact of the European Brown Snail, to purchase and distribute snail bait, and to implement other methods to eradicate the snail.

Your Committee finds that the European Brown Snail is a threat to many of the State's diversified agricultural products and causes widespread destruction when found in vegetable, ornamental plant, and orchard crops.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2000 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1813 Agriculture on S.B. No. 2009

The purpose of this bill is to appropriate funds for the construction of a packing shed and the installation of packing lines for the Molokai Cooling Plant.

Your Committee finds that the Molokai Cooling Plant enables farmers to raise a wider variety of crops and allows the quality of harvested goods to be maintained during the shipping process. Your Committee further finds that the construction of a packing shed and the installation of packing lines will enable this facility to expand its services, increase income, and become self-supporting at a faster pace.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2009 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1814 Agriculture on S.B. No. 2046

The purpose of this bill is to appropriate funds to replace the compressor in the Kamuela vacuum cooling plant.

Your Committee finds that the compressor currently in use is at the end of its useful life and is subject to failure in the near future. To avoid interruptions in service to the community, the compressor should be replaced.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2046 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1815 Agriculture on S.B. No. 2636

The purpose of this bill is to appropriate \$350,000 for the Department of Agriculture to provide planning, technical, and business start-up assistance for agricultural development in the State.

Hawaii has always been an agricultural state, but with the phasing out of the sugar and pineapple industries, your Committee finds that it is incumbent upon the Legislature to support other agricultural pursuits of the kinds contemplated by this measure.

Your Committee has amended this bill by deleting the dollar figure and by making some technical changes that have no substantive effect.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2636, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2636, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1816 Ways and Means on S.B. No. 2366

The purpose of this bill is to extend the use tax exemption for oil pollution fighting equipment imported into the State until June 30, 1994.

Act 184, Session Laws of Hawaii 1992, provided a one-time use tax exemption for oil pollution fighting equipment imported into the State. The Marine Spill Response Corporation (MSRC), the non-profit corporation that was the beneficiary of the exemption, expected to import all of its equipment, valued at \$25,000,000 before the June 30, 1993 expiration date under Act 184. The MSRC, however, was unable to complete the equipment importation by that date, and approximately \$7,700,000 worth of equipment was imported after Act 184 expired.

This bill would allow the MSRC to benefit from the use tax exemption for its equipment imported to Hawaii after June 30, 1993. Your Committee finds that the total tax benefit realized by the MSRC under both Act 184 and this bill, does not exceed the benefits originally intended for the MSRC under Act 184.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2366 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1817 Ways and Means on S.B. No. 3047

The purpose of this bill is to authorize the automatic transfer of state funds to cover state checks redeemed at financial institutions.

On July 1, 1994, the Department of Accounting and General Services and the Department of Budget and Finance are planning to issue checks instead of warrants to avoid bank service charges and to obtain enhanced bank services. Using checks, however, may still incur service charges if the check-cashing process is not structured properly.

This bill would authorize the State to establish a special clearing account to hold preauthorized funds to pay off state checks. The clearing account would allow the State to not only avoid service charges, but to also maximize earnings on state funds held to redeem state checks.

Your Committee was assured by the director of finance that funds authorized for the clearing account would equal no more than the check amounts, and that the account would be reconciled on a daily basis.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3047 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1818 Ways and Means on S.B. No. 2965

The purpose of this bill is to create a state generation-skipping transfer (GST) tax.

This tax would not impose an additional tax liability on the taxpayer. It would only divert tax revenues from the federal treasury to the state general fund. This is possible because the Internal Revenue Code imposes a GST tax under section 2601 that allows a credit for any state GST tax paid, up to five per cent of the federal GST tax. By creating a state generation-skipping transfer tax, up to five per cent of the tax liability a taxpayer is obligated to the federal treasury for the federal GST tax will be deposited into the state general fund. Twenty-seven other states have established state GST taxes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2965 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1819 Housing on S.B. No. 2928

The purpose of this bill is to provide the State Land Use Commission (LUC) with more time to conduct its hearings and decision-making process.

Specifically, the bill requires the LUC to publish hearing notices not less than fifteen days in advance in both a local newspaper and a paper of general circulation when hearing any land use petitions that request boundary changes.

Your Committee received testimony in support of the bill from the LUC and the Housing Finance and Development Corporation.

Your Committee finds that currently, the LUC is required to conclude its proceedings within forty-five days upon receipt of a petition request. However, existing law also requires the LUC to provide at least thirty days notice before going to public hearing on a matter. Consequently, the LUC is required to conduct its hearings and decision-making process within the remaining fifteen-day period.

Your Committee believes that lowering the public notice requirement to fifteen days still provides the public with adequate notice and concomitantly affords the LUC more time to conduct and conclude its deliberations.

Your Committee has amended the bill to:

- (1) Include, whenever available, that a public notice be published in a daily county newspaper that originates from the island on which the proposed boundary amendment is to occur; and
- (2) Make specific reference to the subsection requiring the thirty-day notice.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2928, S.D. 1, and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 1820 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2354

The purpose of this bill to allow liquor commission employees to participate in political activities.

Your Committee received testimony in support of the bill from the Hawaii Government Employees Association.

Your Committee finds that county liquor commission employees should be able to exercise their right to fully participate in our democratic system of government.

Your Committee has amended the bill to conform with recommended drafting style.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2354, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1821 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2527

The purpose of this bill is to establish a comprehensive, statewide Environmental Education Program (Program).

The Program is intended to coordinate existing environmental education services, programs, and curricula. Your Committee believes that this will help prevent wasteful duplication of valuable resources.

To implement the Program, the bill establishes an Environmental Education Council (Council), and authorizes the hiring of an Environmental Education Coordinator (Coordinator) to develop an Environmental Education Clearinghouse.

Your Committee finds that establishing such a program will result in the development of environmentally-literate citizens who will be prepared to solve existing environmental problems, prevent new problems, and maintain a sustainable environment for future generations.

Your Committee has amended the bill by:

- (1) Clarifying that there is to be not more than eighteen members on the Council;
- (2) Ensuring that the members of the Council have an existing involvement, interest, or association in environmental education;
- (3) Ensuring that the Coordinator has an existing involvement, interest, or association in environmental education;
- (4) Changing the termination dates of the Council and the Coordinator to June 31, 1995, to allow them more time to complete their tasks; and
- (5) Making technical, nonsubstantive revisions for purposes of style, clarity, and consistency.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2527, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1822 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2530

The purpose of this bill is to coordinate the funding of the Department of Health's environmental programs.

Specifically, the bill reestablishes the Environmental Management Special Fund (Fund) currently found in Chapter 342G, Hawaii Revised Statutes (HRS), relating to integrated solid waste management, in a new chapter.

Your Committee finds that the Fund receives moneys from legislative appropriations and other sources to:

- (1) Partially fund the operating costs of the integrated solid waste program;
- (2) Fund statewide education, demonstration, and market development programs through direct contracts with the counties and the Department of Business, Economic Development, and Tourism; and
- (3) Provide for the annual training of municipal solid waste operators in compliance with 40 C.F.R. Part 258 and the Hawaii Administrative Rules Title 11, Chapter 58.

Your Committee also finds that as a part of its long range goals, the Department of Health plans to utilize the Fund as a means to finance its existing and future environmental programs.

Your Committee believes that creating a new chapter solely for the Fund would make it easier to attach other uses of the Fund in the future.

Your Committee has amended the bill by adding a section requiring that any other Act passed by the Legislature this year which amends sections 342G-63 or 342G-64, HRS, be amended to conform to the provisions of this bill. Your Committee has also made numerous technical amendments 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. 2530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2530, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1823 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2536

The purpose of this bill is to establish an asbestos abatement and removal policy for state government buildings and facilities.

Specifically, the bill adds a new part to Chapter 342P, Hawaii Revised Statutes, to describe the circumstances in which asbestos can be removed from state government buildings and facilities.

The bill establishes testing methods to determine asbestos emission levels and requires that one or more of the following circumstances exist before asbestos removal is commenced:

- (1) The removal is required under section 112 of part A of title I of the Clean Air Act, chapter 360, 84 Stat. 1685, 42 U.S.C. 7412;
- (2) The removal is required under title II of the Toxic Substances Control Act, Public Law 94-469, 15 U.S.C. 2641 to 2656;
- (3) The exposure level of asbestos fibers exceeds 0.01 fibers longer than five microns per cubic centimeter of air calculated as an eight-hour time weighted average during periods of normal building occupancy as determined by the testing methods described in section 342P-B;
- (4) The cost of an operations and maintenance plan exceeds the cost of removal, and removal complies with standards as mandated under title II of the Toxic Substances Control Act, Public Law 94-469, 15 U.S.C. 2641 to 2656; or
- (5) Removal of the material is incidental to normal maintenance or repair.

Your Committee finds that the State is currently a party to pending litigation with providers of products containing asbestos and that enactment of any such legislation may jeopardize the State's ability to obtain satisfaction in future legal proceedings. Your Committee is also aware of the critical need to establish a removal policy to protect the health and welfare of those who utilize state government buildings and facilities. Realizing these concerns, your Committee has amended the bill by:

- (1) Clarifying that item 2 of §342P-F applies to school buildings housing any of grades K-12;
- (2) Clarifying in item 4 of §342P-F, that the removal of asbestos shall comply with the standards mandated in items 1 or 2 of 342P-F and the standards of the Occupational Safety and Health Administration contained in 29 C.F.R. 1926.58;
- (3) Clarifying that the provisions of the bill will not affect pending litigation; and
- (4) Changing the effective date of the bill to January 1, 1997.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2536, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1824 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2687

The purpose of this bill is to ensure a safe and healthy indoor environment for the citizens of the State.

Specifically, the bill establishes an indoor air pollution program within the Department of Health that is mandated to:

- (1) Educate the public about indoor air quality;
- (2) Establish and coordinate a government-wide indoor air quality assessment network; and
- (3) Enhance existing programs within the Department of Health by increasing program resources to accomplish these mandates.

Your Committee finds that people spend up to ninety percent of their time indoors and as a result are subjected to possible exposure to indoor air contaminants, especially in areas where ventilation is poor. Your Committee believes that the establishment of an indoor air pollution program is in the best interest of the health and welfare of the citizens of the State.

Your Committee has amended the bill by providing the Director of Health with rulemaking authority to carry out the purposes of the bill.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2687, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1825 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2733

The purpose of this bill is to require candidates for state legislative offices to take greater responsibility for the disclosure of corporate or contractor contributions and campaign advertising.

Your Committee finds that reform measures in the area of campaign finance are necessary and desirable.

This bill will strengthen Hawaii's campaign contribution reporting laws and improve public confidence in government by giving the public adequate information about the contributions of those doing business with the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2733 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1826 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3078

The purpose of this bill is to repeal the criminal penalties for disclosures relating to proceedings of the Hawaii State Ethics Commission and to make the proceedings a matter of public record.

Your Committee finds that the procedures of the Commission under current law are shrouded in excessive secrecy, resulting in an erosion of public confidence in the ethics laws and in government itself.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3078 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1827 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3101

The purpose of this bill is to appropriate funds for capital improvement projects for the benefit of the Sixth and Seventh Senatorial Districts.

Your Committee finds a need for the construction, enlargement, or improvement of educational facilities, park and recreational areas, roads and bridges, and water and sewer utilities on the Island of Kauai.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3101 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1828 Government Operations, Environmental Protection and Hawaiian Programs on S.B. 3157

The purpose of this bill is to appropriate \$256,000 for fiscal year 1994-1995 to be expended by the Department of Hawaiian Home Lands on construction of an extension to the Community Center at Paukukalo, Wailuku, Maui.

Your Community finds that upgrading of community facilities is a responsible and appropriate expenditure of public resources.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3157 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1829 Health on S.B. No. 2041

The purpose of this bill is to expand the role of psychologists in emergency hospitalization cases and in the commitment of individuals to psychiatric facilities.

Specifically, this bill amends chapter 334, Hawaii Revised Statutes, to permit psychologists to make applications to the court for determination of mental illness in emergency cases, to authorize transportation for purposes of examination and determination of treatments in emergency cases, to examine and treat patients admitted for emergency examinations, and

to hospitalize the patient on an emergency basis. Additionally, the bill requires a psychologist or psychiatrist to testify at involuntary commitment hearings before a person is required to undergo psychological treatment.

Your Committee finds that clinical psychologists are qualified by training and experience to perform many of the assessments and interventions included in mental treatment. Increasing the role of psychologists will facilitate timely and effective treatment for persons whose mental illness, substance abuse, or imminent danger necessitates emergency examination and hospitalization.

Testimony received by your Committee, however, revealed that the bill, as written, implies that psychologists will independently diagnose and treat psychiatric patients in the emergency room and admit such patients to psychiatric facilities. Since treatment for patients requiring emergency hospitalization is usually more medical than psychological in nature, your Committee has amended the bill to clarify role of the psychologist and to ensure distinction between "psychological" and "medical" examination and treatment.

Specifically, your Committee has amended the bill by:

- (1) Permitting licensed psychologists to administer treatment where psychologically necessary in emergency cases;
- (2) Allowing a psychiatrist or psychologist to make further examinations and treatment after transportation to an appropriate medical facility;
- (3) Eliminating the role of the psychologist in determining whether the patient should be discharged; and
- (4) Making 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. 2041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2041, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1830 Health on S.B. No. 2813

The purpose of this bill is to provide residential alcohol and drug treatment for pregnant mothers, women in childbearing years, and parents who are likely to regain custody of their children.

Specifically, this bill will establish the Family Preservation Act, which will provide for drug and alcohol treatment programs, education, job counseling, day care, support groups, and counseling for expectant mothers, parents and their children, and for parents who have lost custody of their children but are expected to regain custody.

Your Committee finds that the effect of alcohol and drug abuse is devastating to the lives of children when their mothers are addicted before and after childbirth, and there is a serious shortage of alcohol and other drug treatment resources for these women. Though the Department of Health currently provides services outlined in the bill, it does so on a limited basis due to the available funding. However, this bill does not mandate new expenditures.

Your Committee also finds that this bill was introduced by the Prosecuting Attorney for the City and County of Honolulu as part of an eighteen bill package to combat substance abuse.

Your Committee has amended this bill by:

- (1) Allowing the Department to provide residential drug and alcohol treatment through the purchase of services as well as grants;
- (2) Deleting the references to Alcoholics Anonymous and Narcotics Anonymous from the provision requiring involvement in support groups;
- (3) Eliminating the therapeutic requirement of day care services when the parent is in counseling;
- (4) Requiring confidentiality of records regarding persons enrolled in treatment in accordance with federal law; and
- (5) Deleting the requirements for an annual report, and staff training and referral mechanisms.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2813, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1831 Health on S.B. No. 2947

The purpose of this bill is to improve the delivery of mental health and alcohol and drug abuse treatment, and to provide for flexibility of insurance benefits.

Specifically, this bill eliminates the requirement that physicians or psychologists be certified under chapter 321; allows one day of mental health in-hospital services to be exchanged for two outpatient service visits; and extends the deadline for the Department of Health to report to the legislature evaluating the effectiveness of the benefits covered under the

chapter. This bill also extends the repeal date of Act 202, Session Laws of Hawaii 1988, from July 1, 1994 to July 1, 1998.

Your Committee heard testimony in support of the bill from the Director of the Department of Health.

Your Committee finds that the need for mental health and substance abuse treatment continues to grow, but federal and state resources for treatment have not kept up. This bill expands the flexibility of mental health and substance abuse services to clients. The ability to exchange inpatient for outpatient coverage provides effective treatment in the most cost efficient setting. Further, the requirement of certification under chapter 321 for psychologists and physicians is unnecessary because they are already licensed.

Your Committee has amended the bill by:

- (1) Amending the definition of "Certified substance abuse staff" to include licensed psychologists and physicians not certified under chapter 321.
- (2) Clarifying that inpatient services can be exchanged for outpatient services where those outpatient services would prevent hospitalization; and
- (3) Making technical changes that do not affect the substance of the bill.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2947, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 1832 Health on S.B. No. 3286

The purpose of this bill is to mandate public and private providers of maternal and child health services to adhere to the national health objectives for the year 2000.

Specifically, this bill requires that all providers of maternal and child health services submit data relating to the nationally established goals regarding maternal and child health. The Department of Health would compile and analyze the data submitted and make recommendations to the legislature regarding program funding and provider licensing.

Your Committee has amended the bill by:

- (1) Adding a statement declaring that maternal and child health is a high priority of the State;
- (2) Deleting the requirement to comply with the national health objectives and designating the stated objectives as the Departments for maternal and child health services;
- (3) Deleting the requirement that all providers submit data to the Department and requiring the Department to use available data in conducting analysis pertaining to the objectives;
- (4) Specifying that the Department's recommendation to the Legislature be on policies and statutes, as well as funding of maternal and child health programs and excluding provider licensing;
- (5) Deleting the provisions regarding accountability for State funded services and common performance standards for all providers;
- (6) Deleting the amendment to the rules requiring the Director to determine which providers should be held accountable to the national objectives;
- (7) Requiring the repeal of the bill on January 1, 2000; and
- (8) Making nonsubstantive technical changes for the purpose of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3286, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1833 Human Services on S.B. No. 2694

The purpose of this bill is to provide funds to plan and design a child care provider training center.

Your Committee received testimony in support of the concept of the bill from the Department of Labor and Industrial relations, Office of Children and Youth, the University of Hawaii and an interested citizen.

Your Committee finds that many individuals would otherwise enter the field of child care, but are reluctant to do so because of lack of education and experience in meeting the appropriate developmental needs of young children.

Your Committee has amended the bill to specify the purpose of the appropriation to be that the Department of Labor and Industrial Relations establish and operate the center envisioned in the bill rather than engage in further planning and design of a child care training program.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2694, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1834 Human Services on S.B. No. 2841

The purpose of this bill is to allow payment of travel time in excess of thirty miles round trip for interpreter services for the deaf, hard-of-hearing, or deaf-blind persons.

Your Committee received testimony in unanimous support of the bill from the Coordinating Council on Deafness, the Commission on Persons with Disabilities, Hawaii Registry of Interpreters for the Deaf, and an interested individual.

Your Committee finds that certified sign language interpreters are in limited supply in outlying areas. Payment for travel time may encourage more interpreters to accept assignment in outlying areas. Therefore, your Committee has amended the bill to authorize the council to establish payment guidelines which include travel time.

Your Committee is informed that the council has sufficient funds, and therefore has amended the bill by deleting the appropriations section.

Your Committee has made technical amendments for the purpose of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2841, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1835 Human Services on S.B. No. 2855

The purpose of this bill is to exempt providers of child care from the payment of state income tax on the first \$20,000 received from this service.

Your Committee received testimony relative to the bill from the Department of Taxation, the Office of Children and Youth and the Hawaii Association for the Education of Young Children.

Your Committee finds a need to increase the compensation for persons employed as child care providers so that qualified individuals have an incentive to enter and remain in the field. Tax advantages offered by the bill are designed to attract and maintain a competent staff in all of Hawaii's child care centers.

Your Committee has amended this bill by clarifying that the exemption is available only to employees of centers licensed or registered by the Department of Human Services.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2855, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1836 Human Services on S.B. No. 2900

The purpose of the bill is to require that concession shops in facilities financed by special purpose revenue bonds be operated by nonprofit corporations whose primary purpose is to train and employ persons with disabilities.

Your Committee received testimony in support of the bill from Makaala Inc.

Your Committee finds a compelling need to relieve the burdens of disabled persons whenever possible. Your Committee further finds that an effective means for training and employment of disabled persons is through the operation of concessions in public facilities.

Your Committee has amended the bill to specify that such concessions be awarded pursuant to bids as required by law. Further amendments to the bill provide for a ten per cent bid advantage to nonprofit corporations experienced in operating facilities with a work force consisting substantially of persons with disabilities.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2900, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1837 Human Services on S.B. No. 3081

The purpose of this bill is to provide operating funds for a long-term rehabilitation residence for the homeless mentally-ill.

Your Committee finds that the State currently has only a ten-bed capacity to provide care for homeless mentally-ill persons. Your Committee further finds a pressing need for a long-term rehabilitation residence which will provide homeless mentally-ill persons with supervision, rehabilitation services, basic residential needs, and mandatory counseling.

Testimony in support of the bill was received from the Department of Human Services, Department of Health, The House Inc., and four concerned citizens.

Your Committee has amended the bill to designate the Department of Health rather than the Department of Human Services as the expending agency and has made technical amendments which do not affect the substance of the bill.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3081, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1838 Human Services on S.B. No. 3082

The purpose of the bill is to appropriate funds for operating costs for a "safe haven" pilot project that provides essential services to the homeless mentally-ill without imposing strict program requirements.

Your Committee finds a need for a facility where professionals and government agencies can create an atmosphere conducive to the establishment of a relationship with homeless persons who are mentally-ill. Such a facility will achieve the long-term goal of inducing confidence in the homeless mentally-ill to accept counseling and treatment.

Your Committee has amended the bill to designate the Department of Health rather than the Department of Human Services as the expending agency.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3082, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3082, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1839 Tourism and Recreation on S.B. No. 1542

The purpose of this bill is to appropriate \$200,000 to be expended by the County of Hawaii in fiscal year 1993-1994 for park and recreation development at Kealakehe and Kalaoa, West Hawaii.

Your Committee finds that this appropriation necessary for development of sorely needed community parks and recreational facilities in these rapidly developing population centers on the Big Island.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1542 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1840 Tourism and Recreation on S.B. No. 2121

The purpose of this bill is to appropriate \$175,000 for fiscal year 1994-1995 to be expended by the Department of Business, Economic Development, and Tourism in support of the Visitor Industry Education Council.

Projects that will be enabled by the appropriation include tourism awareness workshops, a media campaign on the benefits of tourism, the teacher/counselor internship program, visitor industry awareness programs, updated curriculum, and the VIEC kindergarten unit entitled "Tourists Make Jobs."

Your Committee finds that the Visitor Industry Education Council plays an important role in educating our communities on the advantages and benefits of tourism, Hawaii's leading economic provider. This appropriation will help to ensure the Council's continuing ability to provide its important services.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2121 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1841 Tourism and Recreation on S.B. No. 2424

The purpose of this bill is to appropriate \$1,500,000 for fiscal year 1994-1995 to be expended by the Department of Business, Economic Development, and Tourism to support golf events televised from the State of Hawaii.

Four nationally and internationally televised golf events currently originate in Hawaii: the Senior Skins, the Hawaiian Open, the Lincoln Mercury Kapalua International, and the Kaanapali Classic, and a fifth will be added with the return of

the PGA Grand Slam of Golf. These events reach millions of golfers throughout the country and the world, many of whom choose to vacation in Hawaii after viewing them.

Your Committee finds that expenditures of public funds to support nationally and internationally televised golf events is a wise, prudent, and cost-effective means of promoting Hawaii's most important industry.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2424 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1842 Tourism and Recreation on S.B. No. 2500

The purpose of this bill is to direct the Office of Tourism to identify new markets outside and within the State, and make appropriations for ecotourism and cultural tourism pilot projects.

Your Committee finds that Hawaii needs to diversify its visitor industry by identifying new geographic and niche markets. Your Committee further finds that the development of these markets should be part of the Office of Tourism's strategic planning effort and that the proposed pilot projects will provide useful data which can be used in the development of such a plan.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, the Hawaii Hotel Association, and the Citizens for the Protection of the North Kohala Coastline.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2500 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1843 Tourism and Recreation on S.B. No. 2586

The purpose of this bill is to direct the Department of Business, Economic Development, and Tourism to develop a plan to promote ecotourism in Hawaii.

Your Committee finds that our visitor industry needs to expand and diversify to attract returning visitors as well as to ease the burden on existing destinations. Your Committee further finds that the development of ecotourism may reveal many opportunities for Hawaii to showcase our state's natural beauty in an environmentally friendly approach.

Testimony in support of this bill was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, the Chamber of Commerce of Hawaii, and the Hawaii Green Party.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2596 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1844 Tourism and Recreation on S.B. No. 2749

The purpose of this bill is to include annual reporting requirements within the terms and conditions of the Hawaii Visitors Bureau contract with the State.

Your Committee finds that the Hawaii Visitors Bureau receives annual appropriations of state funds through a state contract for which there are no annual reporting requirements. Your Committee further finds that in order for the Legislature to adequately meet its responsibilities for the oversight of state funds, the Hawaii Visitors Bureau contract should contain an annual reporting requirement which provides information about how state funds were expended and the effectiveness of such expenditures.

Testimony in support of this bill was submitted by the Department of Business, Economic Development, and Tourism, and the Hawaii Visitors Bureau.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2749 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1845 Tourism and Recreation on S.B. No. 2843

The purpose of this bill is to appropriate \$25,000 for fiscal year 1994-1995 to be expended by the Department of Business, Economic Development, and Tourism in support of the 1994 Royal Hawaiian Rugby Festival.

Your Committee is generally supportive of athletic contests such as the Rugby Festival that have international appeal and help to promote tourism. The appropriation provided in this measure is consistent with established policies relating to tourism, recreation, and economic development.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2843 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1846 Tourism and Recreation on S.B. No. 2883

The purpose of this bill is to appropriate \$200,000 for fiscal year 1994-1995 to be expended by the Department of Business, Economic Development, and Tourism in support of the 1995 Firefighters Games.

These Games will be a separate division of the 1995 Aloha State Games promoted and operated by Hawaii Fire Sports, Inc., a statewide organization of firefighters which, since 1991, has organized and participated in firefighter sporting events in this State, on the Mainland, and around the world.

Your Committee is generally supportive of sporting events that have potential to attract international attention and promote tourism. The 1995 Firefighters Games has this potential and meets established public policy criteria relating to tourism, recreation, and economic development.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2883 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1847 Agriculture on S.B. No. 2077

The purpose of this bill is to authorize the Department of Agriculture to set the rental fees for land in agricultural parks based on the appraised evaluation of the property rather than the fair market value.

Your Committee finds that the current rental fees reflect an unreasonably high and distorted figure which is based primarily on the general trend of real estate sales. This results in a major imbalance of lease rents for agriculture lands throughout the State.

Your Committee believes that agricultural lease rents must be affordable if agriculture is to remain a viable industry in this State. This bill, by authorizing the Department to adjust lease rents by rules, provides for a method of setting lease rents that are more reflective of existing conditions, taking into account discrepancies in the real estate market that may adversely impact agriculture lease rents.

Your Committee received testimony in support of the bill from the Department of Agriculture and the Hawaii Farm Bureau.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2077 and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 1848 Agriculture on S.B. No. 2728

The purpose of this bill is to appropriate funds to maintain the current staff and resources of the Hawaiian Sugar Planters' Association (HSPA) experimental station and to effectuate its orderly transfer to the Hawaii Agriculture Research Corporation.

Your Committee finds that with the downsizing of the sugar industry, agricultural research is becoming increasingly more important for maintaining and improving current crops grown across the State and for developing new crops that can take the best economic advantage of the thousands of acres of prime agricultural land that are becoming available.

Your Committee received testimony relative to the bill from the University of Hawaii, the Department of Agriculture, Hawaii Farm Bureau, Hawaii Forest Industry Association, and HSPA.

Your Committee has amended the bill to specify that the activities of the HSPA to be funded by this bill are to be in consultation with the College of Tropical Agriculture and Human Resources and the Department of Agriculture.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2728, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1849 Ways and Means on S.B. No. 2974

The purpose of this bill is to repeal the Tax Administration Fund of 1993.

The Fund was used to defray the expenses of employee overtime pay, emergency and temporary hires, filling vacant civil service positions, and conducting out-of-state audits. The Fund was financed through delinquent tax collections.

Your Committee finds that the Department of Taxation has requested and received approval from the Department of Budget and Finance to convert the moneys in the Fund to the general fund and to include these funds as a permanent part

of the Department of Taxation's budget. This conversion would provide a consistent and stable source of funds for the stated objectives, so that the Fund would no longer be necessary.

Favorable testimony on this measure was received from the Department of Taxation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2974 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1850 Judiciary on S.B. No. 2199

The purpose of this bill is to appropriate an unspecified sum to the Department of Public Safety to train security guards for the Department of Education's school campuses.

Your Committee received testimony supporting this measure from the Department of Public Safety. Your Committee also received testimony supporting the intent of this measure from the Department of Education.

Your Committee has amended this bill by:

- (1) Including a section on legislative findings and intent;
- (2) Appropriating the sum of \$30,000 and itemizing the appropriation according to activities; and
- (3) Clarifying that the purpose of this measure is to appropriate funds to train security guards for the Department of Education's school campuses, rather than all of the Department of Education school campuses, in recognition of the fact that the Department of Education does not station security attendants at all school campuses.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2199, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1851 Judiciary on S.B. No. 2160

The purpose of the bill is to allow legal aliens, age twenty-one or older, to obtain permits for the acquisition of firearms. The Hawaii Rifle Association testified in support of the bill, indicating that legal aliens living and working in Hawaii should not be precluded from enjoying hunting and shooting sports and that it was discriminatory for these permanent residents to be precluded from acquiring a permit to purchase or possess a firearm.

Current law allows a long gun to be possessed by a legal alien with a hunting license for sixty days. While this may be adequate for an alien visiting Hawaii for a brief period of time, it is neither sufficient nor equitable for the permanent resident alien. Furthermore, federal law allows legal aliens to possess firearms. As argued by the HRA, Japanese competitors in Olympic shooting sports train for several months on the mainland prior to their qualifying matches and they would probably prefer Hawaii for a portion of that training, but for our strict laws against aliens. Your Committee believes that at a time when tourism is at its lowest point in decades, our state could welcome more foreign sportsmen to Hawaii but for our current firearms law.

Upon further consideration, your Committee has further amended the bill as proposed in SSCR 1773, to delete any changes to the age requirement from eighteen years to twenty-one years of age. Your Committee believes the age requirement should be changed after further deliberation on the issue.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2160, S.D.1 as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2160 S.D.2.

Signed by all members of the Committee.

SCRep. 1852 Health on S.B. No. 1406

The purpose of this bill is to require the Department of Health to adopt rules assuring that applicants to operate adult foster homes and developmental disabilities domiciliary homes are reputable and responsible.

Specifically, this bill amends chapter 333F, Hawaii Revised Statutes, requiring the Department to screen applicants for and employees of adult foster homes and developmental disabilities domiciliary homes, by requiring disclosure of their criminal history, requiring the Department to run a criminal history check, and requiring applicants and employees to be fingerprinted. Persons licensed or certified to provide such care are required to report annually on their employees and their criminal history if any.

Your Committee finds that protection for the safety and well being of vulnerable persons residing in these homes is a primary concern to the Department. The screening process provided in this bill will allow the Department to prevent individuals with criminal records to repeat their criminal activities and endanger the safety of the residents under their care.

Testimony in support of this bill was submitted by the Director of Health.

Your Committee has amended the bill by:

- (1) Deleting the definitions of "adult foster home" and "developmental disabilities domiciliary home" in the definitional section of the bill;
- (2) Adding the definitions for "developmental disabilities domiciliary homes" and "adult foster homes" within the criminal history record checks statute;
- (3) Renumbering section 1 to section 2, and section 2 to section 1; and
- (4) Making nonsubstantive technical changes for purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1406, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1853 Health on S.B. No. 2083

The purpose of this bill is to ensure repairs and improvements are made to property owned by the Department of Health so that it may be fully utilized.

Specifically, this bill requires that the Department make optimal use of the property and improvements at 548 Kapahulu Avenue, Honolulu, Hawaii 96815, for health-related purposes, including a multi-purpose health service center and space for Department offices. The bill also requires the Department to secure use of part of the Ala Wai Golf Course property adjoining 548 Kapahulu Avenue for parking space for the building's patrons and employees and to submit a report to the Legislature prior to the 1995 Regular Session.

Your Committee finds that the property at 548 Kapahulu Avenue has potential for use as a highly accessible, centrally located site for delivery of comprehensive health services to a large community population.

Testimony in support of this bill was received from the Director of the Department of Health.

Your Committee has amended the bill by inserting an appropriation for funds to expand the scope of the project to include, but not be limited to, additional space requirements and land acquisitions. Your Committee has also changed the effective date to July 1, 1994, and made technical nonsubstantive changes for purposes of clarity.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2083, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1854 Health on S.B. No. 2944

The purpose of this bill is to increase the areas where a smoking policy must be established.

Specifically, this bill increases the scope of chapter 328K, Hawaii Revised Statutes, by expanding the definition of employer to include any entity having more than one employee, changing the definition of enclosed areas to include partially enclosed areas, and replacing the definition of "office workplace" with a definition for "workplaces".

Your Committee finds that cigarette smoking is Hawaii's number one preventable cause of death, illness, and disability, and that worksites present a highly dense environment that exposes people to health risks where smoking is allowed. This bill increases protections against exposure to smoke in the workplace and extends those protections to all employees. City and County of Honolulu ordinance 93-68 prohibits smoking in many areas, including partially enclosed areas defined as having a roof or overhang and one wall. This bill is not as strict as the current City ordinance because it only requires that a policy be established regarding smoking, not a ban.

Testimony in support of this bill was submitted by the Director of the Department of Health.

Your Committee has amended the bill by stating that the written smoking policy requirements under section 328K-13, Hawaii Revised Statutes, do not apply to areas where smoking is prohibited in other parts of chapter 328K, Hawaii Revised Statutes. Your Committee has also amended this bill by making a nonsubstantive technical change for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2944, S.D. 1, and be referred to the Committee on Labor and Employment.

Signed by all members of the Committee.

SCRep. 1855 Health on S.B. No. 3008

The purpose of this bill is to expand the Community Hospitals Division's pilot autonomy project to include within the provisions of the project four more rural hospitals, a medical center, and the division staff office.

Specifically, this bill would amend Act 211, Session Laws of Hawaii 1993, to require the Director of Health to also formulate policies for the autonomous operation of Ka'u Hospital, Honokaa Hospital, Kohala Hospital, Lanai Community Hospital, Hana Medical Center, and the division administrative staff office.

Your Committee finds that autonomous operation of community hospitals has enabled hospitals to reduce administrative overhead, improve patient care, acquire needed medical equipment more efficiently and in less time, and to streamline recruitment and hiring of essential medical personnel. Since rural hospitals have the same needs as the larger facilities, this bill would extend the benefits of autonomy to the remaining hospitals and to the Division Administration.

The Department of Health has given testimony strongly supporting the bill.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3008, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1856 Health on S.B. No. 3009

The purpose this bill is to create a separate agency to provide community hospitals with more control over their operations, to ensure competitiveness and viability in view of health care reform.

Specifically, this bill establishes a community hospital agency within the Department of Health. The bill directs the Governor to appoint a task force to establish an organizational and functional plan relating to all aspects of the agency. Following the completion of the plan, the Governor will appoint a management team to develop a specific transition plan for the agency.

Your Committee finds that the State's hospital system is the fifth largest in the nation, but the current organization of community hospitals lacks the ability to reorganize efficiently and to introduce new medical services quickly. The community hospital system must control its operations in order to compete with private hospitals. This bill reorganizes the community hospital system into a separate agency, making the system more efficient and competitive, and positioning the hospital system for national health care reform.

Testimony in support of this bill was received from the Director of Health.

Your Committee has adopted the recommendations of the Director of Health by amending the bill to include appropriate labor union representatives on the agency task force.

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

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3009, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1857 (Joint) Health and Human Services on S.B. No. 3085

The purpose of this bill is to make an appropriation for services for the mentally ill.

Specifically, this bill would appropriate funds for services for severely mentally ill people living in supported studio living.

Your Committees find that severely mentally ill people who fail to live independently may succeed in individual units where clinical support is available such as supported studio living. Projects such as this provide workable, cost effective solutions for individuals with mental illnesses. Supported studio living provides structure, therapeutic treatment, and a safe, stable environment which encourages acceptance.

Testimony in support of this bill was received from the Director of Health.

Your Committees have amended the bill by changing the sum appropriated from \$219,000 to \$1.

Your Committees on Health and Human Services are in accord with the intent and purpose of S.B. No. 3085, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3085, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1858 Planning, Land and Water Use Management on S.B. No. 2001

The purpose of this bill is to restructure the commission on water resource management to add the chairperson of the board of agriculture as an ex officio voting member.

Under present law, the chairperson of the board of agriculture is not a member of the commission. This bill provides that the chairperson of the board of agriculture or a named designee, as well as a named designee of the director of health shall be ex officio voting members of the commission. Your Committee finds that input from the Department of Agriculture into water use planning is necessary and valuable to the proper execution of the commission's duties as agriculture plays a significant role in water use.

Your Committee has amended this bill by making technical changes that do not affect the substance of the bill.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2001, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 1859 Planning, Land and Water Use Management on S.B. No. 2272

The purpose of this bill is to appropriate funds for the implementation of a biological and hydrologic monitoring program for the Waikolu Well Development Project in Molokai.

The sum appropriated is \$200,000. Your Committee finds that the project is required to implement a condition of the water use permit issued by the Water Resource Management Commission which may otherwise deny the permit.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2272 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. 1860 Planning, Land and Water Use Management on S.B. No. 2280

The purpose of this bill is to authorize the issuance of general obligation bonds to update the 1975 master plan for the Wahiawa Freshwater Park.

The Wahiawa Freshwater Park was planned twenty years ago to serve as a site for a mixture of picnicking and camping activities as the residents of Wahiawa needed a sizable recreational park. Approximately five acres of the original sixty-six acres have been developed. This bill appropriates \$200,000 to update the master plan to include an environmental impact statement.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2280 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. 1861 Planning, Land and Water Use Management on S.B. No. 2640

The purpose of this bill is to appropriate funds for the establishment and operation of a West Hawaii land management branch office.

The bill specifically appropriates \$89,316 for the branch office which is in the division of land management of the Department of Land and Natural Resources. Your Committee finds that this appropriation is necessary for the effective management of public lands in West Hawaii.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2640 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. 1862 Planning, Land and Water Use Management on S.B. No. 2735

The purpose of this bill is to appropriate funds to the Ka'u Community Development Corporation.

The Ka'u Community Development Corporation was formed as a result of an initiative of Ka'u 2000, a community-based economic development forum held last November. The purpose of the corporation is to plan for the economic future of the Hamakua Coast.

Your Committee has amended this bill by reducing the appropriation from \$315,000 to \$4 and allocating one dollar for each of the four listed expenditures.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2735, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 1863 (Joint\Majority) Planning, Land and Water Use Management and Judiciary on S.B. No. 2167

The purpose of this bill is to designate the city of Kapolei as the permanent site for the establishment of a family court center and for the relocation of the intermediate court of appeals.

Presently, the family court is located in Honolulu in the circuit court building on Punchbowl Street. The intermediate court is also located in Honolulu in the old federal building. Both court sites are overcrowded and inadequate. This bill designates the city of Kapolei as the permanent site for these courts. Your Committees find that the city of Kapolei would be ideal for the development of a major court complex within its urban center.

Your Committees have amended this bill by deleting the requirement that the intermediate court of appeals also move to Kapolei. Testimony from the judiciary indicated that the intermediate court is best located in downtown Honolulu in proximity to the supreme court.

Your Committees on Planning, Land and Water Use Management and Judiciary are in accord with the intent and purpose of S.B. No. 2167, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2167, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator Holt.
Senator Levin did not concur.

SCRep. 1864 (Joint) Planning, Land and Water Use Management and Agriculture on S.B. No. 2637

The purpose of this bill is to require the Board of Land and Natural Resources to consider the relevant agricultural use of leased land in setting rents for agricultural leases.

Under current law, there are no guidelines or standards for the Board of Land and Natural Resources to utilize when setting lease rents for public lands used for agricultural purposes. The Department of Land and Natural Resources has been calculating the annual lease rents based on the agricultural use of the land, using comparable agricultural lease rents and the income approach. However, farmers have expressed concern that the amount of the rentals in the past year have been very substantial so as to make it very difficult for them to operate profitably.

Your Committees find that this bill will facilitate stabilization of state agricultural lease rents that would foster agriculture.

Your Committees on Planning, Land and Water Use Management and Agriculture are in accord with the intent and purpose of S.B. No. 2637 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 Holt.

SCRep. 1865 (Joint) Health and Human Services on S.B. No. 3035

The purpose of this bill is to transfer all State Health Insurance Program positions to the Department of Human Services without loss of any employment benefits, seniority, or status.

This bill would merge the State Health Insurance Program with the Hawaii Health QUEST Program, and ensure the necessary staffing.

Your Committees have amended this bill by changing the effective date from July 1, 1994, to July 1, 1999. This effective date was purposely inserted because there is a need for further discussion including the disclosure of bid business proposals submitted by prospective providers. This bill is to be considered in tandem with S.B. No. 2382.

Testimony in support of this bill was received from the Department of Human Services.

Your Committees on Health and Human Services are in accord with the intent and purpose of S.B. No. 3035, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3035, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1866 Housing on S.B. No. 3306

The purpose of this bill is to provide financial assistance to the former employees of the Hamakua Sugar Company and the Hilo Coast Processing Company.

Specifically, the bill establishes a Hawaii Housing Loan and Grant Program (Program) administered by the Director of Business, Economic Development, and Tourism. The Program is to financially assist displaced employees of the Hamakua Sugar Company and the Hilo Coast Processing Company to prevent the possible loss of their homes due to foreclosure. The bill also appropriates \$4,000,000 to carry out the purposes of the bill.

Your Committee finds that the task of assisting the displaced employees of the Hamakua Sugar Company and the Hilo Coast Processing Company is a complex one in that much of the present housing does not meet current county standards and the related infrastructure is also in need of upgrading. Simply providing a basic loan and grant program may not sufficiently meet the current and future needs of the affected community. Your Committee believes that in order to meet these needs and revitalize the Hamakua area, a joint effort involving the State, county, and the private sector is required to accomplish the task.

However, your Committee realizes that such a proposal will take years to develop and does nothing for the Hamakua area which is in need of immediate relief. Therefore, your Committee has amended the bill by deleting its substance and replacing it with emergency funding provisions to help alleviate the pressing housing crisis in the Hamakua region.

In essence, the amendments provide:

- (1) An emergency loan program that will provide temporary assistance to families who have lost their jobs and require help in making mortgage payments on their homes;
- (2) State rental assistance funds to subsidize rents; and
- (3) A grant program to address critical infrastructure improvements to ensure the continued operation of the Hamakua area plantation camps.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 3306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3306, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1867 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3167

The purpose of this bill is to appropriate \$106,200 for the removal of algae from the nearshore waters of Maui County.

Your Committee finds that according to a report done pursuant to House Concurrent Resolution 405, 1993, algae blooms in the nearshore waters of Maui County have proliferated to a point where ocean water quality has been compromised. To mitigate the adverse effects of these blooms, proper remedial action is necessary.

Your Committee notes that a typographical error is contained in the title of the bill.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3167 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1868 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3291

The purpose of this bill is to ensure the timely and equitable recovery of victims of natural disasters.

Specifically, the bill establishes a casualty victim compensation chapter within the Hawaii Revised Statutes to aid the victims of natural disasters by providing compensation and indemnification for certain losses from property damage or the conduct of the public or private sectors in response to such losses.

The bill also establishes a Casualty Victim Compensation Commission to carry out the purposes of the chapter and appropriates an unspecified amount to fund the program.

Your Committee finds that there is an overwhelming and compelling need to address the extreme depression, anger, and frustration experienced by residents and property owners on Kauai resulting from the destruction caused by Hurricane Iniki. In the aftermath, not only did the victims have to sort through the ruins left by the hurricane, but many fell prey to further victimization by unscrupulous contractors and were lost in the bureaucratic quagmire in trying to obtain disaster relief.

Your Committee believes that the bill will better prepare the State to handle any future relief efforts in the event that another natural disaster may occur.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3291 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1869 Planning, Land and Water Use Management on S.B. No. 2245

The purpose of this bill is to appropriate funds for the refurbishing of the former U.S. Coast Guard facility at Upolu Point, Hawaii, for a North Kohala state park baseyard.

The sum appropriated is \$115,000. Your Committee finds that the appropriation is desirable for the maintenance and upkeep of the North Kohala state park.

Your Committee has amended this bill by deleting language as to refurbishing the U.S. Coast Guard facility, on recommendation of the Department of Land and Natural Resources to allow flexibility for renovations elsewhere in North Kohala.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2245, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 1870 Planning, Land and Water Use Management on S.B. No. 2304

The purpose of this bill is to appropriate funds for various Hamakua community development district projects.

The total sum appropriated is \$24,810,000. Your Committee finds that this amount is necessary to alleviate the depressed conditions in Hamakua created by the closure of the Hamakua Sugar Company. These conditions extend beyond the development district, so this bill authorizes Hawaii Community Development Authority to expend these funds both within and outside of the district.

Your Committee has amended this bill by adding language to approximately delineate the boundaries of the affected region. The amendment was proposed in testimony from the Department of Business, Economic Development, and Tourism. Your Committee has also amended this bill by reducing the total appropriation to one dollar because the Hawaii Community Development Authority is unable for now to provide more accurate figures than that contained in the bill as received.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2304, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 1871 Planning, Land and Water Use Management on S.B. No. 2651

The purpose of this bill is to abolish the Office of State Planning (OSP) on July 1, 1995.

This bill establishes a transition team to determine where the functions of the OSP should be placed or if those functions should be abolished. The team is to report to the Legislature before the 1995 session.

Your Committee finds that this is an appropriate time to review the OSP in view of the movement toward restructuring and streamlining government.

Your Committee has amended this bill by deleting the first paragraph of section 1 and by making stylistic changes.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2651, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 1872 Planning, Land and Water Use Management on S.B. No. 2695

The purpose of this bill is to allow extensions of leases of public lands to enable lessees to qualify for mortgage lending or guaranty purposes with lending institutions.

Your Committee finds that there is a problem for leases expiring soon whereby the lessee is unable to get mortgage financing for improvements because the lease is short. This bill remedies that problem by allowing the lease to be extended long enough to qualify the lessee for the loan. The term of lease with the extension may not exceed sixty-five years and the new lease rental amount renegotiated may not be less than the rental of the preceding term. A lessee has until June 30, 1995 to apply for this extension.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources.

Your Committee has amended this bill by making technical changes that do not affect the substance of the bill.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2695, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 1873 (Joint) Planning, Land and Water Use Management and Agriculture on S.B. No. 3309

The purpose of this bill is to further assist Hamakua residents toward economic recovery by enabling certain permittees on state lands to obtain long-term leases in the Hamakua community development district.

Under present law, disposition of public lands is by public auction, unless specifically authorized otherwise by legislative act. The problem for Hamakua residents is that they cannot afford to prevail in a bidding to keep their lands. This bill remedies that problem by allowing the State to negotiate and enter into leases of fifteen years to thirty-five years with persons who hold revocable permits for agricultural purposes, including slaughterhouse and feedlot operations. The

subject lands are those within the Hamakua community development district that are not needed by the State or the county for any other public purpose. The authority to negotiate these leases expires on December 31, 1995.

Your Committees have amended this bill by:

- (1) Extending the repeal date from December 31, 1995 to June 30, 1996;
- (2) Adding that any lease agreement entered into under this Act shall nonetheless continue beyond the repeal date; and
- (3) Making technical changes which do not affect the substance of the bill.

Your Committees on Planning, Land and Water Use Management and Agriculture are in accord with the intent and purpose of S.B. No. 3309, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3309, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Holt.

SCRep. 1874 (Joint) Planning, Land and Water Use Management and Agriculture on S.B. No. 3310

The purpose of this bill is to assist the north Hilo region to recover from the economic downturn resulting from the decline of sugar production by enabling certain permittees on state lands to obtain long term leases.

Under present law, all disposition of public lands is by public auction, unless specifically authorized otherwise by legislative act. The problem for residents of the north Hilo region, including Hamakua and the Hilo coast, is that they cannot afford to prevail in a bidding to keep their lands. This bill remedies that problem by authorizing the State to negotiate and enter into leases of fifteen years to thirty-five years with persons who hold revocable permits for agricultural purposes. The subject lands are those within the Hilo coast region, zoned and used for agricultural purposes that are not needed by the State or the county for any public purpose. The authorization to negotiate these leases expires on December 31, 1995.

Your Committees have amended this bill by:

- (1) Extending the repeal date from December 31, 1995 to June 30, 1996;
- (2) Adding that any lease agreement entered into under this Act shall nonetheless continue beyond June 30, 1996 according to this Act;
- (3) Clarifying that the affected region is the north Hilo region rather than the Hilo coast region so as to be consistent with the definition in section 2 of the bill; and
- (4) Making technical changes which do not affect the substance of the bill.

Your Committees on Planning, Land and Water Use Management and Agriculture are in accord with the intent and purpose of S.B. No. 3310, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3310, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Holt.

SCRep. 1875 Agriculture on S.B. No. 2151

The purpose of this bill is to allow importation and possession of microorganisms which are otherwise prohibited if:

- (1) A permit for entry has been issued by the Department of Agriculture;
- (2) The microorganisms do not appear on the list of prohibited animals and microorganisms;
- (3) Entry is for the purpose of conducting medical research; and
- (4) The microorganisms will be contained and disposed of in a laboratory quarantine facility meeting the biosafety level guidelines and standards established for the microorganisms by the Centers for Disease Control or the National Institute of Health.

Your Committee finds a need to make newly discovered or developed microorganisms available to the State's medical community for the purpose of conducting medical research.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2151 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1876 Agriculture on S.B. No. 2375

The purpose of this bill is to exempt agricultural and horticultural organizations from the payment of general excise tax.

Your Committee finds that most organizations operated exclusively for the benefit of the community are exempt from excise tax and to deny this advantage to agricultural and horticultural organizations is not an equitable situation and should be rectified.

Your Committee received testimony, without opposition to the bill, from the Department of Taxation, the Tax Bill Service, the Hawaii Farm Bureau and the Hawaii Island Economic Development Board.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2375 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1877 Agriculture on S.B. No. 2705

The purpose of this bill is to establish the Irrigation Water Development Special Fund and to authorize the issuance of general purpose bonds to finance irrigating projects through the fund.

Your Committee finds that upon closure of the Hamakua and Oahu Sugar Companies, their existing irrigation systems should be preserved for the transformation to diversified agriculture. This bill provides the funding for the acquisition of interests in water systems that will become available.

Your Committee received testimony in support of the bill from the Department of Agriculture.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2705 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1878 Agriculture on S.B. No. 2912

The purpose of this bill is to increase the license fee for the sale or use of pesticides. The bill also subjects private applicators to the penalty provisions and sets time periods within which responses to notices of violation must be submitted.

The Department of Agriculture has issued licenses to sell approximately 5,700 pesticides in the State. Of these licenses, approximately 250 are for restricted-use pesticides. The current fee per year is \$15 for general use pesticides and \$30 for restricted-use pesticides.

Your Committee finds that Hawaii's pesticide licensing fees are among the lowest of all the states and that no increase in these fees has been entered in well over a decade. Your Committee further finds that more meaningful enforcement actions are necessary to regulate the activity of private pesticide applicators and to expedite enforcement actions against all pesticide licenses.

Your Committee received testimony in support of the bill from the Department of Agriculture. Testimony in general opposition to the bill was based on the amount of license fee increase. The Sierra Club suggested that a fee of \$200 per year should be increased to \$600 per year. However, the Department of Health, the Hawaii Farm Bureau, the Pineapple Growers Association of Hawaii and the Hawaii Pest Control Association testified that the \$200 fee was exorbitant considering the small market and the difficulty for pesticide dealers to make a profit.

Your Committee has amended the bill by lowering the license fee from \$200 to \$50 for each year.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2912, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1879 Agriculture on S.B. No. 3044

The purpose of this bill is to replace existing monthly audits of processing plants with an annual independent audit with federal milk marketing order specifications. The bill also adds to the definitions section of Chapter 157, Hawaii Revised Statutes, the terms and phrases currently in use for the production and consumption of dairy products.

Your Committee finds that the increased costs of monthly audits, paid for by the dairy industry, should be replaced by a more flexible method of verifying milk utilization.

Your Committee received testimony in support of the bill from the Department of Agriculture and the Big Island Dairy Cooperative. The 50th State Dairy Farmers' Cooperative opposed the measure in the belief that a monthly audit is necessary in order to prevent any discrepancies in the reporting of the monthly milk utilization from the processors.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3044 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1880 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2863

The purpose of this bill is to ensure the adequate funding of the Department of Health's environmental programs.

Specifically, the bill increases the Environmental Response Tax from five cents to twenty-five cents and places four-fifths of the tax into the Environmental Management Special Fund (Fund). The Fund is to be used to support environmental programs of the Department of Health (Department).

Your Committee heard testimony on several pieces of legislation this session on current inadequacies of the Department's Safe Drinking Water Program. Testimony indicates that the deficiencies are so severe that the Environmental Protection Agency is about to initiate proceedings to withdraw primary delegated authority to administer this program from the State of Hawaii. If this were to occur, it would result in substantial costs to both the regulated community and all the citizens of our State.

Your Committee finds that to avoid a withdrawal of this primary delegated authority the Safe Drinking Water Program must be adequately funded.

At the same time, your Committee is mindful of the overall fiscal and budgetary situation of the State and is therefore reluctant to recommend the imposition of additional taxes or fees which would burden the regulated community and the general public. Your Committee feels that it should not increase the tax on oil from five cents to twenty-five cents per barrel. However, your Committee does feel that a logical nexus exists between the hazards which can occur from the spillage of oil and the leaking of underground storage tanks and the problems associated with the lack of recycling of used oil and the contamination of our drinking water supply.

Current law allows the Department to utilize funds from the existing tax to address a variety of issues related to the environmental dangers of oil spills and improperly disposed used oil, but fails to clearly delineate the ability of the Department to utilize these funds to address problems associated with the contamination of our drinking water supply.

Therefore, your Committee has amended the bill by deleting the substance of the bill and inserting language which more clearly authorizes the Department to utilize funds generated under existing taxes to address problems associated with the contamination of our drinking water.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2863, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1881 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2972

The purpose of this bill is to open to public inspection written opinions of the Department of Taxation that interpret the tax laws, while at the same time maintaining the confidentiality of tax return information.

Current laws protect the confidentiality of tax return information, including written Tax Department opinions. However, these opinions may also contain information that would be useful to interested members of the public as indicators of the Department's position on tax issues that are as yet unclear.

This bill authorizes disclosure of such information provided that confidential tax information is not revealed.

The intent of the Legislature is not to open to public inspection routine requests for tax return information. Nor does the Legislature intend that the Department of Taxation's voluminous correspondence and other communications with taxpayers concerning established principles of law such as the many letters issued routinely answering taxpayer requests which taxpayers could answer themselves by doing minimal research, approvals of changes in accounting method for net income tax, or the grant or denial of registration of nonprofit organizations for exemption from the general excise tax, be available to the public under this bill. The Legislature recognizes that these kinds of documents involve the application of tax laws to particular factual circumstances; nevertheless, the Legislature has determined that disclosure of these documents or information in these documents would be of little benefit to the public. The Legislature notes that requiring the Department of Taxation to assume the burden and expense of compiling and indexing routine determinations and segregating protected or confidential information would only provide information on well-established principles of law already available to the public. Your Committee notes that the Internal Revenue Service does not open information that will remain closed under this bill.

The Legislature is in agreement with testimony presented by the Department of Taxation that taxpayers could benefit if the law is amended to provide limited access to information in tax determinations written by the Department's Technical Review Office on tax issues that are evolving or otherwise not well-established; thus, this bill allows public access only to information contained in those certain tax determinations written by the Department's Technical Review Office. The Legislature emphasizes that it intends to enact only this narrow exception to the well-established principle that state tax return information, which includes written opinions, is confidential. See, for example, Office of Information Practices Opinion No. 92-10 (1992). The Legislature recognizes that by enacting this bill, Hawaii will be one of only a few states to provide tax return information to the public and, therefore, the Legislature is taking a conservative approach in the amendment of the law by this bill. Accordingly, the Legislature also has provided that doubts about whether information should be publicly disclosed should be resolved in favor of nondisclosure.

Your Committee has amended this bill by clarifying that a Tax Department determination letter, which is a form of written communication that may not be disclosed, includes the grant or denial of consent, permission, exemption, or registration, or a routine correspondence in response to a taxpayer inquiry. Your Committee has also made some nonsubstantive technical changes 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. 2972, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2972, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1882 Ways and Means on S.B. No. 2913

The purpose of this bill is to appropriate funds to satisfy claims filed with the comptroller under section 40-68, Hawaii Revised Statutes, relating to warrants that escheated to the general fund.

Warrants escheat to the general fund when they are not presented for payment within a prescribed period of time. Although payees have ten years from the warrant expiration date to file claims with the state comptroller, the amounts owed must be appropriated by the legislature.

Your Committee finds that the Department of Accounting and General Services requested a larger appropriation this year than in previous years because of the rise in the number of claims and the amounts of those claims. The rise is purported to be correlated to the enactment of Act 262, Session Laws of Hawaii 1988, the Uniform Information Practices Act (Modified), which has spurred the interest of private companies that locate payees of uncashed warrants.

This bill appropriates funds to reimburse persons with warrants that have escheated to the general fund. The bill also makes an additional appropriation of \$180,000 for fiscal year 1993-1994. Your Committee has amended the bill to appropriate the additional funds for fiscal year 1994-1995, instead of 1993-1994.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2913, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1883 Ways and Means on S.B. No. 2963

The purpose of this bill is to conform the Hawaii Revised Statutes to changes made in the Internal Revenue Code over the past year and to adopt "innocent spouse" provisions.

The bill specifically adopts the following provisions, among others, that conform Hawaii's income tax law to the Internal Revenue Code:

- (1) The permanent extension of the employer-provided educational expense deduction;
- (2) The permanent limitation on deduction for high-income taxpayers;
- (3) Tightening the moving expense deduction; and
- (4) Disallowing the lobbying expense deduction.

The bill also makes the low-income housing credit permanent. Concern was expressed during the public hearing on this bill as to whether the credit was valid before the federal tax credit was retroactively passed. It is the intent of your Committee by passing this bill to clarify that the housing credit was valid during that period.

The bill also adopts an "innocent spouse" provision that is patterned after the correlative section 6013(e) of the Internal Revenue Code. This provision allows a spouse, under certain circumstances, to escape tax liability due to the gross errors of the other spouse.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2963 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1884 Education on S.B. No. 2093

The purpose of this bill, as introduced, is to amend the statutes governing adult and community education by removing all references to "adult" and to mandate the Department of Education to provide facilities and equipment for community education programs.

Your Committee finds that adult and community education programs are targeted to provide opportunities for adults who wish to pursue a basic education or learn skills to assist them in daily life. Your Committee further finds that the programs are critical to immigrants who wish to learn English and understand their civic duties in order to achieve citizenship.

Testimony in support of this measure was submitted by various community education advocates. Testimony was also submitted by the Department of Education expressing various concerns about the changes proposed by this measure and their possible impact upon federal funds received for adult education purposes.

After consideration of the testimony, your Committee has amended this bill by deleting its content and inserting provisions which create a temporary Adult and Community Education Commission for the purposes of developing a long-range programmatic and facilities plan.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2093, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1885 Education on S.B. No. 2095

The purpose of this bill is to appropriate funds to expand the Parent-Community Networking Centers to an additional fifty schools.

Your Committee finds that Parent-Community Networking Centers (PCNCs) have been a large success in meeting the needs of schools in various communities by developing community involvement, student motivation, and a genuine sense of belonging to the schools. Your Committee further finds that these additional PCNCs are presently operated by volunteers who have been hard at work with no compensation.

Testimony in support of this bill was submitted by the Hawaii State Teachers Association and numerous schools and parents. The Department of Education also submitted testimony in support of this measure stating that the PCNC program is cost-effective and provides networking of resources and partnerships for education through the community.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2095 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1886 Education on S.B. No. 2176

The purpose of this bill is to provide a general excise tax exemption for organizations whose purpose is to support and assist Hawaii's public schools.

Your Committee finds that the present general excise tax law does not offer an exemption for groups which are organized to benefit or assist public schools within the State, such as parent-teacher-student associations, high school booster clubs, and class alumni associations. Your Committee further finds that these groups sponsor fund-raising events specifically to provide supplementary funds for and to meet the needs of the individual schools and as such these groups should not be subject to the general excise tax law.

Your Committee has amended the bill by:

1. Adding a new section to chapter 237 to exempt the amounts rather than groups under 237-23;
2. Clarifying that the exemption applies to associations chartered by the Hawaii State Parent-Teacher-Student Association (PTSA), including the Hawaii State PTSA; and
3. Providing that the Hawaii State PTSA, rather than the principals, will submit an annual certification of their associations eligible to receive the exemption.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2176, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1887 Education on S.B. No. 2177

The purpose of this bill is to establish a teacher standards board to set criteria for licensure of public school teachers.

Your Committee finds that the purpose of professional regulation is to protect the consumer, and within the school setting this means ensuring that the best teachers for our children are provided. Your Committee further finds that teacher standards are essential to ensuring that our educators are adequately prepared and held accountable for their performance in the classroom. Your Committee also understands that discussions continue at both the national and state levels regarding teacher training and qualifications and, therefore, the intent of this measure is to provide for consideration of alternative as well as traditional teacher training in the establishment of such standards.

Testimony regarding this measure was submitted by the Board of Education, the Hawaii State Teachers Association, and a private citizen.

Your Committee has amended this bill by:

1. Requiring that the teacher members of the board be nominated through an election in which any public school teacher may participate;

2. Mandating that the teacher standards board consider alternative certification, such as a national teachers examination or other credential certifying competency in subject areas or programs taught in the public schools;
3. Requiring that teacher licenses be renewable every five years, if the licensee continues to satisfy the board's standards and any performance-based criteria established at the school level; and
4. Making technical, non-substantive changes for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2177, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2177, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1888 Education on S.B. No. 3011

The purpose of this bill is to authorize the state librarian to issue licenses and permits for concessions to the Hawaii State Library Foundation and to require that income derived from such concessions be deposited into the Hawaii State Library Foundation trust fund.

Your Committee finds that Act 328, Session Laws of Hawaii 1993, established the Hawaii State Library Foundation to generate income from private activities for the support of the public libraries and created the trust fund to allow the Foundation to expend such income as it determined. Your Committee further finds that Act 328 did not provide specific statutory authority authorizing the operation of for-profit concessions by the Foundation and directing the deposit of concession income into the trust fund. This measure is necessary to provide such authority and intent.

Testimony in support of this measure was submitted by the Hawaii State Library Foundation.

Your Committee has amended this bill by making non-substantive changes for the purposes of clarity and conformance with existing statutory language.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3011, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1889 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on S.B. No. 3039

The purpose of this bill is to transfer from the Department of Defense to the Department of Public Safety, those functions and employees relating to security after work hours at national guard and civil defense facilities at the Diamond Head complex.

Your Committees find that in 1990 a study by the Department of Public Safety mandated by law, recommended this transfer as part of the move to consolidate all activity regarding public safety to that Department.

Your Committees have made technical amendments which do not affect the substance of the bill.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary are in accord with the intent and purpose of S.B. No. 3039, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3039, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1890 (Joint) Planning, Land and Water Use Management and Tourism and Recreation on S.B. No. 2305

The purpose of this bill is to extend the repeal date for the special Iniki exemption from the transient accommodations tax to January 1, 1997.

Under present law, the repeal date is January 1, 1995. Your Committees find that an extension to 1997 is desirable for the tourism industry on the island of Kauai to adequately recover from Hurricane Iniki. Your Committees are passing this bill on to the Committee on Ways and Means for its consideration and decision on the financial implications of this bill for the State.

Your Committees on Planning, Land and Water Use Management and Tourism and Recreation are in accord with the intent and purpose of S.B. No. 2305 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 Holt.

SCRep. 1891 (Joint) Planning, Land and Water Use Management and Agriculture S.B. No. 3089

The purpose of this bill is to provide for the establishment of agricultural enterprise zones.

Your Committees find that agricultural enterprise zones would promote the agriculture industry. This bill establishes criteria and designation procedures for agricultural enterprise zones. This bill also authorizes the State and the counties to provide incentives within the zones, including tax credits and exemptions and zoning considerations.

Although the Director of Taxation testified that the tax benefits in this bill duplicate existing laws, your Committees are passing this bill on to the Committee on Ways and Means for further review and discussion.

Your Committees have amended this bill by making technical changes that do not affect the substance of the bill.

Your Committees on Planning, Land and Water Use Management and Agriculture are in accord with the intent and purpose of S.B. No. 3089, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3089, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1892 Planning, Land and Water Use Management on S.B. No. 2885

The purpose of this bill is to place all state construction projects in Kapolei under the jurisdiction of the Housing Finance and Development Corporation (HFDC).

Your Committee finds that it is beneficial to expedite construction and completion of various state construction projects now going on or planned in Kapolei. The HFDC is very qualified to expedite the construction because of its expertise in obtaining financing for projects. Currently, various state departments, offices, and agencies, including the courts, have jurisdiction over their own projects. A centralized authority over these projects would facilitate master planning. This bill requires the HFDC to submit to the Legislature before the 1995 Session, a report on its actions taken pursuant to this Act and on its recommendations for legislative action to further expedite state construction in Kapolei. The bill provides an unspecified appropriation amount.

Your Committee has amended this bill by deleting item (6) pertaining to the University of Hawaii West Oahu campus at Kapolei from the list of projects affected.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2885, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 1893 Planning, Land and Water Use Management on S.B. No. 3318

The purpose of this bill is to appropriate funds for the purchase of land above Kalihi Elementary School.

Your Committee finds that this appropriation is necessary to preserve the Kalihi hillside to keep that land free from commercial development and to reserve it for possible development of a community park.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 3318 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1894 Transportation on S.B. No. 2787

The purpose of this bill is to eliminate points for all decriminalized traffic offenses, such as parking violations and minor moving or equipment violations. The bill also deletes the allowance of credits for a good driving record within twenty-four months of a previous violation in the computation of points.

Your Committee finds that eliminating the range of points for decriminalized traffic offenses will allow the courts to better identify the problem driver by monitoring the type and number of offenses an individual receives within a specified time period, and deleting the allowance of credits will simplify the computation of points.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2787 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1895 (Joint) Transportation and Judiciary on S.B. No. 2793

The purpose of this bill is to clarify the Judiciary's authority to utilize driver education as a sentencing alternative.

Your Committees find that although sentencing judges for District Court traffic-related offenses currently utilize driver education as a sentencing alternative, this bill is necessary to provide clear legal authority for its continued use and for further application in appropriate traffic offense cases.

Your Committees on Transportation and Judiciary are in accord with the intent and purpose of S.B. No. 2793 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. 1896 (Joint) on Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment on S.B. No. 3179

The purpose of this bill is to establish a state satellite office program.

In establishing this program, the State is to consider:

- (1) The current availability of services to the community;
- (2) The possibility of establishing a joint facility with the county in which the office is situated; and
- (3) The feasibility of the location, including adequate office space, visibility, and ease of citizen access.

The bill also authorizes the Governor to convert six information specialist II positions and seven clerk typist II positions to full time status to staff the program.

Your Committees find that the establishment of a state satellite office program will result in the more efficient use of public funds and resources.

Your Committees have made an amendment to correct a typographical error.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment are in accord with the intent and purpose of S.B. No. 3179, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3179, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1897 (Joint) Human Services and Health on S.B. No. 2181

The purpose of this bill is to appropriate moneys for the implementation of a revised payment schedule of fees for Adult Residential Care Home Programs which provide twenty-four hour living accommodations to elderly or disabled adults.

Your Committees find that the recommendations for a revised payment schedule are the result of findings from a study by the Legislative Auditor authorized by Act 213, Session Laws of Hawaii 1988.

Your Committees have amended the bill to:

- (1) Decrease the appropriation from \$3,100,000 to \$841,536;
- (2) Delete the Department of Health as an expending agency leaving only the Department of Human Services; and
- (3) Make technical changes which do not affect the substance of the bill.

Your Committees on Human Services and Health are in accord with the intent and purpose of S.B. No. 2181, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2181, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1898 Judiciary on S.B. No. 2916

The purpose of this bill is to authorize the Hawaii Criminal Justice Data Center (HCJDC) and other county criminal justice agencies acting on HCJDC's behalf to charge fees for services related to criminal history record information. It also establishes a revolving fund with the moneys generated from the assessed fees to be used to improve the criminal history record information system.

According to testimony from the Attorney General in support of the bill, the demand for criminal history record information rose seventy per cent in the last year with requests coming from criminal justice agencies, private entities, as well as from the general public.

Upon further consideration, your Committee amended the bill by amending the language in Section 846-10.5 subsection (8) to permit the Hawaii Criminal Justice Data Center and other state and county criminal justice agencies to establish fees and exemptions to fees that are different from those proposed in Section 846-10.5 subsection (1) through subsection (7) through rules adopted pursuant to chapter 91. Your Committee believes this amendment will enable HCJDC to develop rules to provide sliding fee scales for non-profit child care centers, foster parents and other child caregivers for whom the fees would impose a financial hardship.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2916, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2916, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1899 Judiciary on S.B. No. 2917

The purpose of this bill is to appropriate the sum of \$872,013 to the Department of the Attorney General for the development and implementation of a juvenile justice information system, including the establishment of permanent staff positions.

Your Committee finds that the juvenile justice information system will bring together statewide juvenile information from the police, prosecutors, family court, and the Hawaii youth correctional facility. The participating juvenile justice agencies will have twenty-four-hour access to accurate, complete, and timely information on juveniles in the justice system. No individual agency currently has a complete picture of our juveniles. To truly evaluate a child and determine action appropriate to that child's situation, a complete picture must be assembled by combining information from all the participating juvenile justice agencies.

Your Committee received testimony in support of this measure from the board of senior family court judges, the Maui county police department, the Hawaii county police department, the Kauai county police department, the Hawaii state commission on the status of women, the juvenile justice information committee, the Department of the Prosecuting Attorney - county of Maui, and the former chairperson of the juvenile justice information committee.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2917 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1900 Judiciary on S.B. No. 2777

The purpose of this bill is to amend §291C-171 of the Hawaii Revised Statutes regarding the disposition of fines and forfeitures.

Your Committee finds that this bill is part of the Judiciary's legislative package to address the continued collection of assessment funds from traffic infractions as the result of decriminalization.

Your Committee finds that the bill would clarify the collection of assessments for the operation of the driver education program for the Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2777 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1901 Judiciary on S.B. No. 2795

The purpose of this bill is to amend Section 287-3 (a), Hawaii Revised Statutes, which would increase the fee for traffic abstracts.

Your Committee finds that the fee for public abstracts was originally set in 1982 at \$2.00 per abstract. Currently, between 300,000 and 400,000 public abstracts are prepared each year. Testimony presented by the Judiciary indicated that the cost of \$2.00 for processing an abstract is insufficient to cover the costs.

Your Committee finds that increasing the fee for public abstracts from \$2.00 to \$5.00 would greatly help the Judiciary cover the processing costs.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2795 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1902 Judiciary on S.B. No. 3015

The purpose of this bill is to authorize the director of public safety to transfer an inmate incarcerated in any correctional facility in Hawaii, to any other state or private correctional facility which is in compliance with the standards established by the American Correctional Association.

Your Committee finds that prison overcrowding in Hawaii is a growing problem. Authorizing the transfer of inmates to qualified institutions in other states represents one method of alleviating this problem.

While it fully supports the intent of this bill, your Committee finds that candidates for transfer should be carefully considered. Many inmates currently incarcerated in Hawaii's prisons have lived their entire lives in Hawaii. These inmates have no support systems in localities other than Hawaii.

Accordingly, on the basis of the representations made by Mr. George Sumner, the director of public safety, priority for transfers should be given first to non-Hawaii resident inmates, then to those inmates who have lived in our State for five years or less, and only thereafter will those with strong roots in Hawaii be considered for transfer.

Your Committee has made several technical nonsubstantive amendments to this bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3015, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1903 Judiciary on S.B. No. 3016

The purpose of this bill is to amend Chapter 353 of the Hawaii Revised Statutes which deals with the establishment of a correctional program revolving fund.

Your Committee finds that the fund will be used for offsetting the cost of providing programs for inmates. The fund derives its money from, (1) fees charged to inmates using the programs, (2) donations, and (3) other legally accepted sources of income.

Testimony submitted by the Office of the Public Defender addressed a concern that inmates who could not afford to pay for the programs would receive unequal or unfair treatment. Therefore, your Committee amended the bill by adding the following sentence to subsection (c): "No person shall be denied access to a program because of an inability to pay for it."

Your Committee further amended the bill by deleting the words "care or" from page 1 lines 8-9. This amendment was based on the Office of the Public Defender's testimony that care is already required for the inmates and therefore costs incurred for care should not be linked to the revolving fund.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 3016, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1904 Judiciary on S.B. No. 3021

The purpose of this bill is to appropriate \$993,249.41 for the compensation of certain persons or their providers of services pursuant to chapter 351, Hawaii Revised Statutes (Criminal Injuries Compensation).

Testimony submitted by the Criminal Injuries Compensation Commission showed that the monetary amount necessary for the compensation of victims was less than the amount requested on the bill. Your Committee therefore amends the bill to change the amount requested from "\$1,018,292.65" to "\$993,249.41".

Your Committee finds that qualified applicants were compensated for out-of-pocket medical expenses, lost earnings, funeral and burial expenses, and for their pain and suffering as a result of their victimization.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 3021, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1905 Judiciary on S.B. No. 3038

The purpose of this bill is to authorize the Department of Public Safety to implement a reporting center program that will protect the public through placement, control, supervision, and treatment of defendants and offenders commensurate with their risk to the community. It also assesses treatment needs to assist defendants and offenders in making appropriate lifestyle changes.

Testimony in support of the bill was submitted by the Department of Public Safety and the Office of the Public Defender. Testimony in opposition to the bill was submitted by the Department of the Prosecuting Attorney.

Your Committee finds that the prisons are filled with a variety of non-violent offenders who can be safely monitored and who can benefit from the services of a reporting center.

Based on the testimony of the Public Defender, Your Committee amended the bill by adding "where the defendant or offender has the ability to pay" in the event that person is assessed fees to offset the cost of being a participant in the reporting program.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3038, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3038, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1906 Judiciary on S.B. No. 3040

The purpose of this bill is to increase the size of the correctional industries advisory committee from seven to nine members.

Your Committee finds that increasing the size of the advisory committee will expand the range of expertise available to the Department of Public Safety in this burgeoning area.

Your Committee has made a technical nonsubstantive amendment to this bill to limit the portion of section 354D-5, Hawaii Revised Statutes, being set forth to the subsection that is actually amended.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3040, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1907 Judiciary on S.B. No. 3041

The purpose of this bill is: 1) to increase the number of corrections population management commissioners from eight to nine, 2) to amend Section 353F-6, Hawaii Revised Statutes, to change the position title for the Executive Secretary to Executive Administrator, 3) to appropriate funds for the design and construction of beds at Kauai and Hawaii Correctional facilities, and 4) to appropriate funds for two permanent social workers.

Your Committee received testimony in support of the bill from the Judiciary, the Department of Public and Safety and the Prosecuting Attorney of the City and County of Honolulu. Upon recommendation from the Judiciary, your Committee amended the bill to give the Judiciary discretion in designating which adult probation administrator shall serve as the ninth member of the commission.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3041, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1908 Transportation on S.B. No. 2402

The purpose of this bill is to allow the respective counties to decide whether parking shall be allowed at "T-shaped" street intersections.

Your Committee finds that as certain areas of the State become more developed available parking becomes scarce. This bill encourages the counties to consider converting no parking zones at T-shaped intersections into available parking stalls.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2402 and recommends that it pass Second Reading and be referred to the Committee on Government Operations, Environmental Protection and Hawaiian Programs.

Signed by all members of the Committee.

SCRep. 1909 Transportation on S.B. No. 2405

The purpose of this bill is to allow the cost of implementing traffic congestion management strategies to be paid out of the state highway fund.

Specifically, this amendment gives the Department of Transportation authority to expend moneys from the state highway fund for traffic congestion management. At the present time the transportation systems management program, which includes strategies for traffic congestion management, falls under the Department of Transportation. It follows that as part of its authority over the transportation systems management program, the department should be authorized to use moneys from the state highway fund for congestion management strategies.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2405 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1910 Transportation on S.B. No. 2471

The purpose of this bill is to permit a defendant charged with a traffic offense to defer the acceptance of a guilty or no contest plea pursuant to chapter 853, Hawaii Revised Statutes.

Currently chapter 853 allows a deferred acceptance of a guilty or no contest plea for some felonies and misdemeanors. This bill empowers the court to defer the acceptance of a guilty or no contest plea for state or county violations relating to the parking or standing of vehicles, vehicle equipment violations, and moving violations of not more than ten miles over the speed limit. This bill additionally requires the court to order a traffic offender to complete a driver's education course approved by the judiciary.

Your Committee finds that this bill will reduce the current number of trials for traffic related offenses.

Your Committee has amended this bill to give the court discretionary authority, rather than requiring the court to order completion of a driver's education course by traffic offenders.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2471, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1911 Health on S.B. No. 2045

The purpose of this bill is to appropriate funds to the Department of Health to create three new peer education program positions for each of the three public schools which currently lack access to peer education program services.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2045 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1912 Health on S.B. No. 2048

The purpose of this bill is to create the Hawaii Child, Adolescent, and Adult Mental Health Public Benefit Corporation to manage the delivery of mental health services in Hawaii.

Specifically, this bill creates a new chapter, establishing the Hawaii Child, Adolescent, and Adult Mental Health Public Benefit Corporation within the Department of Health. The Corporation will manage, control, and operate designated community mental health centers, establish new community mental health centers, and operate nonprofit corporations, foundations, or partnerships where necessary. The bill establishes five special funds to operate the corporation and the community centers. Further, all administration, facilities, and personnel of the community centers will be transferred from the Department of Health to the Corporation.

Your Committee finds that the present structure of community mental health centers is neither efficient nor responsive. These community centers must be given sufficient independence to make timely administrative decisions. This bill creates a separate corporation with the flexibility and authority necessary to ensure quality mental health care.

Your Committee, upon further consideration, has amended this bill by eliminating the Hawaii Child, Adolescent, and Adult Mental Health Public Benefit Corporation and, instead, requiring the Director of Health to form a task force to develop an organizational plan for a policy making and mental health care monitoring authority. This task force is required to submit a final report in the form of a bill to the Legislature.

Your Committee has also amended this bill by making technical, 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. 2048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2048, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1913 Health on S.B. No. 2615

The purpose of this bill is to establish guidelines for developing a comprehensive emergency medical services system for children.

Specifically, this bill ensures that children have access to comprehensive emergency medical services, including preventive, pre-hospital, hospital, rehabilitative, and other post-hospital care, with the expectation that federal funds will enable this project to proceed with little or no state funds. This bill establishes a new emergency medical services for children program to set guidelines, establish educational programs, and conduct statewide surveys regarding pediatric health.

Your Committee finds that children react differently than adults to stress, illnesses, and injuries. Because of these differences in metabolism and development, children's emergency medical needs should be recognized separately within the State's existing emergency medical services system. This program will resolve the deficiencies in current practices relating to children's health needs, such as the requirement for smaller equipment, medication, and dosages formulated for their immature systems.

Your Committee has amended this bill by deleting the contents of the bill and instead of establishing a new part in chapter 321, Hawaii Revised Statutes, incorporating emergency medical services for children within the State Comprehensive Emergency Medical Services System, under part XVII, chapter 321, Hawaii Revised Statutes.

Specifically, your Committee has added provisions that:

- (1) Include a definition of "emergency medical services for children" in section 321-222, Hawaii Revised Statutes;
- (2) Add the emergency medical services system for children as a function and duty of the Department of Health;
- (3) Require that the State Emergency Medical Services Advisory Committee include a physician practicing in pediatrics and one health care professional working in pediatric health services;

- (4) Reduce the number of physicians on the committee from five to four; and
- (5) Authorize the Department to collect emergency medical health data to improve the quality of the services provided.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2615, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2615, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1914 Health on S.B. No. 2645

The purpose of this bill is to make an appropriation to provide for the operating costs of Kahuku Hospital.

Specifically, this bill appropriates \$382,625 to be expended by the Department of Health for supplemental costs of operating Kahuku Hospital on Oahu.

Your Committee finds that Kahuku Hospital provides a broad range of medical care and social services to Oahu's north shore. Because of the rising health care costs and high inflation rates, Kahuku Hospital is subject to the loss of quality staff to other more lucrative positions.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2645 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1915 Health on S.B. No. 2660

The purpose of this bill is to appropriate funds to the Department of Health for the construction and staffing of a new dental clinic on Maui.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2660 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1916 Health on S.B. No. 2731

The purpose of this bill is to make an appropriation to provide additional funds for AIDS-related services.

Specifically, this bill would appropriate funds to the Department of Health to enhance comprehensive HIV services, case management and counseling services, HIV prevention education programs, sterile needle exchange programs, substance abuse referral programs, housing assistance programs for homeless people with HIV, and medical treatment and pediatric case management for HIV-infected women and children.

Your Committee finds that HIV and AIDS affect all ages, sexes, and ethnic groups in ever increasing numbers, especially the adolescent population. The programs of the AIDS service organizations under contract with Department of Health have lowered the amount of acute hospital care by enabling symptomatic HIV patients to be cared for in their homes.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2731 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1917 Health on S.B. No. 2732

The purpose of this bill is to make an appropriation to support the needle exchange program.

Specifically, this bill appropriates funds to be expended by the Department of Health to conduct substance abuse treatment, referral, and counseling services to those needle exchange participants who seek further assistance.

Your Committee finds that section 3, Act 152, Session Laws of Hawaii 1992, requires the Department of Health to include this cost in its annual budget testimony or to do a separate appropriation bill for the estimated funding needed to provide these substance abuse services. This bill satisfies that requirement and appropriates the necessary funds.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2732 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1918 Health on S.B. No. 2874

The purpose of this bill is to appropriate funds to the Department of Health to provide renal dialysis machines for and dialysis treatment services to the neighbor islands.

Your Committee finds that the need for dialysis machines on the neighbor islands is growing and some patients are forced to travel to Honolulu to be treated. Dialysis treatment services close to home would ease the hardships caused by this commuting.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2874 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1919 Health on S.B. No. 2875

The purpose of this bill is to appropriate funds to the Department of Health for additional ambulance units and increased ambulance services on Oahu.

Your Committee finds that in order to ensure a rapid response to life threatening emergencies; improve the patient survival rate; and continue to meet the emergency response guideline of fifteen minutes per call, additional ambulance units are necessary.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2875 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1920 Health on S.B. No. 2946

The purpose of this bill is to provide statutory authorization for the establishment of advisory committees for health care workers infected with HIV and hepatitis B virus to ensure protections for those who serve on such committees.

Specifically, this bill authorizes the Director of Health to appoint, as the need arises, ad hoc committees to provide advice and recommendations to health care workers with HIV or hepatitis B regarding changes in practice to reduce the possibility of transmission to patients. Such committees would consist of an infectious disease specialist, a peer worker, and the worker's physician, and the work of the committees would be kept confidential.

Your Committee finds that federal law requires each state to adopt the Center for Disease Control guidelines or risk losing federal public health funds. Although the Department of Health has established guidelines for the convening of advisory committees to aid health workers, statutory authorization is required to protect the work of the committee members. This bill would provide the committee members the same protections as the members of boards and commissions of the State.

Testimony in support of this bill was received from the Director of Health.

Your Committee has amended the bill by:

- (1) Including workers infected with other blood-borne diseases in the bill;
- (2) Removing the requirement that the infectious disease specialist be an expert in the epidemiology of HIV or hepatitis B transmission;
- (3) Making the participation of the worker's personal physician on the committee optional; and
- (4) Making 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. 2946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2946, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1921 Health on S.B. No. 3007

The purpose of this bill is to exempt community hospitals from the prohibition against contracting for legal assistance.

Specifically, this bill would amend section 103D-209, Hawaii Revised Statutes, to exempt Maui Memorial Hospital, Hilo Hospital, Kona Hospital, and the division of community hospitals, from the prohibition against employing attorneys for the purpose of conducting litigation, drafting legal documents, or giving legal advice. The bill also authorizes the Director of Health to establish and fill seventy-five health care specialty positions.

Your Committee finds that the fostering of autonomy in the community hospitals expedites and improves the delivery of health care services by Hawaii's public hospital system. The exemptions established in this bill will improve the administrative efficiency, reduce "red tape", and decrease hospital costs.

Further, your Committee finds that authorizing the Director to establish and fill seventy-five positions, allows the community hospitals to hire health care specialists, where needed, without having to go through the requirements of establishing civil service categories. Moreover, hospitals will be able to pay market salaries to compete with private institutions.

Your Committee adopted the recommendations of the Department of Health and has amended this bill by requiring that any attorney contracted by a community hospital be through the Attorney General and that such attorney be designated a special attorney general.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3007, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1922 Health on S.B. No. 3158

The purpose of this bill is to appropriate funds to the Department of Health for the planning, development, and construction of a renal dialysis facility in Waianae, Oahu.

Testimony in support of this bill was received from the Office of Hawaiian Affairs and St. Francis Medical Center.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3158 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1923 Health on S.B. No. 3270

The purpose of this bill is to establish a uniform health care billing form format.

Specifically, this bill requires the Department of Health to adopt a uniform billing form format for professional health care services to be used by insurance and health care providers. Health care service plans and health care providers covered by such plans are exempted from the requirements. The bill also authorizes the Department to create a uniform care dataset for public health programs.

Your Committee finds that although most of Hawaii's health care providers use standard forms, usage of these forms is far from standardized. Carriers require different information in different places on the forms, and this creates confusion, a high rate of claim rejection, and negates the benefit of using the standard health care provider forms. This bill will allow the Department to create a uniform billing form format and to create a dataset for health services to eliminate complexity, reduce duplication, facilitate data transfer, and promote monitoring of health services.

Testimony in support of this bill was received from the Director of Health and the Chamber of Commerce of Hawaii.

Your Committee has amended this bill by:

- (1) Requiring the Department of Health to develop and recommend, rather than adopt, a uniform billing format;
- (2) Deleting the requirement that carriers adopt the billing format developed by the Department of Health; and
- (3) Changing the date that the Department is required to implement the uniform format on State Medicaid program contracts for fiscal intermediary services from January 1, 1995 to January 1, 1996.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3270, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1924 Health on S.B. No. 3289

The purpose of this bill is to appropriate funds to the Department of Health for the establishment of three satellite clinics that would provide minimal mental health services to the Puna, Kau, and Waimea areas of the island of Hawaii.

Your Committee finds that this bill would provide mental health facilities where they are clearly needed. Currently, Hawaii County has mental health centers in Hilo and Kona, each with a lengthy waiting list and severely restricted eligibility requirements.

Your committee on Health is in accord with the intent and purpose of S.B. No. 3289 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1925 Health on S.B. No. 3297

The purpose of this bill is to appropriate funds to the Department of Health for the expansion of and improvements to Maui Memorial Hospital.

Specifically, the funds would be used for expansion of the second and fourth floors, for building 100 to 125 new parking stalls, for developing Phase II, a children and psychiatric chemical dependency unit, and for building a parking garage at Maui Memorial Hospital.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3297 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1926 Health on S.B. No. 3299

The purpose of this bill is to make an appropriation for the support and expansion of the Community Clinic of Maui.

This bill appropriates funds to be expended by the Department of Health for renovation of the clinic, purchase of dental equipment, and the hiring of health care professionals.

Your Committee finds that the Community Clinic of Maui provides medical and dental services to individuals who are unable to afford health care.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 3299 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1927 (Joint) Health and Education on S.B. No. 2835

The purpose of the bill is to establish not less than one school health service center in each of the seven departmental school districts.

Your Committees received testimony relative to the bill from the Department of Health, the Department of Education, the Hawaii Nurses' Association, the Family Support Services, the Healthy Mothers, Healthy Babies Coalition, the Waianae Adolescent Health Network, the University of Hawaii, and a score of administrators, principals, teachers and parents.

Your Committees find a need to provide student access to a full range of primary health care, including physical and psycho-social assessments, services, and appropriate referrals. The special location of school health service centers coupled with their focus upon school children will provide a variety of multidisciplinary services to fill the particular needs of this segment of the State's population.

Based on the information provided at the hearing and the discussion therefrom, your Committees have amended the bill to:

- (1) Specify the group membership for policy making decisions as including at least one parent and one student from the community served by the school;
- (2) Allow the principal to select an existing organization such as a school-community based council or a parent-teacher organization to serve as the school health service center group;
- (3) Clarify that the definition of "records" means medically related documentation which includes laboratory screening and test results;
- (4) Subject the establishment of school health service centers to available funding;
- (5) Permit rather than require a center to provide access to a full range of primary health care; and
- (6) Permit a center to engage in a public-private partnership and to contract out for provided services.

Your Committees on Health and Education are in accord with the intent and purpose of S.B. No. 2835, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2835, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1928 (Joint) Health and Human Services on S.B. No. 2908

The purpose of this bill is to designate centers that qualify as Hawaii Qualified Health Centers (HQHC) and to assure reimbursements for outreach, translation and cultural services.

Specifically, this bill would require the Director of Health to designate certain health centers as Hawaii Qualified Health Centers, based on the standards for federally qualified health centers and rural health centers. The bill also requires the Department of Health to make payments to the HQHCs for clients who are indigent or who have had the scope of their benefits cut because cost-based reimbursements have been waived. The Department is required to establish means of supporting the services provided to these clients.

Your Committees find that community health centers play an important role in serving Hawaii's medically disadvantaged. The HQHCs are governed by community based boards, providing translation, outreach, and preventive

primary care services. Since the QUEST plan makes enabling services optional, this bill would require funding of these programs through a variety of sources.

Your Committees have amended the bill by authorizing instead of requiring the Department to make supplemental payments for indigent patients.

Your Committees on Health and Human Services are in accord with the intent and purpose of S.B. No. 2908, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2908, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1929 (Joint) Health and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3177

The purpose of the bill is to establish a state university mental health collaboration program with the Department of Health.

Specifically, this bill requires the Department and the University of Hawaii (University) to enter into a memorandum of understanding to engage in a collaborative program which would assist the Department in obtaining and maintaining national accreditation of mental health services, and developing a forensics institute. The forensics institute would analyze mental health issues, assess mentally ill persons entering the court system, and train mental health professionals. The bill also authorizes the University to appoint faculty and other positions for collaborative services, subject to the concurrence of the Department.

Your Committees find that collaborative efforts between the College of Medicine, Department of Health, and Behavioral Health Administration have enabled the State to effectively address the inadequate psychiatric practices at the Hawaii State Hospital. This bill would continue this productive effort, to improve the mental health services in this State.

Your Committees have amended this bill by:

- (1) Deleting some of the specifics of the bill and calling for a collaborative program with specifics to be decided by memoranda of agreement;
- (2) Adding the identification of goals and funding of the program as required components to the memorandum of understanding between the University and the Department;
- (3) Requiring the University to assist in the overall improvements to the department's, mental health program;
- (4) Deleting the provision authorizing the University to appoint faculty and other positions to provide collaborative services; and
- (5) Making nonsubstantive technical changes for the purposes of clarity and style.

Your Committees on Health and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 3177, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3177, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1930 (Joint) Planning, Land and Water Use Management and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2020

The purpose of this bill is to establish a special University of Hawaii Kapolei development zone in Kapolei, Oahu.

Kapolei is being developed as Oahu's "Second City" and the University of Hawaii is an integral part of the development plan for Kapolei. Your Committees find that a university campus in Kapolei is urgently needed, and it is needlessly time consuming and expensive to obtain all state approvals for land use. This bill creates the special University of Hawaii Kapolei development zone, exempts the University from state land use laws, and authorizes the University to have exclusive authority to develop and construct a campus there to be known as the University of Hawaii, West Oahu.

The Board of Regents recommends Kapolei as the site for a university campus. The regents found that Kapolei is the only site of the seven evaluated where a university campus would be consistent with existing public policy. The site affords access from all population centers to be served by the campus. Public support for the Kapolei site has been the greatest of all the sites, with nearly unanimous support coming from residents of Pearl City, Nanakuli, and Waianae.

The University of Hawaii offered testimony in support of this bill. The University is committed to the development of the West Oahu campus at Kapolei. Although the University does not presently have title to the land, it intends to complete negotiations to acquire the land in fee simple no later than twenty days after the adjournment of the 1994 legislative session.

Your Committees have amended this bill to add a special development zone for the University of Hawaii West Hawaii on the Big Island. It is included in this bill because the same Kapolei development zone considerations may also be applicable to the proposed West Hawaii zone. Therefore, this amendment is for further review and discussion.

Your Committees on Planning, Land and Water Use Management and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 2020, as amended herein, and recommend that it pass

Second Reading in the form attached hereto as S.B. No. 2020, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Fukunaga and Holt.

SCRep. 1931 (Joint) Planning, Land and Water Use Management and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2398

The purpose of this bill is to appropriate funds to establish the Pacific mapping center in the college of engineering of the University of Hawaii at Manoa (UH).

Your Committees find that the Pacific mapping center is invaluable in gathering the necessary data and information on the Pacific Ocean region. The Pacific mapping center will house the Pacific mapping program, which was established in 1990 as a pilot program by the U.S. Geological Survey and the National Oceanic and Atmospheric Administration to focus on collecting, analyzing, and processing data and providing deep ocean mapping data to the public. Efforts at the UH have attracted various academic and government agencies in Japan, China, and Australia, who are interested in cooperative research in the Pacific mapping program.

The Governor vetoed S.B. No. 250, H.D. 1, C.D. 1, a similar measure last year. Your Committees received strong testimony from the University of Hawaii in support of this bill. Oral testimony from Reginald Young, interim dean of the College of Engineering, indicated that the first year cost would be about \$103,000. Your Committees are passing this bill on to the Committee on Ways and Means for further evaluation.

Your Committees on Planning, Land and Water Use Management and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 2398 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. 1932 (Joint) Planning, Land and Water Use Management and Transportation on S.B. No. 2957

The purpose of this bill is to establish a trail and access fund to be administered by the Department of Land and Natural Resources (DLNR) for the purpose of complying with federal requirements to be eligible to receive federal funds under the National Recreational Trails Act of 1991.

The Legislature finds that it is in the public interest to implement chapter 198D, Hawaii Revised Statutes, relating to the Hawaii trail and access system, known as Na Ala Hele. The fund is to be used for the management, maintenance, and development of trails and accesses under the Na Ala Hele program. The fund consists of all taxes from the state fuel tax on non-highway recreational fuel or 0.3 per cent of the state fuel tax deposited into the state highway fund, federal grant moneys, and private contributions.

Your Committees received supporting testimony from the Na Ala Hele non-profit organization and the Hawaii Chapter of the Sierra Club.

Your Committees have amended this bill on the recommendation of the DLNR to enable the direct transfer of the moneys from the Department of Taxation rather than waiting for those funds to pass first through the state highway fund. Your Committees have also deleted the special fund. The DLNR believes that these amendments are sufficient to meet the federal requirements. Other technical changes were made that do not affect the substance of the bill.

Your Committees on Planning, Land and Water Use Management and Transportation are in accord with the intent and purpose of S.B. No. 2957, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2957, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1933 Planning, Land and Water Use Management on S.B. No. 2921

The purpose of this bill is to exempt the Hawaii community development revolving fund from the State's five per cent charge on certain special funds for defraying central service expenses of the Department of Budget and Finance and from paying its pro rata share of administrative expenses to the Department of Business, Economic Development, and Tourism.

Your Committee finds that this fund is a revolving fund rather than a special fund, and as such it does not accumulate moneys and should not therefore pay these fees. Section 37-62, Hawaii Revised Statutes, specifically excludes revolving funds from the definition of special fund. Therefore, this bill is for clarification.

Your Committee understands that other agencies are seeking similar exemptions and therefore a comprehensive review of this matter is appropriate by the Committee on Ways and Means.

Your Committee has amended this bill by making technical changes for purposes of proper statutory drafting form which do not affect the substance of the bill.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2921, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1934 Planning, Land and Water Use Management on S.B. No. 2922

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to issue improvement district bonds in the aggregate amount not exceeding sixty million dollars.

Under chapter 206E, Hawaii Revised Statutes, the HCDA must assess the cost of improvements to the property owners in the district. To help the owners pay for their share of the improvements, the HCDA may issue tax-exempt bonds as a means of financing for the owners.

The HCDA is currently authorized to issue up to thirty million dollars in bonds for this purpose. This bill increases that limit to sixty million dollars. Your Committee finds that this increased authorization is necessary to enable the HCDA to continue to offer financial assistance to property owners, especially in view of the improvements being made in the Kakaako District.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2922 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1935 Planning, Land and Water Use Management on S.B. No. 2924

The purpose of this bill is to exempt the Aloha Tower fund from the State's five per cent charge on certain special funds for defraying central service expenses of the Department of Budget and Finance and from paying its pro rata share of administrative expenses to the Department of Business, Economic Development, and Tourism.

Your Committee understands that other agencies are seeking similar exemptions and therefore a comprehensive review of this matter is appropriate by the Committee on Ways and Means.

Your Committee has amended this bill by making technical changes for purposes of proper statutory drafting form which do not affect the substance of the bill.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2924, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1936 Planning, Land and Water Use Management on S.B. No. 2954

The purpose of this bill is to establish the position of administrator of forestry and wildlife and the position of forestry and wildlife manager in the Department of Land and Natural Resources (DLNR), and to clarify the procedures for DLNR in handling wildfires.

This bill provides for the replacement of the position of state forester with the position of administrator of forestry and wildlife and the replacement of the position of fire warden with the position of forestry and wildlife manager. The bill makes the necessary conforming amendments to chapter 185, Hawaii Revised Statutes, relating to land fire protection law, and clarifies the duties of the administrator and manager. This bill also clarifies the procedures for the manager in handling forest fires to minimize the threat of the conflagration spreading beyond control and endangering life and property. This bill further provides for a change in the fines for persons violating fire restrictions. Present fines are from \$25 to \$5,000, and this bill specifies \$100 to \$2,000, plus restitution and costs.

Your Committee finds that wildfires are the leading factor in deterioration of native habitat, and that the State must do all it can to maintain vigilance and streamline the emergency response capabilities to suppress these fires. This bill will modernize DLNR's response capabilities.

Testimony from the DLNR indicates that the position changes entail no substantive change in present organization or operations.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2954 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1937 Planning, Land and Water Use Management on S.B. No. 2975

The purpose of this bill is to repeal Chapter 234, Hawaii Revised Statutes, relating to tax relief for natural disaster losses.

Act 171, Session Laws of Hawaii 1993, required the Legislative Reference Bureau (LRB) to study and determine whether 234, Hawaii Revised Statutes (HRS), should be repealed or amended. The LRB study recommended that Chapter 234, HRS, be repealed. Testimony from Pamela Martin, LRB researcher who conducted the study, indicated that the tax relief under that chapter "has evolved into a limited and discriminatory form of relief that does not have to relate to the damage caused by the natural disaster." The testimony analyzed the history of that chapter and noted that the chapter has been amended over the years, leaving only real property taxes and business taxes. Real property taxes has since been transferred to the counties. In view of the LRB study, your Committee finds that the authority for real property tax relief

should rest with the counties and that tax relief in other areas be addressed in the same fashion as was done with the general excise tax and the transient accommodations tax for Hurricane Iniki, for example.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2975 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1938 Planning, Land and Water Use Management on S.B. No. 3026

The purpose of this bill, as received, is to broaden the latitude of the Hawaii Community Development Authority (HCDA) to assess real property benefiting from public facility improvements. The purpose has been amended to broaden the financing capability of the Hawaii Community Development Authority (HCDA) to finance public improvements in a community development district.

The HCDA is currently authorized to issue improvement district bonds to finance a portion of the cost of public improvements. These bonds are payable from assessments levied against properties specially benefiting from the improvements. Improvement district bonds have been used extensively throughout the mainland as well as by local counties typically for infrastructure improvements.

This bill provides HCDA with an alternate means of financing infrastructure and other types of public improvements through the issuance of bonds which are payable from assessments imposed on properties generally benefiting from such improvements.

Your Committee has amended this bill by deleting its contents and substituting provisions in a new section to set apart this new financing mechanism from the existing improvement district statutory authority since implementation will involve the issuance of bonds. Bond counsel has advised that such an amendment be made to preclude any possible ambiguity in the statutes which could cloud HCDA's ability to proceed with the issuance of bonds. Your Committee has also made the other necessary statutory amendments to conform with this provision.

Since the Special Improvement Program involves the levying of assessments on properties benefiting from the improvements, your Committee finds that the affected landowners and lessees should be afforded the opportunity to be heard by HCDA utilizing procedures similar to those adopted by HCDA for the improvement district projects authorized under section 206E-6.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 3026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3026, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1939 Planning, Land and Water Use Management on S.B. No. 3046

The purpose of this bill is to assist businesses adversely impacted by the construction of improvement district projects in the Kakaako Community Development District.

Your Committee finds that infrastructure improvements throughout the District are necessary in order for the Hawaii Community Development Authority (HCDA) to fulfill its mandate to redevelop Kakaako. Such improvements involve massive reconstruction of major infrastructure systems which cause significant disruption daily to businesses located within the construction area. Many businesses can ill afford nor recover from the substantial loss of business during the construction period. Your Committee further finds that there is an inherent obligation on the part of the State to assist in sustaining the existing business community as Kakaako transitions to a new community.

This bill provides vital relief to businesses by authorizing HCDA to undertake night work construction for its improvement district project. In particular, the bill allows HCDA to adopt and enforce noise standards for night work construction, thus enabling HCDA to balance the needs and welfare of both residents and businesses located in the project area.

This bill also authorizes HCDA to lease properties adversely affected by the construction of improvement district projects for the purpose of exempting these properties from real property taxes where warranted during the period of construction. According to testimony presented by HCDA, implementation of this bill would involve HCDA leasing an affected property and then leasing it back to the existing business. Under section 8-10.17 of the Revised Ordinances of Honolulu, 1990, properties leased by the State are exempt from real property taxes under certain circumstances. This bill allows this benefit to pass to affected properties.

The HCDA also testified that the ability to lease and lease back such properties provides HCDA and affected businesses with a broader range of options in dealing with specific construction-related impacts on a case-by-case basis. Such options include relief in the form of temporary relocation assistance and appropriate compensation through lease negotiations.

Your Committee has amended this bill by providing that the HCDA may lease the properties rather than acquire them and by deleting the reference to real property tax exemptions. Other technical changes were made without affecting the substance of this bill.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 3046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3046, S.D. 1, and be referred to the Committee on Ways and Means.

SCRep. 1940 Tourism and Recreation on S.B. No. 2255

The purpose of this bill is to make an appropriation of \$2,000,000 for the continued improvement of the Front Street District of Lahaina.

Your Committee finds that the historic town of Lahaina annually attracts millions of visitors who spend days on Front Street. Your Committee further finds that the County of Maui has approved a three year \$8,100,000 capital improvement project to upgrade the town's utility and wastewater infrastructure and make other improvements for the purposes of historical preservation, and is seeking State financial assistance for this project.

Testimony in support of this measure was submitted by the County of Maui, the Maui Chamber of Commerce, and various advocates of Front Street improvements.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2255 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1941 Tourism and Recreation on S.B. No. 2257

The purpose of this bill is appropriate \$500,000 for the planning and design of the Maui Central Park.

Your Committee finds that the County of Maui owns a 100-acre parcel between Kahului Harbor and the War Memorial Sports complex, and has anticipated developing this area into a major park complex. Your Committee further finds that the County of Maui is requesting state financial assistance for the planning and design of the project, so the County can move forward with the necessary infrastructure improvements prior to the actual development of the park.

Testimony in support of this measure was submitted by the County of Maui, Department of Parks and Recreation.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2257 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1942 Tourism and Recreation on S.B. No. 2496

The purpose of this bill is to appropriate an unspecified amount of funds to promote Hawaii's sports industry.

The bill also requires that the appropriation be matched by private sector contributions.

Your Committee received testimony in support of the bill from the Department of Business, Economic Development, and Tourism and Outrigger Hotels Hawaii.

Your Committee finds that attracting new sports activities to Hawaii will further enhance our image as the "Health State," increase our visitor count, and bolster the State's economy.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2496 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1943 Tourism and Recreation on S.B. No. 2497

The purpose of this bill is to appropriate an unspecified amount for site designation and infrastructure development for the construction of a sports complex in Kapolei, Oahu.

The bill also requires that the development be based on a joint venture with private enterprise.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism and Outrigger Hotels Hawaii.

Your Committee finds that the development of a sports complex would further promote the Kapolei area as Oahu's "Second City" and add to the State's viability as a "Sports Mecca of the Pacific."

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2497 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1944 Tourism and Recreation on S.B. No. 2503

The purpose of this bill is to appropriate an unspecified amount of funds to assist in paying the costs of staging the Bud Light Ironman Triathlon.

Testimony in support of the bill was received from the Hawaii Visitors Bureau and Outrigger Hotels Hawaii.

Your Committee finds that the Bud Light Ironman Triathlon is a world-renowned event that annually attracts thousands of athletes from around the world. As the internationally- acknowledged premier triathlon event, the Bud Light Ironman Triathlon is a valuable promotional asset to local tourism, businesses, and the State.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2503 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1945 Tourism and Recreation on S.B. No. 2507

The purpose of this bill is to appropriate general funds to develop and implement a special promotions campaign focused on the honeymoon market.

Your Committee finds that our visitor industry needs to increase the tourism base by expanding existing and developing new markets. Your Committee further finds that Hawaii is a prime location identified by many prospective honeymooners in surveys seeking information about the most popular destinations. Based upon this information, your Committee believes that we should aggressively seek to develop this market by focusing additional resources in this area.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2507 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1946 Tourism and Recreation on S.B. No. 2661

The purpose of this bill is to appropriate general funds on a matching basis to the Hawaii Visitors Bureau for tourism marketing and promotion with private sector advertising partnerships.

Your Committee finds that our visitor industry needs to leverage limited resources and stretch limited promotional dollars. Your Committee further finds that advertising partnerships between the Hawaii Visitors Bureau and the private sector will increase both the State's and the visitor industry's return on investment. The appropriation is to be matched by private sector funds.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Hotel Association, and the Chamber of Commerce of Hawaii.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2661 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1947 Tourism and Recreation on S.B. No. 2669

The purpose of this bill is to establish a convention center neighborhood advisory committee within the convention center authority.

Your Committee finds that while the development of a convention center will provide economic benefits to our state economy, there are also attendant impacts upon the surrounding community which must be recognized and addressed. Your Committee further finds that these various concerns include impacts upon the environment, social structure, and infrastructure which can best be identified and communicated by those who are experiencing them, the residents of the surrounding communities.

Testimony in support of this measure was submitted by many neighborhood boards and community representatives. Opposing testimony was submitted by the Convention Center Authority and Hawaii Association of Realtors.

Your Committee has amended this bill by making technical non-substantive amendments for the purposes of clarity and conformance with existing statutory language.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2669, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1948 Tourism and Recreation on S.B. No. 2670

The purpose of this bill is to expand the Convention Center Authority to include two members from the communities adjacent to the convention center site.

Your Committee finds that the present composition of the Authority includes members with proven expertise in a variety of professional fields in order to ensure the development of an economically feasible and structurally sound convention center. Your Committee further finds that representation from the surrounding communities will enhance the Authority's ability to address the social impacts of the convention center development.

Testimony in support of this measure was submitted by various neighborhood and community associations, and testimony in opposition was submitted by the Convention Center Authority.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2670 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1949 Tourism and Recreation on S.B. No. 3072

The purpose of this bill is to extend the repeal date of the convention center authority to 1998 and make appropriations for the operation of the authority and construction of a convention center.

Your Committee finds that present law requires the convention center authority to administer the convention center construction contract as well as oversee all aspects of the development. Your Committee further finds that presently the target date for completion of the project is late 1997, and thus the law must be amended to extend the authority beyond its current repeal date of June 30, 1995.

Testimony in support of this measure was submitted by the Convention Center Authority and the Hawaii Hotel Association.

Your Committee has amended this bill by changing the effective date to July 1, 1994 to conform with the appropriations made in Sections 2 and 3 for fiscal year 1994-1995 and by making nonsubstantive technical changes for the purpose of clarity.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 3072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3072, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1950 Tourism and Recreation on S.B. No. 3155

The purpose of this bill is to appropriate general funds for the creation of a children's wading pool at Laniupoko Beach Park.

Your Committee finds that many beach parks often do not have safe areas for children to swim without direct adult supervision. Your Committee further finds that the creation of a children's wading pool at Laniupoko will enhance the use of the park by resident families as well as visitors.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 3155 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1951 Tourism and Recreation on S.B. No. 3156

The purpose of this bill is to appropriate general funds for shoreline beautification and safety improvements at Olowalu Beach, in Lahaina, Maui.

Your Committee finds that many of our local beach parks need shoreline and safety improvements to ensure the safety of those who use them. Your Committee further finds that these improvements will enhance the use of the park by resident families as well as visitors.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 3156 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1952 Tourism and Recreation on S.B. No. 3298

The purpose of this bill is to appropriate \$500,000 for the relocation of canoe club facilities in Kahului, Maui to Hoaloha Park.

Your Committee finds that Hawaiian canoe racing teaches respect for the ocean and the surrounding beach areas, and many canoe clubs improve and maintain the beach areas from which they launch and shelter their canoes. Your Committee further finds that the leased space formerly occupied by the canoe clubs in this area was sold by the state Department of Transportation, and thus the clubs are forced to relocate and rebuild attendant facilities.

Testimony in support of this measure was submitted by the Department of Transportation, the Hawaiian Canoe Club, and the Maui County Hawaiian Canoe Association.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 3298 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1953 Tourism and Recreation on S.B. No. 3312

The purpose of this bill is to appropriate general funds for the planning, design, and development of parks and related facilities at the Hilo bayfront region.

Your Committee finds that the Hilo bayfront contains vast open space which could be enhanced through development into a public park with attendant recreational facilities. Your Committee further finds that these improvements will enhance the use of the bayfront by residents as well as visitors to the region.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 3312 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1954 Education on S.B. No. 2175

The purpose of this bill is to transfer the regulation of private schools from the Department of Education to a board of independent schools.

Your Committee finds that the regulation of private schools by the Department of Education has been a ministerial function which requires the private schools to register with the Department. Your Committee further finds that it is incumbent upon the private schools to maintain certain standards in order to continue to attract students and to compete with other private schools. Your Committee, therefore, believes that a consortium of private schools is a better mechanism to monitor the quality and operations of these private schools rather than the Department of Education.

Testimony regarding this measure was submitted by the Board of Education, the Department of Commerce and Consumer Affairs, the Hawaii Association of Independent Schools, and the Association of Pacific Postsecondary Private Schools. The testimony included concerns about how the regulatory body would be formed and how the functions were to be transferred. Upon further consultation with the parties affected, your Committee has amended this bill by:

1. Indicating that the regulatory body shall be a Hawaii non-profit association, the members of which are comprised of private schools in the State of Hawaii;
2. Creating a private school regulatory transition committee composed of representatives of the Department of Education, the Hawaii Association of Independent Schools, and schools not represented by the Association, to develop an implementation plan for the regulation of private schools; and
3. Changing the effective date to July 1, 1995, except for the creation of the transition committee which shall be effective on July 1, 1994.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2175, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 1955 Education on S.B. No. 2191

The purpose of this bill is to create a temporary Early Childhood Education and Care Coordinating Committee within the Governor's Office of Children and Youth.

Your Committee finds that the Governor's Office of Children and Youth is charged with promoting the coordination of programs and services on behalf of children and youth, as well as advising the governor and the legislature regarding child development programs. Your Committee further finds that early childhood education and care programs have not been adequately coordinated nor assessed and therefore a special committee is needed to assist the Office with the development of a master plan and a coordinated service delivery system.

Testimony regarding this measure was submitted by the Governor's Office of Children and Youth indicating that the Governor has issued an Executive Order requesting the development of a master plan and coordinated service delivery system. Upon reviewing the Executive Order, your Committee believes that this bill should reflect the directives of the Governor and has amended this measure accordingly. Your Committee has also amended this bill to request a status report from the Coordinating Committee prior to the 1995 regular session and a final report prior to the 1996 regular session.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2191, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1956 Education on S.B. No. 2414

The purpose of this bill is to establish a classroom improvement special fund to be funded through an income tax check-off and a credit card system for teachers to purchase additional equipment and supplies as they determine are needed for instructional needs in their classrooms.

Your Committee finds that instructional needs vary between grade levels and subjects, such that it is often difficult for teachers to anticipate all their needs for the entire school year. Your Committee further finds that when an unanticipated need arises, the teachers use their own money to purchase additional supplies and equipment for which they are not reimbursed. Your Committee believes that our teachers should be provided with the flexibility to purchase additional supplies and equipment for instructional needs which they deem important to enhance their effectiveness in the classroom.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and a public school advocate. Testimony in opposition was submitted by the Department of Education and Department of Taxation. Upon consideration of the concerns expressed, your Committee has amended this bill by:

1. Allowing private monetary donations to be deposited into the fund;
2. Placing a cap on the allotment of \$500 per teacher per school year;
3. Requiring that the credit card system be administered through a contract with a financial institution chartered under Article 10, Chapter 412, Hawaii Revised Statutes;
4. Providing for implementation in the 1995-1996 school year to allow time to work out the mechanics of the credit card system and for the accumulation of revenue in the special fund;
5. Making an appropriation of \$50,000 for the administrative costs of implementing the credit card system; and
6. Requiring the Department to submit a report to the Legislature before the 1995 regular session.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2414, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1957 Transportation on S.B. No. 2413

The purpose of this bill is to require the Department of Transportation to provide for underground utilities on state highways which utilize federal funds.

Specifically, once it is determined that federal highway funds are available, the Department of Transportation must provide for underground utility facilities in the design and construction of all new highways and in the redesign and reconstruction of existing highways. This bill also provides an exception for underground facilities on federal-aid highways if after a public hearing, it is determined that safety, environmental, federal funding, and other concerns are appropriate.

Your Committee has amended this bill to stipulate that the requirement for inclusion of underground utilities for new highways applies only when federal funds are available for that purpose. Your Committee has also amended the bill to make nonsubstantive technical changes for purposes of clarity and style.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2413, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1958 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2261

The purpose of this bill is to extend the existence of the court-appointed independent representative for Hawaiian Home Lands Trust claimants and appropriate funds for the representative's retainment.

Your Committee finds that Act 352, Session Laws of Hawaii 1993, authorized the appointment of an independent representative to act as sole counsel to beneficiaries for claims against the State for breaches of the Hawaiian Home Lands Trust.

Your Committee also finds that although Act 352 sought to conclude settlements with regard to these breaches by December 1, 1994, many claims have yet to be resolved and are not foreseen to be concluded by the December 1st deadline.

Your Committee believes that extending the existence of the independent representative will help facilitate the expedient conclusion of these trust claim proceedings.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2261, S.D. 1, and recommends that the bill be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1959 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2467

The purpose of this bill is to exempt the sale of recyclables or products made from recycled material from the State's general excise tax.

Your Committee finds that promoting recycling is in the best interest of the State and that twenty-three other states provide some sort of tax incentive for recycling. However, your Committee believes that providing an exemption from the general excise tax may not be the appropriate incentive mechanism, being that under existing state law, recycling is defined as part of the manufacturing process and therefore subject to only the one-half percent general excise tax rate. This de minimis amount may not provide the necessary incentive for potential recipients of the exemption to actively promote recycled products.

In light of this, your Committee has amended the bill by removing the substantive provisions and inserting language that establishes an income tax credit to businesses that purchase recycling machinery or equipment. Your Committee finds that similar tax exemptions have been granted to help launch the solar and wind energy industries, and to assist companies purchasing heat pumps and ice storage systems. These efforts were successful in helping companies to establish and expand their operations.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2467, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1960 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2535

The purpose of this bill is to ensure that various environmental programs are sufficiently funded to carry out the intended purposes of the programs.

Specifically, the bill establishes:

- (1) A Pesticides Special Fund;
- (2) A Conservation District Use Permit Special Fund;
- (3) A Water Pollution Special Fund; and
- (4) A Hazardous Waste Special Fund.

These various funds would be used to cover operating costs of the respective environmental programs for which each fund has been established.

Your Committee has amended the bill by deleting all the proposed funds except for the Water Pollution Special Fund.

Your Committee has chosen not to act on the Pesticide Special Fund since the necessity of such a fund would be more appropriately discussed in the Senate Committee on Agriculture. With regard to the Conservation District Use Permit Special Fund, the Department of Land and Natural Resources testified that establishment of such a fund would be premature at this time since the State is in the midst of reassessing its land use policies. As to the Hazardous Waste Special Fund, your Committee feels that it would be impractical to establish such a fund due to the relatively small amount of projected revenue that would be generated.

Your Committee has retained the Water Pollution Special Fund because it believes that persons who discharge pollutants into the waters of the State should pay for the privilege. As taxpayers are currently funding the regulation of this activity, the general public is subsidizing the activities of polluters.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2535, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1961 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2889

The purpose of this bill is to provide the Hawaii National Guard members with relief from civil obligations when called to serve on state-authorized active duty.

Your Committee finds that while Hawaii National Guard members are relieved from civil obligations when called to federally-authorized active duty, they are not afforded the same rights when called upon to serve by the State.

Your Committee also finds that the Federal Soldiers' and Sailors' Civil Relief Act has provided protection for over fifty years to men and women called to military service by the federal government. The protection afforded to these recipients helps to mitigate the substantial disruption that active military service inflicts upon their personal and business affairs. The bill substantially mirrors the Federal Soldiers' and Sailors' Civil Relief Act and provides Hawaii National Guard members with the same benefits as the federal law if called to state-authorized active military service.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2889 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1962 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2891

The purpose of this bill is to prohibit a county's chief procurement officer from exercising any power or duty over contracts made by the county's legislative branch unless expressly provided for in the county's charter or by ordinance.

Your Committee finds that the bill provides the legislative bodies of each county with the necessary clarification to carry out procurement procedures as mandated by charter or ordinance.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2891 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1963 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2892

The purpose of this bill is to clarify and specify the obligations of the State and the counties when the Legislature mandates a new county program or an increase in the level of service of an existing county program.

The State Constitution requires the State to share in the cost of any new county program, or any increase in the level of service under an existing county program, that results from an act of the Legislature or adoption of an administrative rule by a state agency. However, the language of the Constitutional provision is very broad and when misinterpreted can lead to inappropriate use of public moneys and disputes regarding procedural obligations. Clear and specific statutory language is needed to enable all parties to accurately and expeditiously carry out their obligations. This bill would codify that language.

Your Committee has amended this bill by correcting a typographical error on the first line of page two.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2892, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1964 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3028

The purpose of this bill is to enable the Hawaiian Home Lands Trust Individual Claims Review Panel to ascertain the nature and extent of breaches of trust that began prior to August 21, 1959, by authorizing the Panel to receive, investigate, and create a record of possible pre-statehood breaches of trust.

Your Committee finds that in some instances, individual claims of breaches of the Hawaiian Home Lands Trust commenced prior to Hawaii becoming a state and continued through statehood. Existing law establishes the state's liability in breaches that have occurred after statehood.

Your Committee has amended the bill by deleting its substance and inserting provisions to:

- (1) Establish the State's liability for breaches that occurred prior to statehood but for which the State had prior knowledge, but took no corrective action;
- (2) Provide that in these cases, the State shall only compensate the claimant for the post-statehood portion of the breach;
- (3) Declare that in no way will claimants be prohibited from bringing suit against the federal government for breaches which occurred prior to statehood; and
- (4) Provide for application of this bill only to claims filed on or after February 1, 1993.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3028, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1965 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3107

The purpose of this bill is to clarify the status of funds received by the Office of Hawaiian Affairs (OHA) from the revenues generated by the Public Land Trust.

Specifically, the bill removes the provision regarding appropriation of matching special funds by the Legislature from Section 10-14.6, Hawaii Revised Statutes.

Your Committee finds that the amendment is consistent with the findings and recommendations contained in the Management and Financial Audits of the Office of Hawaiian Affairs, conducted by the Auditor and is necessary to clarify that the revenues generated from the Public Land Trust are trust funds that OHA is entitled to and not special funds that the Legislature must authorize as an appropriation.

Your Committee has amended the bill by changing the effective date to July 1, 1995.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3107, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1966 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3127

The purpose of this bill is to expand the purpose for which funds were appropriated for the Alenaio Flood Control System Project for the County of Hawaii.

Your Committee finds that Act 289, Session Laws of Hawaii 1993, provided a \$4,500,000 appropriation to the County of Hawaii for the purpose of constructing the Alenaio Flood Control System. Your Committee also finds that the use of the appropriated funds was limited to only the construction phase of the flood control system and made no provision for the plans, design, and land acquisition for the project. This bill will correct the drafting oversight and will allow the project to proceed as intended.

Your Committee has amended the bill 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. 3127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3127, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1967 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3258

The purpose of this bill is strengthen, clarify, and enhance key provisions in Hawaii's environmental protection laws.

First, the bill conforms the State's water pollution control law with federal requirements of the National Pollutant Discharge Elimination System (NPDES).

Additionally, the bill authorizes the Director of Health to regulate not only wastewater but wastewater byproducts such as reclaimed water and sewage sludge, regardless of where they are used or dumped, and clarifies that monetary penalties for violations of statutes on water, drinking water, air, noise, solid waste, hazardous waste, underground storage tanks, used oil, and asbestos can be imposed both through administrative proceedings and through civil lawsuits brought originally in court.

The Clean Water Branch and the Wastewater Branch of the Department of Health implement in Hawaii the NPDES as established by the federal Clean Water Act. Their implementing regulations must include procedures and requirements at least as stringent as the federal law for Hawaii to remain an NPDES state. This bill amends key sections in Hawaii law to reference requirements of the federal regulations.

Regarding regulation of wastewater and its byproducts, this bill centralizes authority to promote efficient administration and consistency in enforcement.

With regard to penalties, the State takes the position that pollution control enforcement should begin either in civil lawsuits or in administrative proceedings. This bill amends several statutes to clarify and enable this position.

Your Committee finds that the provisions of this bill will improve administration and enforcement of key provisions designed to protect Hawaii's precious environment.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3258 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1968 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3307

The purpose of this bill is to provide for governmental assistance to the residents of the Hamakua region affected by the closure of the Hamakua Sugar Company and the Hilo Coast Processing Company.

The bill appropriates \$3,310,000 for a number of necessary services to assist Hamakua Coast residents with health care, employment, and economic development opportunities.

Your Committee finds that the Hamakua Coast residents have recently experienced a traumatic economic upheaval in the closing of the two major sugar plantations in the area. Hamakua Sugar Company and the Hilo Coast Processing Company were major contributors to the region's economic stability and without their existence, a significant economic void has been created. Your Committee also finds that the Hamakua Coast residents have taken it upon themselves to shape their own economic destiny. They have organized development programs and projects that will help the community survive and maintain the region's way of life.

Your Committee finds the efforts of the Hamakua Coast residents to be most admirable. However, your Committee believes that the appropriation contained in the bill is insufficient to meet the pressing needs of the Hamakua region. Therefore, your Committee has amended the bill by appropriating \$24,810,000 and expanding the purposes for which the appropriation is intended. Your Committee has also amended the bill to make the Hawaii Community Development Authority the expending agency.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3307, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1969 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Transportation on S.B. No. 2087

The purpose of this bill is to provide recruiting and retention incentives for the National Guard by making available distinctive motor vehicle license plates and allowing vehicle registration fee and weight tax exemptions for Guard members.

Under current law, National Guard members must pay regular registration fees and weight taxes, while nonresident active duty military personnel do not. Your Committee finds that the National Guard serves an important role in our State, and does so with distinction. Members should be afforded equal treatment with their active duty nonresident comrades.

The specialty license plates authorized by this measure would feature the words "HAWAII NATIONAL GUARD" on the left side in a manner similar to congressional and honorary consul license plates, which your Committee believes is an appropriate means of expressing sincere appreciation for the exemplary service provided by members of the Guard, especially in times of emergency.

This bill is one of a series developed in response to Act 222, Session Laws of Hawaii 1993, which established a public/private task force to develop incentives to attract and retain qualified individuals in the Hawaii National Guard. Your Committees find that motor vehicle registration fee and weight tax relief and special license plates appropriately serve that purpose.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Transportation are in accord with the intent and purpose of S.B. No. 2087 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. 1970 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on S.B. No. 2262

The purpose of this bill is to allow for the circuit court to render decisions on certain matters in which the independent representative of Hawaiian Home Lands Trust beneficiaries and the State Task Force on Department of Hawaiian Home Lands Title and Related Claims (Task Force) are at an impasse. The bill also contains sections that appropriate undetermined amounts to:

- (1) Assist the Task Force in preparing the remaining claims package for submission to the Legislature in 1995; and
- (2) Assist the State Department of the Attorney General in pursuing breaches of Hawaiian Home Lands Trust claims against the federal government.

Your Committees find that Act 352, Session Laws of Hawaii 1993, authorized the appointment of an independent representative to act as sole counsel to Hawaiian Home Lands beneficiaries for claims against the State for breaches of the Hawaiian Home Lands Trust. The independent representative and the Task Force were to resolve these claims in a nonjudicial forum. However, in the course of resolving these claims, impasses between the independent representative and the Task Force have occurred and the law does not provide any recourse to final determinations.

Your Committees believe that providing a means for circuit court intervention to resolve impasses in these proceedings will facilitate the eventual resolution of all Hawaiian Home Lands Trust claims against the State.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary are in accord with the intent and purpose of S.B. No. 2262, S.D. 1, and recommend that the bill be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1971 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Human Services on S.B. No. 2624

The purpose of this bill is to enhance the ability of community rehabilitation programs to contract with public agencies for sale of products and services provided by persons with disabilities.

Under current law, annual renewal of non-bid contracts under Part V of Chapter 103, Hawaii Revised Statutes (Products and Services of Handicapped Individuals) is not guaranteed even if service has been satisfactory.

Your Committees find that the intent of this law and the federal legislation upon which it is modeled is to ensure to the extent possible that community rehabilitation programs that provide acceptable products and services to public agencies on a timely basis should be allowed to continue doing so as long as they perform up to contract expectations. This bill accomplishes that intent.

Your Committees have amended this measure by changing the title of Part V to read "PART V. PRODUCTS AND SERVICES OF PERSONS WITH DISABILITIES," to be consistent with the terminology adopted for this Part, and by making several technical changes for the purpose of conformance with recommended drafting technique.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Human Services are in accord with the intent and purpose of S.B. No. 2624, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2624, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1972 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on S.B. No. 3324

The purpose of this bill is to provide additional uses for the \$8.5 million originally appropriated to reimburse the County of Kauai for real property taxes remitted, refunded, or forgiven under Chapter 234, Hawaii Revised Statutes.

The County of Kauai would be authorized to expend the funds to:

- (1) Meet the contractual agreement with the Federal Emergency Management Agency to fund twenty-five percent of the eligible costs for disaster assistance;
- (2) Restore civil defense facilities, parks, and recreational facilities that were damaged during the hurricane;
- (3) Provide psychological support in the public schools to assist in coping with hurricane-related problems; and
- (4) Help children and youth cope with post traumatic distress brought on by the hurricane.

Your Committees find that authorizing the added uses for the appropriated funds would provide the County of Kauai with the necessary flexibility to more quickly recover from the devastation of Hurricane Iniki.

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. 3324 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. 1973 Planning, Land and Water Use Management on S.B. No. 2958

The purpose of this bill is to authorize the Board of Land and Natural Resources (DLNR) to modify or extend the terms of any type of lease for the purpose of enabling a lessee to obtain a mortgage loan.

Specifically, this bill deletes the statutory reference limiting the types of leases the Board is authorized to modify or extend to intensive agricultural, aquaculture, commercial, mariculture, or special livestock.

On recommendation from the DLNR, your Committee has amended this bill by retaining these references and adding "industrial" to the list. The DLNR submitted testimony that they do not believe that all leases, such as residential, pasture, and land licenses, were intended to benefit from this law. The problem which this law seeks to remedy is that the mortgage institutions have been unwilling to grant mortgages where the lease term is short. This law is intended to help lessees by enabling the Board to modify leases to enable lessees to obtain a mortgage. Industrial leases have been excluded from the present law by reason of an attorney general's opinion that an industrial lease does not constitute a commercial lease. The amendment remedies this problem.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2958, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Aki and Holt.

SCRep. 1974 Planning, Land and Water Use Management on S.B. No. 2959

The purpose of this bill is to authorize the Board of Land and Natural Resources (Board) to charge public land lessees in industrial parks a fee to cover the costs of operation, maintenance, and bond debt service, and to issue revenue bonds for the costs of acquisition, construction, and maintenance of industrial parks.

Present law does not authorize the Board to charge fees or to issue revenue bonds in connection with industrial parks. The problem is that the costs of operating and maintaining industrial parks on public land has been rising to the point where the Board must charge eligible lessees these fees. The ability of the Board to issue revenue bonds is necessary to finance the development of industrial parks on state-owned land. This bill allows for the issuance of industrial park revenue bonds similar to the airports and harbors revenue bonds.

Your Committee has amended this bill by making technical changes that do not affect the substance of the bill.

Your Committee understands that other departments may have bills seeking authority to issue revenue bonds, and your Committee passes this bill to the Committee on Ways and Means for a comprehensive review and evaluation of all of these bills.

Your Committee on Planning, Land and Water Use Management recommends that S.B. No. 2959, as amended herein, pass Second Reading in the form attached hereto as S.B. No. 2959, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Aki and Holt.

LCRep. 1975 Legislative Management on S.B. No. 1576

The purpose of this bill is to reestablish legislative oversight in the budgetary process.

Specifically, the bill directs the Joint Legislative Budget Committee (Joint Committee) to ascertain facts and make recommendations to the Legislature concerning the state budget, state revenues and expenditures, state organization and functions, and other matters. The bill also requires the Legislative Analyst to conduct a variety of research and analysis projects relating to the state budget, the economy, taxation, and legislative oversight.

Your Committee finds that although chapter 21F provides for the establishment of the Joint Committee and the Legislative Analyst, neither have been established to date. This bill provides for the implementation of chapter 21F by providing for the appointment of the Legislative Analyst and directing the Joint Committee to review the recommendations of the Auditor's Study of the Fiscal Relationship Between Hawaii's Legislative and Executive Branches. The bill further requires the Joint Committee, in consultation with the Legislative Analyst, the Auditor, and the executive branch, to review, analyze, and make recommendations over state budgetary laws and processes.

Your Committee has amended the bill by clarifying that the Joint Committee's report shall be submitted to the Legislature upon completion and by making technical amendments that appropriately update the bill.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 1576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1576, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 1976 Legislative Management on S.B. No. 2701

The purpose of this bill is to statutorily establish a public access room at the State Capitol that will be open to the public on a year-round basis.

Your Committee finds that providing the citizenry of the State with the necessary tools to more actively participate in the legislative process can only result in public policymaking that is more in tune with the needs and concerns of the people. This bill statutorily establishes a public access room, thereby ensuring continual availability of an essential tool for such participation. The bill also appropriates funds to cover its operating expenses for fiscal year 1994-1995.

Your Committee has amended the bill by adding two new sections to:

- (1) Appropriate \$200,000 for the purpose of provision of cable access television broadcasts for the State Senate's coverage of the 1995 regular legislative session; and
- (2) Appropriate \$3,930,000 for the purpose of installation of cameras, cables, and other related telecommunication equipment as a part of the State Capitol renovation project.

Your Committee has also amended the bill by inserting \$125,000 as the sum necessary to operate the public access room and by making nonsubstantive changes to the purpose clause of the bill.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 2701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2701, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1977 (Joint) Legislative Management and Consumer Protection on S.B. No. 2862

The purpose of this bill is to amend the responsibilities of the Auditor.

Specifically, the bill alters the Auditor's mandated functions by:

- (1) Modifying the sunset evaluation process;
- (2) Deleting the Auditor's responsibility to report on the social and financial impact of proposals to mandate health insurance coverage; and
- (3) Deleting the Auditor's responsibility to review state agencies' administrative rules.

Your Committees received testimony in support of the bill from the Auditor and the Department of Commerce and Consumer Affairs (DCCA).

Your Committees find that the sunset evaluation process originally enacted in 1977 places an undue burden on the resources of the Auditor. Since the regulatory programs affected by the sunset provisions of Chapter 26H, Hawaii Revised Statutes, are under the administrative jurisdiction of the DCCA, the Auditor has spent an inordinate amount of time auditing programs in the DCCA, more than any other state agency.

In the case of reporting on the social and financial impact of legislative proposals to mandate health insurance coverage, your Committees find that this responsibility has proven fruitless over the years due to the nebulous nature of gathering, extracting, and converting data into readily usable information.

In the case of the review of administrative rules of state agencies, your Committees find that the sheer volume of administrative rules makes the task of reviewing each rule insurmountable and therefore, untenable.

Your Committees believe that streamlining the responsibilities of the Auditor would be a more efficient use of available resources and will enable the Auditor to better serve the needs of the Legislature and the public.

Your Committees on Legislative Management and Consumer Protection are in accord with the intent and purpose of S.B. No. 2862 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. 1978 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2173

The purpose of this bill is to require the counties to impose a volume-based trash collection fee on all waste generators.

Specifically, the bill requires the counties to:

- (1) Adopt before July 1, 1995, trash collection fees that are based on the volume of waste generated;
- (2) Provide the Department of Health's Office of Solid Waste Management with a description of the county's trash collection system for determination as to whether the requirements of the bill have been met; and
- (3) Establish its own enforcement program to mitigate illegal dumping.

The bill also deems illegal, the dumping of more than one cubic yard of trash and authorizes the counties to impose fines for illegal dumping to cover its costs of clean up, program operation, and any market development and waste diversion programs.

Your Committee finds that while the concept of the bill has merit, the specifications in the bill do not provide the counties with the necessary flexibility to tailor a trash collection fee program that is more sensitive to the needs of their respective jurisdictions. In light of this, your Committee has amended the bill by broadening the language to provide the counties with the necessary flexibility to carry out the intended purpose of the bill.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2173, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1979 Health on S.B. No. 1030

The purpose of this bill is to establish the family health services special fund to support family health services programs in the Department of Health. The fund will consist of private donations, federal aid, and state appropriations designated for family health services.

Your Committee finds that incentives are needed to maximize federal reimbursements for family health services. These reimbursements can allow programs, such as the healthy start program for child abuse prevention and the zero-to-three early intervention services, to expand to meet their full target populations by using new federal funds not already received.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1030, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

SCRep. 1980 (Joint) Health and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3006

The purpose of this bill is to give permanent status to the Maui Memorial Hospital and Hilo Hospital autonomy program.

Specifically, this bill exempts Maui Memorial Hospital and Hilo Hospital from competitive bidding requirements, from restrictions on purchasing products not manufactured or produced in Hawaii, from special fund deductions by the Director of Finance for estimated central service expenses, and from paying the Department of Health administrative expenses from their share of special funds. The bill also amends section 323-63, Hawaii Revised Statutes, to authorize the Department of Health to request that Maui Memorial and Hilo Hospitals be exempt from applicable state agency requirements.

Your Committees find that the pilot autonomy program has provided significant benefits to Hilo and Maui Memorial Hospitals and has improved the delivery of health care services in the areas of purchasing and personnel management. By removing the competitive bidding requirement, community hospitals are able to acquire medical equipment quickly, reducing administrative time and overhead.

Testimony in support of this bill was received by the Director of Health.

Your Committees have adopted the recommendations of the Director of Health and have amended the bill by:

- (1) Including section 103-46 as one of the sections from which the community hospitals are exempted;
- (2) Requiring the community hospitals to comply with sealed competitive bidding requirements; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

Your Committees on Health and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 3006, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3006, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Aki.

SCRep. 1981 (Joint) Health and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3032

The purpose of this bill is to eliminate existing financial restrictions to augment autonomous community hospital operations by providing financial management exemptions and establishing collections revolving funds for each of Maui Memorial Hospital, Hilo Hospital, and Kona Hospital.

Specifically, this bill establishes three collection revolving funds for each of the community hospitals to eliminate the delay in patient refunds. The bill allows the Division of Community Hospitals to transfer special fund appropriations among its programs. The bill also sets limits on increases and reductions on hospital rates, rents, fees, and charges. Additionally, this bill permits the community hospitals to deposit moneys in trust or revolving funds in depositories other than the state treasury.

Your Committees find that autonomy in the community hospital system has improved the delivery of health care. To improve administrative efficiency and lower hospital costs, community hospitals must be given greater control of their finances.

Testimony in support of the bill was received from the Director of Health.

Your Committees have adopted the recommendations of the Director of Health and have amended the bill by allowing the public hospitals to reduce or increase rates by not more than five percent and by allowing them to establish rates for new medical services that are comparable to private sector hospitals in Hawaii.

Your Committees on Health and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 3032, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3032, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Aki.

SCRep. 1982 (Joint) Health and Judiciary on S.B. No. 3037

The purpose of this bill is to transfer the mental health functions and authority exercised by the Director of Health in state correctional facilities to the Department of Public Safety.

Specifically, this bill requires that all authority and functions of the Director of Health relating to mental health services in state correctional facilities, including personnel, facilities, and documents, will be transferred to the Department of Public Safety as of July 1, 1994.

Your Committees find that the responsibility for mental health services to inmates should be placed appropriately in the Department of Public Safety. The transfer of authority eliminates the difficulty of having two departments involved in the

same operation. This bill integrates the mental health programs and allows the Department of Public Safety to satisfy its obligation to provide health care to correctional inmates.

Testimony in support of the bill was received from the Departments of Health and Public Safety.

Your Committees on Health and Judiciary are in accord with the intent and purpose of S.B. No. 3037 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. 1983 (Joint) Health and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3137

The purpose of this bill is to appropriate funds to purchase additional automatic external defibrillators (AED) and to provide a part-time medical director for the AED program in Honolulu.

Specifically, this bill authorizes the Department of Health to expend funds for a grant-in-aid to the counties to provide for their AED programs.

Your Committees find the AED to be a valid and beneficial medical intervention in cardiac arrest cases. The Honolulu Fire Department has recommended that each county have a medical director for their AED program.

Your Committees have amended this bill by deleting the amount to be appropriated and leaving the amount open.

Your Committees on Health and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 3137, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3137, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1984 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2017

The purpose of this bill is to set forth requirements for contracts between the Research Corporation of the University of Hawaii and any state agency.

Specifically, each contract must include: a termination date, a statement of intent and purpose, a statement establishing the extent of the contract's applicability, a description of circumstances which allow for amendment of extension, and prior approval of the Board of Regents.

In the course of its deliberations, it has come to your Committee's attention from the University of Hawaii that requiring the approval of the Board of Regents will present an unmanageable delay in implementation of the contracts. Such approval is not necessary because the agencies are already required to procure contract review from the Department of Budget and Finance which then recommends appropriate action to the Governor. In light of this, your Committee has deleted the provision requiring review and approval by the Board of Regents.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2017, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1985 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2981

The purpose of this bill is to delete the date from the outdoor advertising law upon which the University of Hawaii was required to cease the display of outdoor advertising on any stadium structure owned by the University.

This bill will allow the university to display temporary outdoor advertising devices on the structure of any university-owned stadium which may be a potential resource for additional revenues.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2981 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1986 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2339

The purpose of this bill is to extend the present veteran's tuition waiver until the year 2000 and to expand the tuition waiver program by including veterans who served in a campaign or expedition for which a campaign or expeditionary medal has been authorized.

Specifically, this bill extends the tuition waiver program, which expired in 1993, until the year 2000. This bill also extends the tuition waiver program to include veterans who served in campaign medal expeditions including Lebanon, Grenada, Panama, and Southwest Asia (Desert Shield/Storm).

Your Committees find that extending the tuition waiver program date until the year 2000 demonstrates the state's commitment to assist veterans in providing educational opportunities. Furthermore, your Committees find that veterans who participated in an armed struggle for which a campaign or expeditionary medal has been authorized should be entitled to the same benefits as Vietnam veterans.

Your Committees have amended this bill by changing the repeal date from June 30, 1994, to June 30, 2000. Your Committee has further amended this bill by including veterans of the Korean campaign medal expedition who should likewise be eligible for educational benefits.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 2339, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2339, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Aki.

SCRep. 1987 (Joint) Higher Education, Culture and Arts and Historic Preservation and Education on S.B. No. 3069

The purpose of this bill is to establish a lump sum budgeting system for the University of Hawaii and the Department of Education. This bill also authorizes the University of Hawaii to retain up to five per cent of any appropriation of general funds until the close of the next following fiscal year. This bill also makes permanent, the provisions of Act 320, Session Laws of Hawaii 1986.

Your Committees find that the State's law relating to the lapse of general funds at the end of each fiscal year forces the University of Hawaii to make purchasing decisions months before the end of each fiscal year. As a result, this requirement effectively shortens the University of Hawaii's fiscal year to about eight months.

Your Committees further find that Act 320, Session Laws of Hawaii 1986, which allows the University to transfer funds between fiscal quarters and between characters of expenditures during the execution of the budget each year is scheduled to lapse at the end of the current fiscal year. Your Committees find that the effect of this law should be extended indefinitely.

While your Committees are in agreement with the intent of the foregoing provisions, your Committees have deleted from this bill, the provision relating to the establishment of lump sum budgeting procedures for the Department of Education and the University of Hawaii. Your Committees find that this bill is an inappropriate vehicle for the consideration of the lump sum budgeting provision at this time.

Your Committee on Higher Education, Culture and Arts, and Historic Preservation and your Committee on Education are in accord with the intent and purpose of S.B. No. 3069, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3069, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 1988 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2085

The purpose of this bill is to provide tuition waivers at the University of Hawaii for all spouses and dependents of Hawaii National Guard members who were killed or permanently disabled while on active duty.

Under present law, Hawaii National Guardsmen qualify for tuition waivers. This bill provides for a tuition waiver for a Hawaii National Guard member's spouse or dependent who is a resident of Hawaii and pursues an undergraduate or graduate degree for a maximum of five regular academic years.

Your Committees find that this bill provides higher education opportunities for a spouse or dependent of a Hawaii National Guard member who has been killed or permanently disabled while on active duty.

Testimony in support of this bill was received from the State of Hawaii Department of Defense. The University of Hawaii offered testimony that it has procedural mechanisms in place to process these waivers.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 2085 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. 1989 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2341

The purpose of this bill is to appropriate \$13,500 out of the general revenues for the preservation and study of the Hawaiian language, art, and culture.

Specifically, this bill provides funds for the University of Hawaii Committee for the Preservation and Study of Hawaiian Language, Art, and Culture which are currently necessary because of the reduced allocation of funds by the University of Hawaii.

Testimony was received by the University of Hawaii, the University of Hawaii Committee for the Preservation of Hawaiian Language, Art, and Culture, Community Development Pacific, and Friends of Learning, Inc.

Your Committees find that the appropriation in this bill is necessary for the continued preservation of Hawaiian culture.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 2341 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. 1990 (Joint) Higher Education, Culture and Arts and Historic Preservation and Agriculture on S.B. No. 3277

The purpose of this bill is to appropriate funds for anthurium research at the University of Hawaii.

Your Committees received testimony from the University of Hawaii and the Hawaii Anthurium Industry Association.

Your Committees find that anthurium cultivation constitutes the largest cut-flower industry in Hawaii and that employment and revenues generated thereby are substantial. Your Committees further find that continued research for the discovery or development of blight and disease resistant varieties is imperative for the industry to remain competitive in the world market.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Agriculture are in accord with the intent and purpose of S.B. No. 3277 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. 1991 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2340

The purpose of this bill is to increase the percentage amount of total indirect overhead funds to be deposited into the University of Hawaii research and training revolving fund.

Specifically, this bill requires eighty-four percent of indirect overhead funds generated by the university for research and training purposes to be deposited into the University of Hawaii revolving fund, whereas currently only fifty percent of funds generated by the university for research and training purposes is deposited into the revolving fund. Furthermore, this bill mandates that on July 1, 1996, one hundred percent of all funds generated by the university for research and training purposes to be deposited into the research and training revolving fund. This bill also deletes the requirement that all other receipts be immediately deposited to the credit of the general fund of the State.

Testimony in support of this bill was received by the University of Hawaii.

Your Committee finds that the university's research and training revolving fund, properly understood as an investment, will continue to successfully guarantee additional research and training grants and contracts by increasing the percentage of indirect overhead funds deposited into the fund.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2340 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1992 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2385

The purpose of this bill is establish a special fund for laboratory and course fees at the University of Hawaii.

This bill provides that the university assess and collect laboratory or course fees for costs in excess of customary classroom instruction, and deposit such funds into a special fund.

Testimony in support of the bill was received from the University of Hawaii.

Your Committee finds that a special fund for collected laboratory or course fees will enhance the university's instruction. It is intended that such funds be used for defraying the costs of instruction and will not reduce the amount of general funds appropriated to the university.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2385 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1993 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2685

The purpose of this bill is to establish and fund a New Center for Teacher Education and Partner Schools at the University of Hawaii.

The proposed center will implement collaboration between the University and Hawaii's public schools in creating a reconceptualized teacher education program. This bill adopts the postulates set forth by Dr. John I. Goodlad in his book entitled, "Teachers for Our Nation's Schools," stressing the importance of the education of educators.

Your Committee finds that it is critical that Hawaii's educators be well prepared to meet changes as the Department of Education undergoes significant school reform and restructured curriculum. The proposed Center, in partnership with the University of Hawaii, will provide educational opportunities for Hawaii's teachers in a changing school system.

Testimony was received by the Department of Education and the Hawaii School University Partnership in support of this bill.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2685 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1994 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2894

The purpose of this bill is to remove the statutory provision which authorizes the Legislature, effective July 1, 1998, to set the salary of the President of the University of Hawaii.

Presently, the Board of Regents has authority to set the salary of the President of the University of Hawaii, but such authority is to be transferred to the Legislature on July 1, 1998. This bill repeals that transfer of authority.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2894 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1995 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2979

The purpose of this bill is to establish a revolving fund for the University of Hawaii at Manoa laboratory school summer program. Proceeds from fees for summer program activities, as determined and collected by the laboratory school, will be deposited into the revolving fund. The established fund will be for the purpose of paying the cost of operations of the laboratory school summer programs.

Testimony in support of the bill was received by the University of Hawaii.

Your Committee finds that a revolving fund for the university's summer program will enable Hawaii's children to continue to benefit from summer programs such as the already successful Summer Science Enrichment Program.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2979 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1996 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2980

The purpose of this bill is to re-establish revolving funds for intercollegiate athletics at the University of Hawaii at Manoa and for the University of Hawaii at Hilo.

Although prior law established revolving funds for the receipt, deposit, and disbursement of revenue from intercollegiate athletics, Act 280, Session Laws of Hawaii 1993, repeals those revolving funds effective June 30, 1994, and requires the revenues to be deposited into the state general fund and allocated by the legislature. This bill will repeal the 1993 legislation and grant the University of Hawaii at Manoa and University of Hawaii at Hilo continued authority to establish appropriate charges for athletic activities and to maintain the financial integrity and viability of the revolving funds.

Your Committee finds that revolving funds provide greater flexibility over expenditures and are the appropriate means for financing intercollegiate athletics.

Testimony in support of this bill was received by the University of Hawaii.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2980 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1997 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3014

The purpose of this bill is to set out the function of the post-secondary education commission to ensure that institutions participating in Title IV student financial assistance programs meet appropriate criteria for continued eligibility for Title IV assistance.

This bill authorizes the post-secondary education commission as the entity responsible for the review of institutions participating in Title IV student financial assistance programs. The commission must perform all obligations under the agreement with the United States Secretary of Education to ensure that the State continues to receive Title IV assistance, and it may enter into agreements with the federal government to effectuate the purpose of the program. The commission is required to establish review standards to determine Title IV eligibility for institutions, establish and administer complaint procedures, and cooperate with and be assisted by other state agencies.

Testimony in support of the bill was received by the University of Hawaii and the Association of Pacific Post Secondary Private Schools.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3014, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3014, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1998 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3084

The purpose of the bill is to provide \$8,868,000 for construction and related costs for Building S at the Maui Community College.

Your Committee received testimony from the University of Hawaii.

Your Committee finds that the Building S project is currently in the final design phase and that funds are necessary to begin construction.

Your Committee further finds that the University's priority for the continued new campus development at Maui Community College is for the completion and equipping of the Business Education Facilities (Building J) and site and infrastructure improvements. Building J is currently under construction and is anticipated to be completed in October, 1994.

Your Committee has amended the bill to add \$2,061,000 to complete the construction of Building J and to provide furnishings and equipment thereto.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3084, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 1999 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3274

The purpose of this bill is to appropriate funds for establishing a shuttle service to transport students at the University of Hawaii at Manoa to and from the park-and-ride site.

The funds appropriated are intended to be matched by the Associated Students of the University of Hawaii.

Testimony was received by the University of Hawaii and the Associated Students of the University of Hawaii at Manoa.

Your Committee finds that the increasing demand for parking for university students requires instituting a shuttle service from the park-and-ride site. Establishing a shuttle service will help alleviate the on-campus shortage and congestion in the lower Manoa area.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3274 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2000 Consumer Protection on S.B. No. 2227

The purpose of this bill is to allow intermediate sublessors of real property to exclude from their general excise tax liabilities the total gross rental income received in a sublease.

Under current law, the tax imposed in a chain of transactions is added onto each subsequent transaction in the chain in a process known as pyramiding. Your Committee finds that this phenomenon is inappropriate when imposed on a chain of leasing and subleasing transactions, and that rents paid by those with intermediary positions in multiple lease transactions should be excluded from the calculation of their taxable incomes.

Under this bill, the sublessor will be allowed to deduct rents paid to a prior lessor for the property that is subleased, the final sublessee will pay tax on the entire rent due, and the landlord, if also a sublessor, will reduce the amount of gross income subject to the excise tax by the amount of rent paid to the original lessor.

Your Committee finds that this bill will reduce the cost of doing business in Hawaii, alleviate the impact of increasing general excise taxes, and enhance Hawaii's business climate.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2227 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2001 Consumer Protection on S.B. No. 2371

The purpose of this bill is to place authority for selling property and casualty insurance solely with the State.

Private insurance companies would have to cease underwriting such risks, and a state property and casualty insurance office would be established in the Department of Commerce and Consumer Affairs to handle that kind of business in the State.

Your Committee finds that in view of the erratic performance of the insurance industry following Hurricane Iniki, and its apparent disregard for the plight of its policyholders and those whose policies it arbitrarily canceled, the State must act decisively to fill this important need and prevent further exacerbation of the homeowner's insurance crisis.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2371 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2002 Consumer Protection on S.B. No. 2620

The purpose of this bill is to require fireworks importers or manufacturers to be licensed by the Department of Labor and Industrial Relations (Department).

Licenses would cost \$100 per year and run from July 1 through June 30. Licensees would be required to provide the Department and county police and fire departments with information relevant to the person's fireworks business upon request, and open their premises to inspection. Transfer of fireworks to unauthorized sellers or consumers, in counties that require licenses or permits, or to anyone under eighteen years old, would be prohibited, and any violation would result in the seizure and forfeiture of the fireworks in question and subject the violator to punishment as a class C felon. Importation or manufacture of fireworks by the U.S. armed forces, as well as blank cartridges for theatrical or athletic events and cartridges or gunpowder for legally permitted firearms, would be exempt from regulation.

Your Committee finds that the manufacture and importation of fireworks should be regulated, but that the counties should regulate sellers. Your Committee is concerned about the use of aerial fireworks (fireworks designed to be self-propelled and capable of traveling more than ten feet), but again finds that regulation should rest with the individual counties. Therefore, your Committee has amended this bill as follows:

- (1) Prohibited licensees to transfer fireworks to a seller who does not have a county license or permit; and
- (2) Prohibited the manufacture, importation, or sale or other transfer of aerial fireworks without a county permit.

Your Committee has also increased the minimum age for licensure to import or manufacture fireworks from eighteen to twenty-one, exempted the manufacture or importation of signal or warning flares from regulation, and reclassified violations as misdemeanors.

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

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2620, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2003 Consumer Protection on S.B. No. 2856

The purpose of this bill is to provide a mechanism for allocating responsibility for maintenance and repair of private roads in residential subdivisions.

Under this bill, the Director of Commerce and Consumer Affairs would issue a certificate designating a qualifying association of lot owners as the exclusive road maintenance authority over private roads providing general access to the subdivision. To qualify for the certificate, the association must be incorporated as a nonprofit corporation and meet other stringent criteria designed to ensure that it will operate only with regard to the subdivision's private roads. No property owner in the subdivision would be required to join an association, but all would be expected to contribute a fair share for the association's road maintenance activities.

Your Committee finds that this measure provides an equitable means of determining responsibility for private roads in subdivisions where responsibility has not previously been allocated.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2856 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2004 Consumer Protection on S.B. No. 2950

The purpose of this bill is to prohibit discrimination in public accommodations on the basis of a person's marital status.

Current law prohibits discrimination in public accommodations on the basis of race, sex, color, religion, ancestry, or disability, but unlike related statutes prohibiting discrimination in employment and housing, Chapter 489, Hawaii Revised Statutes, offers no protection against proprietors that would deny access to a person because he or she is or is not married. This bill adds that protection.

Your Committee can find no legitimate or rational basis for condoning or tolerating discrimination against any individual because of the person's marital status.

Your Committee notes that this measure in no way relates to the issue of same sex marriage that is currently under legislative scrutiny.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2950 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2005 Consumer Protection on S.B. No. 3096

The purpose of this bill is to prohibit insurers from refusing to continue no-fault policies based primarily on discriminatory criteria.

Specifically, the bill prohibits an insurer from using any of the following as the primary reason for denying coverage: the person's race, creed, ethnic extraction, age, sex, length of driving experience, marital status, residence, or physical handicap, or the fact that an insured has elected to obtain any required or optional coverage or deductible required by law.

Current law prohibits denial of coverage based solely on any of the above reasons.

Act 4, Special Session Laws of Hawaii 1993, authorizes insurance companies to drop or change the conditions in two percent of the total number of policies the company had in force the previous year. Section 431:10C-111, Hawaii Revised Statutes, was included in Act 4 to specify when cancellation and nonrenewal of policies are permitted and prohibited.

Your Committee finds that subsection (c) of Section 431:10C-111, which this bill amends, was intended to absolutely prohibit nonrenewal for discriminatory reasons; however, the language of the provision actually allows discrimination as long as it is not the sole basis for deciding to refuse to renew. This bill, by changing the word "solely" to "primarily," does not remedy the problem, but allows discriminatory criteria to be used in decision-making relating to nonrenewal as long as there are other reasons.

Therefore, to be consistent with the intent and purpose of the Legislature in enacting Act 4, your Committee has amended this bill to absolutely prohibit insurance companies from making a decision to refuse to continue a no-fault policy based to any extent on any of the above criteria.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 3096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3096, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2006 Consumer Protection on S.B. No. 3175

The purpose of this bill is to allow contested case hearings regarding cancellation or non-renewal of no-fault motor vehicle insurance policies.

Present law prohibits cancellations for reasons other than non-payment of premiums or suspension or revocation of the policyholder's drivers license. Non-renewal is subject to the same standards except now insurers may refuse to renew up to two percent of their business as long as the reason is not otherwise unlawful.

This bill requires insurers to provide thirty days notice of intended cancellation or non-renewal and allows for a formal hearing if the policyholder objects.

Your Committee finds that this measure will help ensure that no-fault policies will not be cancelled or non-renewed capriciously or without due process and equal protection under the law.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 3175 and recommends that it pass Second Reading and be referred to the Committee on Ways Means.

Signed by all members of the Committee.

SCRep. 2007 Human Services on S.B. No. 2904

The purpose of this bill is to appropriate funds for the expansion of in-home care services for aged persons.

Your Committee finds a need to minimize or eliminate the wait lists for nursing home placements, reduce the potential for the abuse of aged persons, prevent caregiver burnout and allow aged persons the dignity and joy of living out their remaining years in the environment of their choice.

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

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2904, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2008 Human Services on S.B. No. 2905

The purpose of the bill is to establish a demonstration project for a state clearinghouse and resource center to coordinate local, state, and federal efforts to locate and recover missing children and promote community awareness of the problem.

Your Committee received unanimous support of the bill in testimony from the Department of Human Services, the Commission on the Status of Women, the Office of Children and Youth, the National Center for Missing and Exploited Children, Friends of the Children's Advocacy Center of Oahu, Inc., The Honolulu City Prosecutor, and numerous concerned citizens.

Your Committee finds that forty-two states and the District of Columbia have established clearinghouses to coordinate efforts of law enforcement, social services, education and prevention programs, engage in legislative advocacy, and disseminate photographs of missing children and assist in efforts to secure their return. The efforts of such clearinghouses have resulted in the location and return of thousands of children.

Your Committee has amended the bill to create a permanent clearinghouse rather than a demonstration project.

As recommended at the hearing, your Committee has amended the bill to place the clearinghouse in a law enforcement agency. Accordingly, the Department of Attorney General has been substituted for the Department of Human Services as the responsible agency. Other amendments establish a statewide toll free hot line for reports and sightings of missing children.

Your Committee has also amended the bill by making technical nonsubstantive changes.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2905, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2009 Human Services on S.B. No. 2013

The purpose of the bill is to appropriate funds to expand the geographical area serviced by the Crisis Intervention Project for the Elderly.

Your Committee finds that the Crisis Intervention Project has operated as a demonstration project since 1990 and has proved its value in relieving stress in homes where caregivers are suffering from burnout or where an elderly person is without the assistance of anyone.

Your Committee has amended the bill by including an additional appropriation to expand the Crisis Intervention Project for the Elderly beyond Oahu and by making technical amendments which do not affect the substance of the bill.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2013, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2010 Human Services on S.B. No. 3268

The purpose of the bill is to create a coordinating council on language access to develop and implement programs for interpreter and bilingual assistance to assure access to state and state-funded services for limited or non-English speaking persons.

Your Committee finds that current practice requires each state department or institution to address its own needs for interpreter and bilingual assistance. Your Committee further finds it is preferable and more cost-efficient to establish a single entity to develop and provide necessary linguistic expertise and services.

Your Committee has amended the bill to:

- (1) Create a "committee" on language access rather than a "council";
- (2) Require that two members of the committee represent agencies that provide services to immigrants or refugees;
- (3) Require that the committee include a resident of East Hawaii, West Hawaii, Kauai, Maui County, and the City and County of Honolulu;
- (4) Designate the Department of Labor and Industrial Relations as the agency within which the committee is to be administratively placed;
- (5) Provide that committee members shall serve without compensation, but are entitled to reimbursement for expenses; and
- (6) Make technical nonsubstantive changes.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3268, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2011 Human Services on S.B. No. 3288

The purpose of this bill is to appropriate funds to implement the concept of gap budgeting in the determination of assistance allowance. Gap budgeting has been authorized by statute for many years but has never been implemented for lack of funding.

Your Committee finds a need to encourage recipients of public assistance to obtain and maintain employment with a view of eventually exiting the welfare rolls. Your Committee further finds that implementation of the gap budgeting concept would allow families to receive a greater amount of income from gainful employment and remain eligible for financial assistance. Your Committee notes that gap budgeting can be provided for aid to families with dependent children only in order to reduce costs and to demonstrate the efficacy of the program.

Your Committee has amended the bill by:

- (1) Inserting an appropriation of \$4,267,385 to implement gap budgeting for aid to families with dependent children recipients. Matching federal funds will bring the total sum available to \$8,552,769.
- (2) Including an appropriation of \$1 to implement gap budgeting for general assistance recipients who have children. A full appropriation for this group could not be determined by the Department of Human Services at this time.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3288, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2012 (Joint) Human Services, Higher Education, Culture and Arts and Historic Preservation, and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3301

The purpose of this bill is to exempt native Hawaiian organizations from the requirements relative to discrimination based on race or religion in the awarding of grants, subsidies and purchases of services.

Your Committees find that the Hawaii State Constitution reaffirms and protects all rights, customarily and traditionally exercised for subsistence, cultural and religious purposes by native Hawaiians.

Your Committees have amended the bill to clarify this constitutional mandate.

Your Committees on Human Services, Higher Education, Culture and Arts and Historic Preservation, and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 3301, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3301, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 2013 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2086

The purpose of this bill is to allow members of the state military forces receiving federal education benefits to be eligible for tuition waivers currently authorized by statute.

Current law precludes all federal education benefit recipients from receiving concurrent state authorized tuition waivers. This bill allows members of the state military forces to receive tuition waivers even if they are recipients of federal education benefits.

Testimony was received from the State of Hawaii Department of Defense, Vice President for Student Affairs, University of Hawaii, and the Hawaii National Guard Enlisted Association.

Your Committees find that this bill is intended to integrate federal and state educational benefits for the Hawaii national guard member who is continuing his/her education. In view of these findings, your Committees have amended this bill by replacing the term "state military forces" with the term "Hawaii national guard members" to more clearly reflect the intent of the bill. This bill will provide an appropriate incentive for the enlistment and continued service of qualified individuals in the Hawaii national guard.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 2086, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2086, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2014 Health on S.B. No. 2084

The purpose of this bill is to transfer the Leahi Hospital complex from the University of Hawaii to the Department of Health.

Specifically, this bill requires the Department of Land and Natural Resources to acquire and transfer title of the Leahi Hospital from the University of Hawaii to the Department of Health.

Your Committee finds that the Department of Health has many programs within the hospital, while the University occupies only a small portion of the building. Since the hospital's primary function is health related, the practical solution to any ownership dispute is to transfer title to the Department of Health.

Testimony in support of this bill was received by the Director of Health.

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

- (1) Changing the purpose of the bill to establish a collaborative effort to resolve the ownership dispute over Leahi Hospital;
- (2) Eliminating the requirement that the Department of Land and Natural Resources assume and transfer title of Leahi Hospital;
- (3) Requiring that the development for Leahi Hospital involve the Department of Health to ensure continuity of hospital services; and
- (4) Making technical, 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. 2084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2084, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2015 Health on S.B. No. 2099

The purpose of this bill is improve the delivery of mental health and alcohol and drug abuse treatment, and to provide for flexibility of insurance benefits.

Specifically, this bill eliminates the requirement that physicians or psychologists be certified under chapter 321, and allows one day of mental health in-hospital services to be exchanged for two outpatient service visits.

Your Committee finds that the need for mental health and substance abuse treatment continues to grow, but federal and state resources for treatment have not kept up. This bill expands the flexibility of mental health and substance abuse services to clients. The ability to exchange inpatient for outpatient coverage provides effective treatment in the most cost efficient setting. Further, the requirement of certification under chapter 321 for psychologists and physicians is unnecessary because they are already licensed.

Your Committee heard testimony in support of this bill from the Director of the Department of Health.

Your Committee, upon further consideration, has amended the bill by deleting all statutory amendments except for medication management services.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2099, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee except Senator Aki.

SCRep. 2016 (Joint) Consumer Protection and Human Services on S.B. No. 2377

The purpose of this bill is to establish licensing requirements for social workers and regulate the practice of social work in Hawaii.

The practice of social work entails application of formal knowledge, theoretical concepts, specific skills, and essential values to bring about change in human behavior, emotional responses, and social conditions. Under this bill, responsibility for licensing social workers, enforcing regulatory standards and requirements, and imposing discipline is placed with the Director of Commerce and Consumer Affairs, who may appoint an advisory commission to help with the task.

This bill also includes appropriations for fiscal years 1994-1995 and 1995-1996 of \$132,552 and \$100,552, respectively, to facilitate implementation of the regulatory program, and provides for actual licensing and regulation to begin on July 1, 1995.

Your Committees find that social work, if improperly carried out or practiced by a person whose education, experience, and ability have not been formally evaluated and approved, can be injurious to the public. Regulation and licensing are needed to ensure that practitioners are qualified.

Your Committees have amended this bill by deleting the appropriation for fiscal year 1995-1996 and the amount specified for fiscal year 1994-1995. Your Committees have also deleted the provision that would have allowed discipline for practicing while impaired by a physical disability, and made numerous nonsubstantive technical changes for the purposes of clarification and style.

Your Committees on Consumer Protection and Human Services are in accord with the intent and purpose of S.B. No. 2377, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2377, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2017 (Joint) Health and Human Services on S.B. No. 2692

The purpose of this bill is to authorize the use of existing Medicaid waiver funds to conduct the Maluhia Waitlist Demonstration Project.

Specifically, this bill requires the Maluhia Waitlist Project to develop, demonstrate, and document the programs providing waitlisted patients with cost effective, residential care homes. The bill also requires the Department of Human Services to collaborate with the Department of Health to obtain federal waivers to develop the project, apply for Medicaid waivers, and provide reimbursement for demonstration services. This bill also amends Act 289, Session Laws of Hawaii 1993, to reallocate Medicaid waiver funds to the Maluhia Waitlist Project.

Your Committees find that there is a need for institutional long-term care placement for Hawaii's elderly. The Maluhia Waitlist Project transfers hospitalized patients waitlisted for nursing home care to less costly, alternate community-based placements.

Your Committees have adopted the recommendations of the Director of Health, and have amended the bill by amending Act 289, Session Laws of Hawaii 1993, to eliminate the reallocation of \$2,000,000 from HMS 602 and, instead disburse \$1,000,000 from HMS 601 as needed, provided that the Department of Human Services receives approval from the U.S. Health Care Financing Administration, appropriate licensing regulations are established for the homes, and the Departments of Health and Human Service deem the program cost-effective. The bill also amends the Act by increasing the special fund appropriation of HTH 241 by \$1,000,000 to support the Maluhia project.

Your Committees on Health and Human Services are in accord with the intent and purpose of S.B. No. 2692, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2692, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Aki and Kobayashi, A.

SCRep. 2018 (Joint) Health and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3034

The purpose of this bill is to maintain the exemption of community hospitals from the new competitive bidding laws.

Specifically, this bill establishes the chief procurement officer for the Division of Community Hospitals and creates a community hospital exemption from competitive bidding laws.

Your Committees find that the establishment of a chief procurement officer for the Division of Community Hospitals ensures purchasing procedures will conform to the new law. Your Committees also find that to retain the exemption from the bidding process, the statutes must account for changes in the law.

Testimony in support of the bill was received from the Director of Health.

Your Committees have adopted the recommendations of the Director of Health and have amended the bill by amending section 6 of Act 211, Session Laws of Hawaii 1993, to account for the renumbering of the laws, and deleting the creation of a new statutory exemption for community hospitals.

Your Committees on Health and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 3034, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3034, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Aki and Tungpalan.

SCRep. 2019 Judiciary on S.B. No. 3197

The purpose of the bill is to abolish joint and several liability for government entities.

Your Committee received testimony in support of the bill from Honolulu City Council Chair Gary Gill, Honolulu City Councilmember John DeSoto, the corporation councils of the City and County of Honolulu, Maui County, and Hawaii County, the county attorney of Kauai, and the Hawaii Insurers Council. Your Committee received testimony in opposition to the bill from the Hawaii Academy of Plaintiffs Attorneys.

Your Committee believes that this bill will reduce the liability of county government entities in cases where a tortfeasor is found to be negligent.

Upon further consideration, your Committee amended this bill to include a definition of "government entity" for the purpose of clarification.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3197, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2020 Judiciary on S.B. No. 2509

The purpose of this Act is to extend the protection of reproductive rights to minors and to provide funding to the Reproductive Rights Protection Committee (hereafter referred to as RRPC).

The bill simplifies the procedure required to obtain court authorization for sterilization where all concerned parties concur and extends to minors the protection provided by current law pursuant to §560:5-601-612.

The RRPC is a volunteer committee appointed by the Governor and is administratively attached to the State Planning Council on Developmental Disabilities (hereafter referred to as Council).

Your Committee received testimony in support of this bill from the Council; the RRPC; and two members of the RRPC. Testimony supporting the intent of the bill but raising various concerns was received by the Protection and Advocacy Agency of Hawaii and Dr. Byron Eliashof, a member of the RRPC and the Commission on Persons with Disabilities.

Your Committee finds that in 1992, the RRPC requested the Council to conduct a study on the sterilization of minors. A questionnaire was sent to the Hawaii members of the American College of Obstetrics and Gynecology amounting to 174 doctors.

The survey found that: (1) fifty-six physicians reported that their office or hospital had no existing rules or regulations concerning sterilization of minors; (2) fifty-three inquires or requests were received by physicians for sterilization of minors within the one year period; (3) as many as eight sterilizations were performed on minors within the one year period.

Your Committee finds that minors should be afforded the same safe-guards as adult wards under Chapter 560, Article V, Part 6. Incapacitated Persons Sterilization Rights.

Your Committee finds that the RRPC should provide aggressive outreach services, education and training to parents, incapacitated adults, and minors about sterilization options available.

To address the serious concerns about the rights of parents in making decisions for minors and other concerns regarding the definitions of "minor" stylistic and substantive amendments were made.

The bill was amended to redefine "minor" by including "minor ward" as defined in §560:5-101(5). The bill was further amended by adding "or minor" throughout the bill to reflect that the provisions of each section referred to a minor.

To ensure the rights of parents, the term "parent" is added to section §560:5-605 as another party to be personally served the petition for sterilization, to receive notice of the judicial proceeding, and in §560:5-607 to be a participant in the judicial proceeding.

In addition, the bill was amended to include "interested persons" in §560:5-607 as a participant in the judicial process.

The bill was amended to delete §560:5-608(d)(7).

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No.2509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2509, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2021 Judiciary on S.B. No. 2831

The purpose of this bill is to allow voters to vote for someone other than those listed on the ballot through a write-in voting process. Write-in voting will be allowed in general or special general elections and for those offices where a candidate is unopposed in the general or special general election.

Your Committee received testimony in support of the bill from the Office of the Lieutenant Governor.

Your Committee believes write-in voting will empower the voters in our state and encourage more participation in the electoral process. Although a write-in candidate would have a difficult time matching the resources and organization of an unopposed candidate from an established political party, your Committee nevertheless believes that this change will be a healthy one for the voters in Hawaii.

Your Committee is concerned that despite representations by elections officials that the cost of this change will not be significant, the cost of manually reading and counting each ballot cast for a write-in candidate and the technological costs down the road may make it more prohibitive than suggested. Your Committee defers to your Committee on Ways and Means for the ultimate judgement on the true cost of implementing a write-in voting procedure for our state.

Your Committee notes that to the best of its knowledge, no write-in candidate has ever been elected in any of the fifty states. Your Committee believes however that the people of Hawaii would like to have the option of voting for a write-in candidate when a primary elections victor is unopposed in the general election.

Your Committee has amended the bill by revising the language to be placed on the ballot and clarifying that write-in voting will be allowed only in general or special general elections and for those offices where a candidate is unopposed in the general or special general election.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 2831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2831, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2022 Judiciary on S.B. No. 3220

The purpose of this bill is to appropriate \$160,000 for the maintenance of a statewide blood and saliva testing program and databank.

Your Committee finds that the legislature provided initial funding in 1992 for the establishment of a program to allow the collection of blood and saliva samples from convicted felons. The program requires the Honolulu police department to analyze and store blood and saliva samples and maintain a statewide databank. This bill provides the funds necessary to operate and maintain the program.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3220 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2023 Judiciary on S.B. No. 3042

The purpose of this bill is to raise the annual salary of the chairperson of the Hawaii paroling authority by allowing the governor to set the salary between the range of \$72,886 and \$77,966.

Your Committee finds that the workload of the chairperson is comparable to that of the chairperson of the public utilities commission, and equal compensation is appropriate.

Testimony in support of the bill was received by the Department of Public Safety.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3042 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2024 Judiciary on S.B. No. 2721

The purpose of the bill is to appropriate moneys for a full-time executive director and to amend section 11-216 (d) to allow the general public to gain access to proceedings of complaints.

Your Committee heard testimony in support of the bill from the Campaign Spending Commission and the legislation committee of the Democratic Party grass roots conference.

Your Committee finds that the bill would:

- (1) clarify the authority the commission has under the present statute to employ or dismiss any person it finds necessary for the performance of its functions; and
- (2) that all proceedings under this section are now public and may not be made confidential pursuant to Ian Lind v. Gary Grimmer et al., C.A. No. 93-16021, D.C. Civ. No. 92-00415-ACK.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2721 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2025 Judiciary on S.B. No. 3025

The purpose of the bill is to augment and streamline the laws regarding the activities of lobbyists.

Your Committee received written testimony in support of the bill from the attorney general and the Hawaii State Ethics Commission.

Upon further consideration, your Committee amended the bill in the following manner:

- (1) to revise section 84-31(c), Hawaii Revised Statutes, to reflect the outcome in Roe v. Akamine;
- (2) to remove Section 4 of the bill which would have prohibited campaign treasurers or deputy campaign treasurers from serving as lobbyists;
- (3) to amend the definition of "lobbyist" to more clearly specify who is a lobbyist;
- (4) to clarify that the administrative penalty established in this bill may be enforced only after a situation is referred for possible criminal prosecution only if prosecution results in acquittal, or the attorney general or prosecutor indicates that prosecution will not be pursued to overcome a constitutional challenge premised upon the double jeopardy clause of the federal constitution; and
- (5) to make several technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3025, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2026 Judiciary on S.B. No. 2716

The purpose of the bill is to provide funds for positions for maritime law enforcement.

Your Committee heard testimony from the Department of Public Safety in support of the bill.

Upon further consideration, your Committee amended the bill in the following manner:

- (1) to appropriate \$262,080 for the purposes of funding ten maritime police positions; and
- (2) removing provisions for five harbor police positions and three administrator positions in the maritime law enforcement division.

Your Committee finds that in this time of fiscal austerity, it is necessary to limit requests for additional positions to the level at which the public safety is not unduly compromised.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2716, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2027 Tourism and Recreation on S.B. No. 2247

The purpose of this bill is to appropriate \$59,000 for the continuation of the feasibility study of the North Kohala Light Draft Navigation Facility at Kapaa, Hawaii.

Your Committee finds that an additional launching ramp for small vessels leaving the North Kohala district is required to accommodate the expected demand for boating access due to planned growth of the area. Your Committee further finds that an additional appropriation is needed to complete the feasibility study which was begun in 1992 by the Corps of Engineers.

Testimony regarding this measure was submitted by the state Department of Transportation and the Department of Land and Natural Resources.

Your Committee has amended this bill by changing the expending agency to the Department of Land and Natural Resources.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2028 Tourism and Recreation on S.B. No. 2499

The purpose of this bill is to clarify the roles and responsibilities of the Office of Tourism in relation to its contractors, including the Hawaii Visitors Bureau (HVB).

Your Committee finds that a recent Auditor's report recommended that the Office of Tourism improve its contract management responsibilities, especially with regard to the HVB. This bill requires the Office of Tourism to develop a marketing plan and to develop measures of effectiveness to assess the overall benefits and effectiveness of the plan.

Your Committee further finds that the HVB receives considerable state financial support, yet also maintains its status as a private entity. Your Committee, therefore, believes that as a private entity the HVB should seek additional financial support from the private sector and encourage public/private joint ventures. This bill provides that any expenditures by the HVB shall be matched with dollar-for-dollar or in-kind donations from the private sector.

Testimony regarding this measure was submitted by the Office of Tourism of the Department of Business, Economic Development, and Tourism.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2499 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2029 Tourism and Recreation on S.B. No. 2663

The purpose of this bill is to limit hotelkeeper's liability for losses by hotel guests due to failure to warn against a known dangerous beach or ocean condition.

Your Committee finds that the present law does not limit the liability of hotelkeepers for injuries, death, or other loss despite warnings provided about known dangerous beach or ocean conditions. Your Committee further finds that if hotelkeepers provide sufficient warnings to their guests and do not willfully or maliciously fail to warn their guests then their liability under certain tort actions should be limited.

Testimony in support of this measure was submitted by the Hawaii Hotel Association, the Maui Hotel Association, and various hotel properties.

Your Committee has amended this bill by making non-substantive changes for the purposes of clarity and to conform with proper drafting style.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2663, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2030 Tourism and Recreation on S.B. No. 2952

The purpose of this bill is to require a hearing to be held within five working days upon receipt of a request to contest the impounding of an unauthorized vessel and to allow the disposal of unclaimed impounded vessels.

Your Committee finds that the present law requires a hearing within seventy-two hours of the receipt of a request to contest the impounding of an unauthorized vessel, which does not provide sufficient time to select a hearing place and provide adequate notice to all parties. Your Committee further finds that the authority for disposition of impounded vessels was inadvertently omitted from previous legislation directing the transfer of the boating program from the Department of Transportation to the Department of Land and Natural Resources. Therefore, this is a housekeeping measure and is necessary to allow the disposal of impounded vessels.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

Your Committee has amended this bill by making technical non-substantive changes to conform with proper drafting style.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2952, S.D. 1, and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 2031 (Joint) Tourism and Recreation and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2675

The purpose of this bill is to provide mechanisms to determine sustainable numbers of all plant and animal species in Hawaii to protect and maintain them, and to manage their use by hunters, fishers, gatherers and other users of these natural resources.

Your Committees find that protection of Hawaii's indigenous and endemic plant and animal species is critical to maintaining a balanced ecological state. Your Committees further find that current laws provide mechanisms for the control and protection of certain species, but fails to provide for the rights of hunters, fishers, gatherers and other users of these natural resources. The current laws also do not provide for ongoing education and training in environmentally safe use for those who use areas in which these species are frequently found.

Testimony in support of this measure was submitted by the Wildlife Conservation Association of Hawaii and the Hawaii Audubon Society. Upon consideration of such testimony, your Committees have amended this bill by:

1. Including plant ecology and ethnobotany programs as part of the Department's educational and training mandate; and
2. Making technical non-substantive amendments for the purposes of clarity and conformance with proper drafting style.

Your Committees on Tourism and Recreation and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 2675, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2675, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2032 (Joint) Government Operations, Environmental Protection and Hawaiian Programs, and Planning, Land and Water Use Management on S.B. No. 3181

The purpose of this bill is to provide a landowner a right of first refusal to purchase land which has been condemned and is available for public sale if the land is not used for the public purpose.

Specifically, the state or county shall offer for public sale the land taken by eminent domain for which the public use has not commenced for eight years from the date of condemnation, or for which the public purpose no longer exists, or for which the property is no longer being actively used and no foreseeable public purpose use exists. However, the landowner or heirs shall have a first right of refusal to reacquire the property at the same price the government paid for it in condemnation. The bill also provides for procedures to handle a first right of refusal.

Your Committees find that often the city or the state government condemns land and does not use the land for any public purpose or does not use the land at all. The landowner goes through the trauma of condemnation proceedings only to watch the land sit thereafter without benefiting the public as intended. Your Committees find that this bill is necessary to equitably remedy this situation.

Your Committees have amended this bill by making technical nonsubstantive changes for purposes of clarity and style.

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. 3181, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. 3181, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2033 (Joint) Government Operations, Environmental Protection and Hawaiian Programs, and Planning, Land and Water Use Management on S.B. No. 3211

The purpose of this bill is to encourage and expedite the concurrent processing of state and county land development project permits.

The bill reduces permit processing time by allowing a county central coordinating agency to schedule and coordinate a single, joint public hearing when multiple land development permits are required. State and county agencies with control, or regulatory or advisory powers, over land development projects will be able to enter into memoranda of understanding for the purpose of promoting joint public hearings.

Your Committees find that the bill will facilitate the expeditious processing of land development permits and result in a more streamlined and efficient use of governmental and private resources.

Your Committees have amended the bill to make technical nonsubstantive changes for purposes of clarity.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 3211, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3211, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2034 (Majority) Judiciary on S.B. No. 2754

The purpose of the bill is to create a new chapter in the Hawaii Revised Statutes to strictly regulate the facilities, persons, associations, and practices related to gaming operations.

Your Committee finds that the provisions of the bill will benefit the people of the State of Hawaii by creating a new revenue source.

Your Committee heard testimony in support of the bill from Outrigger Hotels Hawaii, Roberts Hawaii, Hawaii Teamsters and Allied Workers Local 996, Hotel Employees and Restaurant Employees Local 5, AFL-CIO, Hawaii Building and Construction Trades Council, United Public Workers, AFSCME, Local 646, and other interested persons. Your Committee heard testimony in opposition to the bill from the Honorable JoAnn A. Yukimura, Mayor of Kauai, the Department of Business Economic Development and Tourism, the Honolulu Police Department, the Hawaii Council of Churches, the American Friends Service Committee, and other interested persons.

Upon further consideration, your Committee amended the bill in the following manner:

- (1) To change the selection process of the five members to the Hawaii gaming board to three by the governor subject to the advice and consent of the Senate, one by the Senate President and one by the Speaker of the House of Representatives;
- (2) to authorize the board to sanction the operation of shuttles to transport individuals to and from gaming ships from designated offshore locations;
- (3) to authorize the board to provide by rule for extended hours for inter-island cruises;
- (4) to exempt gaming authorized under the new shipboard gaming chapter from the penalties provided in section 712-1222-5, Hawaii Revised Statutes; and
- (5) to make other technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee urges the Committee on Ways and Means to consider using the funds derived from shipboard gaming to fund a mass transit system for the urban core of Honolulu and to improve our harbors and wharves in order to promote a statewide transportation system for economic growth and development.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2754 S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.
Senators Levin, Matsuura, Koki and Reed did not concur.

SCRep. 2035 Judiciary on S.B. No. 2915

The purpose of S.B. No. 2915 is to appropriate funds to satisfy claims for legislative relief, judgments against the State, settlements and miscellaneous claims.

Your Committee received testimony in support of this bill from the Attorney General. Based on this testimony, your Committee amended this bill to include four additional claims which were settled or resolved after the bill was introduced.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2915 S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2036 Judiciary on S.B. No. 2902

The purpose of the bill is to provide an additional source of funding for providing civil legal services to indigent persons by assessing a surcharge on certain initial filing fees on civil cases.

Your Committee received testimony in support of the bill from the Hawaii Justice Foundation, the Domestic Violence Clearinghouse, Legal Aid Society of Hawaii, Hawaii Lawyers Care, Hawaii State Commission on the Status of Women, Maximum Legal Services Corporation, Native Hawaiian Legal Corporation, Na Loio No Na Kanaka, Protection and Advocacy Agency of Hawaii, and private citizens. The Judiciary took no position on this bill but in its written testimony supported the concept that indigent persons should have equal access to legal assistance and the public interest is served by providing adequate funding to ensure such access. The Hawaii Civil Right Commission supported the bill in concept, but was concerned about the impact of the surcharge on clients represented by private attorneys who cannot afford to pay the present filing fees.

The bill will assess a surcharge at the time of the person's initial filing of complaints, petitions, interventions, answers containing one or more cross-claims or counter-claims, third-party complaints, and appeals for civil cases. The bill provides for a \$20 surcharge for filings in the circuit court and \$10 in the district court.

Surcharge moneys will be transmitted to the Office of the Administrative Director and deposited in a special fund in the state treasury designated as the Indigent Legal Assistance Fund. The Hawaii Justice Foundation will accept and review applications from organizations which provide civil legal assistance to indigent persons. Upon the recommendation of the Hawaii Justice Foundation, the administrative director of the courts will distribute moneys from the Indigent Legal Assistance Fund. The Hawaii Justice Foundation will receive 5% of the total amount distributed each fiscal year as reimbursement for performing this evaluative function and other duties under this section.

Hawaii Lawyers Care, the Legal Aid Society of Hawaii, the Hawaii State Bar Association and the Hawaii Bar Foundation commissioned the national Spangenberg Group, with the assistance of SMS Research, to undertake a study of the unmet legal needs of Hawaii's low-and moderate-income people. The study was released in June of 1993.

The Spangenberg study concluded, among other things that: (1) there is a serious level of unmet legal needs among both low-income and gap group families in Hawaii; (2) Hawaii has the lowest percentage of low-income families receiving civil legal services of any jurisdiction studied; and (3) only 9.6% of low-income families in Hawaii receive legal assistance for their civil legal needs.

Your Committee finds that funds generated from the surcharge created by this bill will not take any revenues from the state's general fund. Rather, it establishes a user fee for those who use the courts and will help provide access to those who cannot normally afford to do so.

The bill was amended to make stylistic and drafting changes with no substantive changes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2902, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2037 Judiciary on S.B. No. 2294

The purpose of this bill is to establish a night court in the first circuit to handle domestic abuse cases.

Your Committee heard testimony in support of the bill from the Judiciary, the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department.

Your Committee amended the bill by expanding the purpose of night court to address prostitution-related cases in order to process these criminal cases as expeditiously as possible after the arrest and booking of suspects. Your Committee urges the Judiciary to institute a Next Day Trial procedure for these cases so that arraignments, pleas, and trials are conducted the day after arrest and booking. Your Committee believes that continuances should be granted only for compelling reasons. The expeditious processing of cases is also highly important to non-jury domestic abuse cases. Unless these expeditious procedures are established by the Judiciary, the very purpose for having a night court system may be defeated.

Your Committee amended the bill by changing the provision for two district judges in the first circuit to instead provide funds for the hiring of three half-time per diem judges and staff based on recommendations from the Judiciary. This amendment will allow the Judiciary to hear non-jury domestic abuse cases and prostitution-related cases in night court as District Court judges are not authorized to hear cases over which the Family Court has exclusive jurisdiction.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2294 S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2038 Judiciary on S.B. No. 3203

The purpose of this bill is to appropriate funds to develop, construct, and staff a detention facility for persons convicted of prostitution.

Your Committee heard testimony in support of the bill from the Honolulu Police Department and the Department of Public Safety. The Office of the Public Defender provided testimony in support of the bill with a few reservations. Based on the recommendations from the Public Defender, your Committee amended the bill to clarify the legislative findings.

Your Committee also amended the bill to provide funds to house low risk, non-violent persons convicted of prostitution by means of a grant-in-aid to be expended by the Department of Public Safety. Your Committee finds that due to overcrowding in our state prison system, no other viable alternative exists to deal with the prostitution problem in Waikiki than by means of a special detention facility. Your Committee has been provided information by the Department of Public Safety indicating that both the staffing for the detention facility and the housing of persons convicted of prostitution in the facility can be successfully accomplished by a private organization.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3203, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2039 Judiciary on S.B. No. 556

The purpose of S.B. No. 556 is to amend Section 712-1200, HRS, to allow the application of Chapter 853 dealing with deferred acceptance of guilty pleas and nolo contendere pleas to first-time offenders.

Your Committee heard testimony on a Proposed S.D.1 to S.B. No. 556. The Proposed S.D.1 establishes two types of offenses for prostitution: specifically, prostitution by public solicitation and prostitution by non-public solicitation.

Your Committee finds that prostitution by public solicitation has been a major problem in Waikiki for many years. The open and aggressive solicitation of tourists by prostitutes has made Waikiki a less desirable place to visit. Unless major steps are taken to address this issue, prostitution and street prostitutes in particular will continue to reduce the attractiveness of Waikiki and our state as a major tourist destination.

Your Committee proposes a three-pronged approach to the problem. This bill should be considered in conjunction with two other bills: S.B. No. 2294, which addresses night court by the Judiciary, and S.B. No. 3203, which provides for a detention facility for a persons convicted of prostitution. Your Committee received testimony in support of the intent of the proposed S.D.1 from the Honolulu Police Department, the Chamber of Commerce of Hawaii, and the Office of Waikiki Development, City and County of Honolulu. The Office of the Public Defender took no position on the bill.

The proposed S.D.1 provides that a person convicted of prostitution in the first degree be sentenced to a term of imprisonment of not more than one year and a mandatory fine of \$1000. In the event that the convicted person defaults in the payment of the \$1000 fine, and the default is not contumacious, the court may sentence the person to community service. For any subsequent offense, a person may be sentenced to a term of imprisonment of not more than one year, but without the possibility of deferral of further proceedings pursuant to chapter 853 and without the possibility of suspension of sentence or probation but with a mandatory \$1000 fine.

The proposed S.D.1 also provides that prostitution in the second degree be treated as a petty misdemeanor, resulting in a mandatory fine of \$500 and a term of imprisonment of not more than thirty days. In the event that the convicted person defaults in the payment of the \$500 fine, and the default was not contumacious, the court may sentence the person to community service. For any subsequent offense, a mandatory fine of \$500 and a term of imprisonment of not more than thirty days would be imposed, but without possibility of a deferral of further proceedings pursuant to Chapter 853 and without possibility of suspension of sentence or probation.

It is your Committee's intent not to provide the right to trial by jury in these kinds of cases. Although a misdemeanor carries a possible term of imprisonment of up to one year, your Committee believes that as long as the sentences exceed no more than six months imprisonment, the right to trial by jury would likely not be accorded to the defendant.

Your Committee believes that only by expeditiously conducting trials for prostitution cases and obtaining quick convictions will this bill succeed in reducing or eliminating the public solicitation of prostitution in Waikiki and other areas of our state.

Your Committee received strong support from the Waikiki Improvement Association for the final draft of the bill. The Honolulu Police Department and the Prosecuting Attorney's Office likewise expressed strong support for the bill in its final form.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 556 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 556, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2040 Judiciary on S.B. No. 2654

The purpose of the bill is to provide for special elections in the event of a legislative vacancy.

Your Committee received testimony in support of the bill from Common Cause Hawaii, the League of Women Voters, and the Hawaii Green Party. The Association of Clerks and Election Officers of Hawaii (ACEOH) and the Office of the Lieutenant Governor provided written testimony taking no position on the bill, but setting forth a list of impacts the bill would have on the operating expenses for a special election.

Your Committee believes that the purposes of this bill will better serve and empower the electorate by enabling the elective, rather than the appointive process, to determine their representatives to the legislature.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2654 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2041 Judiciary on S.B. No. 3024

The purpose of this bill is to allow the attorney general to defend any civil action or proceeding against any health care provider under contract with the Department of Public Safety when the provider is sued for acts or omissions within the contract's scope of work.

Your Committee considered mandating that the attorney general defend health care providers against lawsuits filed by inmates. Testimony by the attorney general, however, indicated that this would provide contract employees with more

protection than state employees and managers. Your Committee, therefore, left the language discretionary but wishes to clarify that unless the health care provider ignored the direction of the Department of Public Safety or violated any criminal laws, legal representation would be provided to these professionals by the attorney general.

Your Committee has made technical, nonsubstantive amendments for purposes of style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3024, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2042 (Joint) Judiciary and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2155

The purpose of the bill is to fund a three-year Ho'oponopono demonstration project administered by the Native Hawaiian Bar Association. The project will be under the Family Court of the first judicial circuit.

This bill provides a voluntary, alternate and more culturally acceptable means of dispute resolution for native Hawaiians. The bill will also provide a referral source for Ho'oponopono practitioners.

Your Committees received testimony in support of the bill from the Native Hawaiian Bar Association and Hui Malama Ola Na'Oiwi. The Judiciary took no position on the bill. Your Committees also received testimony from the Commission on the Status of Women expressing some concerns with the bill.

Your Committees find that Ho'oponopono has been successfully implemented on the Big Island in response to a request from the Honorable Judge Shunichi Kimura of the Third Circuit Court to provide Ho'oponopono counseling for those Native Hawaiians on probation who were not responding to "western-style" treatment. Reports from the Probation Department of the Family Court in Hilo have been positive. Clients assisted by Ho'oponopono practitioners have expressed strong satisfaction with the process. Referrals from other agencies have also been received from Child Protective Services, Alternatives to Violence, Substance Abuse Clinic, Public Defender's Office, School Counselors, and Family and Child Services.

Your Committees amended the bill by changing "Na'au Pono" to "the Native Hawaiian Bar Association". This amendment would entitle the Native Hawaiian Bar Association to administer and implement the project. Your Committee feels that it is necessary to delete "domestic violence" in the bill to limit the scope of the demonstration project. It is the intent of the Native Hawaiian Bar Association to expand the scope of the project to include domestic violence issues subsequent to the three-year demonstration project. Your Committee further amended the bill by making stylistic and non-substantive changes.

Your Committees on Judiciary and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 2155, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2155, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Aki and Koki.

SCRep. 2043 (Joint) Judiciary and Human Services on S.B. No. 2724

The purpose of the bill is to continue funding for the multi-agency, community-based collaboration of the gang response system established by Act 189, Session Laws of Hawaii 1990, and further continued through Act 300, Session Laws of Hawaii 1992.

Testimony in strong support of the bill was received from the Office of Youth Services, the Department of Education, Honolulu Police Department, Hawaii County Police Department, the principal investigator University of Hawaii's youth gang project, Parents and Children Together (PACT), and Catholic Charities and the Central Oahu Youth Service Association.

Your Committees find that the enlightened approach to the youth gang problem in Hawaii through a collaboration of government and private agencies is innovative and far reaching. Your Committee further finds the need to continue efforts to minimize the growth and development of youth gangs and their negative consequences in Hawaii.

Your Committees on Judiciary and Human Services are in accord with the intent and purpose of S.B. No. 2724 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. 2044 (Joint) Judiciary and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2756

The purpose of the bill is to define "ho'oponopono" and "haku" in §9-1, 571-2, 576-1, 576D-1, 576E-1, 586-1, and 587-2. It also specifies that cases involving native Hawaiians may be referred to a haku utilizing the practice of ho'oponopono to maintain consistency.

Your Committees received testimony from the Attorney General, the Commission on the Status of Women and several individuals.

Your Committees amended the bill by changing "prayer" to "pule". "Pule" better defines what ho'oponopono is. "Pule" is the pulling together of emotional-spiritual forces for a common purpose.

Your Committees on Judiciary and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 2756, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2756, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Aki.

SCRep. 2045 (Joint) Judiciary and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2648

The purpose of the bill is to authorize University of Hawaii chartered student organizations to expend public funds to employ legal services for those organizations, without first obtaining approval from the attorney general.

The bill would allow chartered student organizations to have access to legal services.

Your Committees received testimony in support of the bill from the Vice-President of Student Affairs of the University of Hawaii and several other University of Hawaii chartered student organizations. Testimony in opposition was received from the attorney general.

Your Committees find that legal services are not readily available to chartered student organizations in a manner that affords the organizations timely and responsive legal representation and counsel. Chartered student organizations are unable to obtain legal representation and counsel from the attorney general because they are not considered to be "agents of the state," which has left the organizations and volunteers in a position lacking legal protection.

Your Committees amended the bill by amending Section 304-8.6, Hawaii Revised Statutes instead of the proposed Section 103D-206, Hawaii Revised Statutes. Your Committee further amended the bill by clarifying that the provision of legal services for those organizations constitutes a public purpose and to authorize the use of funds from the University of Hawaii student activities revolving fund to accomplish the purpose of this bill.

Your Committees on Judiciary and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 2648, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2648, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Aki and Koki.

SCRep. 2046 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2078

The purpose of this bill is to appropriate \$300,000 for the planning and construction of an open-air early 20th Century Kona coffee farm on the grounds of the Kona Historical Society.

Your Committee finds that a Kona coffee farm would offer Kona's visitors a historical, cultural and educational experience and would benefit tourism.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2078 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2047 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2082

The purpose of this bill is to appropriate \$100,000 to be expended by the State Museum of Natural and Cultural History (Bishop Museum) on an ongoing natural history inventory of the Hawaiian Archipelago to locate, identify, evaluate, and maintain reference collections of all species of flora and fauna in the State.

Act 111, Session Laws of Hawaii 1992, established the Biological Survey to carry out the above functions as a program of the Bishop Museum. No appropriation was provided at that time. This appropriation is needed to enable the Museum to appropriately implement the Biological Survey program activities.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2082 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2048 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2276

The purpose of this bill is to appropriate \$500,000 for the general operating expenses of the Hawaii International Film Festival. The appropriated sum is to be expended by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the film festival bolsters Hawaii's image as a place for international cultural exchange and furthers the appreciation of film and the arts.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2276 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2049 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2400

The purpose of this bill is to authorize the issuance of general obligation bonds for the construction of a building to house the Hawaii Children's Museum of Arts, Culture, Science, and Technology.

Specifically, this bill requires the comptroller to enter into an agreement with the museum to operate and manage the building and its grounds. The museum's missions are twofold: to bring world information and experiences to our island children and to instill in them a sense of cultural pride.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2400 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2050 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2508

The purpose of this bill is to establish a Hawaii Museum Center at Barbers Point Naval Air Station.

The Center will be administratively attached to the State Archives and house a number of museums such as the State Museum of History, the Pacific Aerospace Museum, the Pacific War Museum, and the Museum of Hawaii Cultures, each dedicated to collecting, conserving, preserving, interpreting, and sharing artifacts, exhibits, information, and other material related to its specific area of expertise.

Meanwhile, the Department of Land and Natural Resources will negotiate with the federal government to acquire Barbers Point Naval Air Station for this purpose when it becomes available. A steering committee will report to the 1996 session of the Legislature on details and implementation needs. An appropriation is also provided to enable this work to begin.

Your Committee finds that the Hawaii Museum Center will serve several important functions such as furtherance of historical and cultural research and collection activities and promotion of exchanges of artifacts and information throughout the Pacific Basin, Asia, and the mainland. Additionally, the Center will enhance worldwide perception of Hawaii as not only a leading sunshine destination but also as an international leader in scholarly research, and promote and strengthen the community service component of the University of Hawaii.

Your Committee also finds that establishment of the Center at Barbers Point Naval Air Station is an appropriate use of that prime oceanfront property that will benefit the villages of Kapolei and the State in general.

Your Committee has amended this bill by requiring the steering committee to complete its report to the Legislature in time for consideration at the 1995 regular session.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2508, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2051 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2708

The purpose of this bill is to appropriate \$110,000 to complete the video project entitled, "Ho'okuikahi: Unification." The appropriated amount is to be expended by the Department of Business, Economic Development, and Tourism.

Your Committee finds that funds are necessary to complete this important documentary on Hawaii's history which demonstrates how Hawaiians are presently participating in the revival of Hawaiian practices which support Hawaiian culture and the community at large. The goal is to complete the video by August 1994.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2708 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2052 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2757

The purpose of this bill is to authorize the Department of Land and Natural Resources to expend up to \$25,000 per year out of the Hawaii Historic Preservation Special Fund on grants to public and private agencies, without regard to Chapter 42D, Hawaii Revised Statutes.

Current law requires adherence to Chapter 42D and is silent regarding any expenditure ceiling.

The Hawaii Historic Preservation Special Fund was established in 1989 with a one million dollar endowment. Interest on the endowment is expended on small historic preservation grants averaging about \$19,000 awarded after compliance with the time-consuming proposal, internal review, and recommendation procedures prescribed by Chapter 42D.

Your Committee believes that the Chapter 42D process inhibits the ability of the Department to make timely awards to agencies and organizations in need of immediate assistance to attend to pressing matters such as termite treatment, reroofing, and repair of structural damage. An exception to the stringent requirements of Chapter 42D is appropriate in this case.

Your Committee has amended this bill to allow the Department to expend up to \$25,000 per grant, to be consistent with the Department's past experience and permit flexibility should more than that amount be available. Your Committee has also made some nonsubstantive technical changes for the purpose of conformance with recommended drafting technique.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2757, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2053 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3105

The purpose of this bill is to appropriate \$150,000 to enable the State Foundation on Culture and the Arts (Foundation) to develop a program to foster ethnic unity in Hawaii in conjunction with the National Endowment for the Humanities.

The Foundation is already engaged in projects with different ethnic groups to perpetuate traditional art, identify historical records, and record oral histories and storytelling. With this track record, the Foundation is well placed to participate in the National Endowment's initiative of "national conversion."

Your Committee has amended this bill by replacing the term "ethnic unity" with "ethnic pluralism," the preferred terminology employed by the National Endowment for the Humanities.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3105, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2054 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3121

The purpose of this bill is to appropriate \$1,250,000 to begin phase I of the restoration of the Waikiki Natatorium.

The appropriated funds will be used for the planning, design, and construction of the restored Natatorium and will be expended by the Department of Land and Natural Resources. Because of funding restraints, this bill proposes that full restoration of the Natatorium proceed in two increments, with phase one allowing for structural stabilization of the arch walls and phase two allowing for demolition and restoration of the swimming pool, bleachers, and deck area.

Your Committee finds that restoration of the Waikiki Natatorium will serve as a distinct asset to the Waikiki community by serving residents and visitors alike. The restoration will preserve the Natatorium as a living memorial honoring the veterans of World War I.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3121 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2055 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3144

The purpose of this bill is to appropriate funds to support the visual, performing, and dramatic arts.

Projects to be funded are as follows:

- (1) Feasibility studies by the counties and the Commission on Culture and the Arts of the City and County of Honolulu on construction of an arts complex. The studies will include needs assessments, market analyses, functional program/building requirements, site requirements, cost estimates, economic impact, and implementation plans focusing on a complex that includes work, gallery, and commercial space. The Commission may contract with a consultant to do its study, in which case it must cooperate with Artists for a Visual Arts Center in selecting the contractor;
- (2) Renovation of the Mabel Smyth building for sponsoring dramatic performances and poetry readings;
- (3) Purchase of Paradise Park for dance performances; and
- (4) Renovation of the Koko Head Job Corps building for an arts center.

Your Committee finds that all these projects and activities are consistent with and in support of the State's policies and objectives relating to culture and the arts.

Your Committee has amended this bill by clarifying that each county will do its own feasibility study and by enabling all four counties to employ consultants and work with other interested arts organizations and parties.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3144, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2056 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3145

The purpose of this bill is to appropriate funds to purchase "Onipa'a: Five Days in the History of the Hawaiian Nation" for use in Hawaii's public schools and libraries.

In January 1993, several important events were held to commemorate the illegal overthrow of the Hawaiian monarchy 100 years earlier. Details of events leading to the overthrow and the essence of last year's commemoration have been captured in a new centennial book entitled, "Onipa'a: Five Days in the History of the Hawaiian Nation."

Your Committee finds that this book is a valuable educational tool and encapsulates a significant point in modern Hawaiian history that should be shared with present and future generations.

Your Committee has amended this bill by changing the expending agency from the Department of Education to the Office of Hawaiian Affairs.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3145, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2057 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3317

The purpose of this bill is to authorize the State Foundation on Culture and the Arts to enter into an agreement for up to sixty-three Honolulu Symphony musicians to perform for students, tourists, and the general public.

The performances would not duplicate or displace the Symphony's traditional concert fare and would be put on by a third party. An unspecified appropriation is provided to finance the agreement.

Your Committee finds that the Foundation has been an active supporter of the Symphony and its musicians over the years. Now, when the future of the Symphony and the well-being of its talented members are uncertain, it is appropriate for the State to provide needed assistance in return for professional musical performances of the highest caliber that will culturally and artistically benefit all segments of Hawaii's population as well as its visitors.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3317 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2058 (Joint) Higher Education, Culture and Arts and Historic Preservation and Tourism and Recreation on S.B. No. 2248

This bill appropriates \$250,000 to prepare a master plan for Lapakahi State Historical Park, Hawaii.

The sum appropriated shall be expended by the Department of Land and Natural Resources and utilized for the creation of a master plan which considers park expansion into state-owned land bordering the park.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Tourism and Recreation are in accord with the intent and purpose of S.B. No. 2248 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 Solomon.

SCRep. 2059 (Joint) Higher Education, Culture and Arts and Historic Preservation and Tourism and Recreation on S.B. No. 2755

The purpose of this bill is to appropriate funds to enable the Department of Business, Economic Development, and Tourism and the State Foundation on Culture and the Arts to catalog cultural events on video for promotion as tourist attractions.

The video would be displayed at airports and other key locations throughout the State and used to promote examples of the cultural, artistic, and historic resources of the State. The program would also examine the feasibility of utilizing festival cards to promote the cultural events as tourist attractions.

Your Committees favor the use of video technology to display Hawaii's proud cultural heritage and contributions while promoting the State's number one industry.

Your Committees have amended this bill to enlarge its scope and mission by incorporating an amended version of S.B. No. 3129. As amended, the bill appropriates funds for establishment by the Department, in partnership with the Foundation, Hawaii INC., local arts organizations, and county agencies, of a statewide clearinghouse and electronic database for arts and cultural activities, sports events, ethnic festivals, and other special events unique to Hawaii. The Department will report to the 1995 regular session of the Legislature on the project's projected costs and other ongoing media production and distribution costs.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Tourism and Recreation are in accord with the intent and purpose of S.B. No. 2755, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2755, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Solomon.

SCRep. 2060 (Joint) Higher Education, Culture and Arts and Historic Preservation and Agriculture on S.B. No. 3088

The purpose of this bill is to appropriate funds to document and preserve the tradition of Hawaiian fishpond operation and usage.

Specifically, this bill will provide funds to document the daily operation of Moli Fishpond in Windward Oahu by George Uyemura and his family, who have maintained and operated the fishpond in traditional Hawaiian fashion for over 100 years.

Although efforts by the State are underway to physically restore and preserve a number of ponds throughout the State, the knowledge and experiences of fishpond operators have never been recorded. Your Committees find that this important part of Hawaiian history must be preserved for the benefit of future generations.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Agriculture are in accord with the intent and purpose of S.B. No. 3088 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. 2061 (Joint) Higher Education, Culture and Arts and Historic Preservation and Tourism and Recreation on S.B. No. 3130

The purpose of this bill to appropriate funds for a daily torchlighting ceremony and other historical and cultural programs in Waikiki.

The City and County of Honolulu and the Waikiki Improvement Association recently established the "Molehu I Waikiki" (Twilight at Waikiki) project, which consists of a sunset torchlighting and presentation of hula halaus and other historical and cultural programs at Kuhio Beach Park in Waikiki. This daily event brings together both visitors and residents to participate in a nearly 2,000-year-old traditional sunset gathering at the beach.

Your Committees find that funding of this project will help enhance Waikiki's attractiveness as a premier tourist destination and promote and perpetuate Waikiki's rich historical and cultural heritage.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Tourism and Recreation are in accord with the intent and purpose of S.B. No. 3130 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. 2062 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on S.B. No. 2704

The purpose of this bill is to study the interpretive opportunities along the Hamakua Coast on the island of Hawaii from Hilo to Laupahoehoe and including Waipio Valley.

Specifically, the study would be a collaborative effort between private and public entities and would develop a program for interpreting the natural, cultural, historical, and scenic resources along the Hamakua coast.

Your Committees find that the program would promote public awareness and respect for Hawaii's unique culture, history, resources, and environment. The bill appropriates the sum of \$100,000.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management are in accord with the intent and purpose of S.B. No. 2704 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. 2063 Judiciary on S.B. No. 2785

The purposes of this bill are to:

- (1) Authorize the judiciary to request and the legislature to approve the loan of moneys from the state general fund to accommodate any cash flow deficits in the driver education and training fund, subject to certain conditions;
- (2) Increase from \$5 to \$8 the fine to be levied on a finding that a violation occurred of a statute or county ordinance relating to vehicles or their drivers or owners;
- (3) Establish an additional fine of \$150 for driving under the influence of an intoxicating liquor in order to defray the costs of services provided by the driver education program of the judiciary;
- (4) Increase from \$2 a year to \$3 a year the drivers education fund underwriters fee assessed and levied upon each insurer and self-insurer for each motor vehicle insured by the same, and make the fee due and payable in full on a quarterly basis rather than an annual basis;
- (5) Increase from fifty per cent to sixty-six and two-thirds per cent the portion of the driver education fund account to be allocated to and expended by the insurance commissioner for the operation of the drivers education program provided under the highway safety law; and
- (6) Decrease from fifty per cent to thirty-three and one-third per cent the portion of the driver education fund account to be allocated to the Director of Commerce and Consumer Affairs for:
 - (A) The drivers education program administered by the Department of Education for high school students; and
 - (B) The traffic safety education program established and administered by the Department of Education pursuant to the driver education law.

Your Committee received testimony supporting the intent of this measure from the superintendent of education and the administrative director of the courts.

Your Committee believes that the title of this bill (relating to the driver education training fund) may be drawn too narrowly to encompass those amendments involving the special drivers education fund account, section 431:10C-115, Hawaii Revised Statutes. Consequently, your Committee believes that it would be prudent to delete these amendments and avoid actions challenging the constitutionality of this bill under Article III, section 14, of the State Constitution.

Your Committee has amended this bill by:

- (1) Increasing to \$10 the fine to be levied on a finding that a violation occurred of a statute or county ordinance relating to vehicles or their drivers or owners;
- (2) Raising to \$200 the additional fine for driving under the influence of an intoxicating liquor in order to defray the costs of services provided by the driver education program of the judiciary;
- (3) Deleting the increase in the drivers education fund underwriters fee;
- (4) Deleting the increase in the portion of the driver education fund account to be allocated to and expended by the insurance commissioner for the operation of the drivers education program provided under the highway safety law;
- (5) Deleting the decrease of the portion of the driver education fund account to be allocated to the Director of Commerce and Consumer Affairs for the student drivers education program and the traffic safety education program; and
- (6) Making technical nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2785, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2785, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Chang, Iwase and Koki.

SCRep. 2064 (Joint) Judiciary and Transportation on S.B. No. 3184

The purpose of this bill is to appropriate funds to enable the judiciary to implement Act 214, Session Laws of Hawaii 1993. Act 214 decriminalized all but the most serious traffic offenses by making violators subject only to civil penalties.

Your Committees heard testimony in support of the bill from the Attorney General, the Administrative Director of the Courts, and the Prosecuting Attorney of the City and County of Honolulu.

According to testimony from the Attorney General and the Administrative Director of the Courts, the funds appropriated in this bill for implementation costs will be greatly offset by savings in the future.

Upon further consideration, your Committees amended the bill by changing the effective date to upon approval which would permit the judiciary to meet the scheduled implementation date of Act 214, which is July 1, 1994.

Your Committees on Judiciary and Transportation are in accord with the intent and purpose of S.B. No. 3184, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3184, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2065 (Joint) Judiciary and Transportation on S.B. No. 3140

The purpose of the bill is to make several technical amendments to improve Act 214, Session Laws of Hawaii 1993 which decriminalized most traffic offenses and provided for a streamlined process for adjudicating them. The bill also removes the requirement of reviewing the driver's traffic abstract to determine whether the driver will accumulate twelve or more traffic points if the infraction is admitted or found to have been committed.

Your Committees find that removing the requirement to determine whether the driver will accumulate twelve or more points will not present an increased risk to the public from problem drivers because the district court will still be able to identify those drivers with twelve or more points.

Your Committees received testimony in support of the bill from the judiciary, the office of the public defender, the office of the attorney general, and the Honolulu police department.

Your Committees amended the bill by removing the requirement of reviewing the driver's abstract in a section of the Act that was inadvertently left unchanged in the bill as introduced. Your Committees also amended the bill by correcting several technical errors contained in the bill which were identified by the judiciary, the office of the public defender, and the office of the attorney general for the purposes of clarity and style.

Your Committees on Judiciary and Transportation are in accord with the intent and purpose of S.B. No. 3140, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3140, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Koki.

SCRep. 2066 (Joint) Education and Judiciary on S.B. No. 3076

The purpose of this bill, as introduced, is to provide a Board of Education and Superintendent of Education to be appointed by the Governor.

Your Committees find that part of the statewide effort to improve public education in Hawaii includes clarifying the roles and responsibilities of the Board of Education, the Superintendent, and the Department of Education. Your Committees further find that while some would advocate that the appointed board model more clearly delineates the lines of responsibility and accountability, others would posit that the Board should be an elected body directly responsible to the electorate who are most closely linked to and involved with the schools.

Testimony regarding this measure and other measures related to education reform was submitted by the Governor, the Lieutenant Governor, the Board of Education, various education reform advocates, the Hawaii State Teachers Association, and the Hawaii Parent Teacher Student Association.

After considerable discussion between the parties and the members present, your Committees have determined that consensus cannot be reached at this time regarding whether the Board of Education should be elected or appointed. Your Committees, therefore, have deleted the contents of this bill and inserted the contents of the following measures considered at the same time by your Committees:

1. S.B. No. 2717, proposing an amendment to Article VII, of the Hawaii Constitution, to require a certain percent of the general fund to be appropriated every fiscal year for the public school system; and
2. S.B. No. 2854, proposing amendments to Article VII, section 12 and Article X, section 1 of the Hawaii Constitution to authorize the issuance of special purpose revenue bonds for early childhood education and care facilities serving the general public.

Your Committees on Education and Judiciary are in accord with the intent and purpose of S.B. No. 3076, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3076, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Iwase and Koki.

SCRep. 2067 (Joint) Education and Judiciary on S.B. No. 3077

The purpose of this bill is to provide constitutional and statutory authority to the Board of Education and the Department of Education to formulate policy and exercise control over the public school system independent of the Legislature and the Governor.

Your Committees find that the clear delineation of the roles and responsibilities for the administration of the school system is a pivotal issue in achieving systemic education reform. Specifically, this measure provides the Board of Education with the following powers: to formulate policy; appoint the Superintendent; prepare budgets and maintain financial records and systems; and impose an income tax as delegated by the Legislature. Your Committees want to express their reservations about providing the Board with the authority to impose a tax and have agreed to retain these provisions expressly for the purpose of continuing discussion about the various proposals being considered to finance the public school system.

Testimony regarding this and other related education reform measures was submitted by the Governor, the Lt. Governor, the Board of Education, the Department of Education, the Department of Taxation, the Hawaii State Teachers Association, the Hawaii Business Roundtable, and various education reform advocates.

After consideration of the discussion held among the parties testifying and the committee members present, your Committees have amended this bill by:

1. Clarifying the role of the Board of Education to formulate policy, set goals, and establish standards for the public school system;
2. Specifying that the Superintendent shall be responsible for the control over the internal organization, operations, and management of the public schools;
3. Creating an Office of Education to replace the Department of Education; and
4. Making technical, non-substantive amendments for the purposes of clarity and style.

Your Committees on Education and Judiciary are in accord with the intent and purpose of S.B. No. 3077, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3077, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Iwase and Koki.

SCRep. 2068 Education on S.B. No. 3259

The purpose of this bill, as introduced, is to provide statutory reforms to restructure the public education system and thereby enable the public schools to move toward self-governance.

Your Committee finds that the delineation of roles and responsibilities for the governance of the public school system is a pivotal issue in achieving systemic education reform. Thus, this measure is focussed on providing autonomy to the Board of Education through the creation of a new Office of Education which shall be free from many executive and legislative controls. Specifically, this bill provides the following:

1. Creates an Office of Education as a separate government entity to serve as the administrative agency for the public school system;
2. Recodifies some existing statutes into a new chapter governing public education;
3. Provides that school/community based management, including authority to adopt school choice options, is the guiding principle for education;
4. Provides budgetary and other administrative flexibility to the Office of Education;
5. Repeals Chapters 296, 296C, 296D, 297, 298, 299, 300, 301, 312, and 317 as part of recodification into new chapter;
6. Creates the Hawaii Education Restructuring Commission for the purposes of implementing this Act;
7. Creates the Center for Teacher Education to develop a reconceptualized teacher education program as part of systemic education reform; and
8. Provides an effective date of July 1, 1996 for implementation except for the Commission which shall take effect on July 1, 1994.

Testimony regarding this measure was submitted by the Governor, the Lt. Governor, the Board of Education, various labor organizations, and school reform advocates. The testifiers all supported the concept of education reform, and agreed that the public school system needs to be granted autonomy to develop policy for and be given direct control over the internal management of the public school system. Thus, your Committee has agreed to support the provisions within this measure in order to continue discussions in pursuit of reaching consensus during this legislative session and to move forward with systemic education reform.

Your Committee has amended this measure by incorporating various provisions of other education reform proposals and deleting certain provisions as follows:

1. Includes a constitutional amendment to appropriate a certain percent of general fund revenues each fiscal year for the public school system;
2. Includes a constitutional amendment to clarify the Board of Education's powers to formulate policy, set goals, and establish standards for the public school system, and to appoint the Superintendent of Education as the chief executive officer;
3. Modifies the definition of performance standards and mandates the adoption of the standards developed by the performance standards commission created pursuant to Act 334, Session Laws of Hawaii 1991;
4. Clarifies that the Superintendent of Education shall be responsible for the internal organization, operations, and management of the public school system;

5. Requires that teacher certification shall include consideration of alternative certification such as national teacher examinations and other competencies in subject areas or programs taught in the public schools;
6. Creates a public schools student foundation to supplement public school programs through private, community-based programs;
7. Creates a reapportionment commission to reconfigure the Board of Education electoral districts for approval by the legislature during the 1996 regular session and for the 1996 elections;
8. Transfers to the Office of Education the personnel functions previously assigned to the Department of Personnel;
9. Mandates the Hawaii Education Restructuring Commission to develop an implementation plan to facilitate the transition of the necessary powers to the Board, Office, and Superintendent of Education as proposed in this Act;
10. Requires the Commission to submit the implementation plan to the Legislature during the 1996 Session for approval and modification;
11. Requests a financial and management audit of the Department of Education by the Office of the Auditor, and makes an appropriation therefor; and
12. Changes the effective date to require prior approval of the constitutional amendments and acceptance of the Commission plan in order to proceed with implementation by January 1, 1997.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 3259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3259, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Iwase and Koki.

SCRep. 2069 Science, Technology and Economic Development on S.B. No. 1289

The purpose of this bill is to establish a program to allow owner-occupants of residences within a certain radius of a geothermal facility to apply for voluntary relocation.

Your Committee finds that current state policy endorses geothermal development as an alternative energy source. At the same time, your Committee also recognizes that there are impacts upon residents in the vicinity of geothermal facilities which have yet to be adequately addressed. Your Committee further finds that this measure attempts to address some of the concerns expressed by those who presently reside in the vicinity of active as well as proposed geothermal facility.

Testimony regarding this measure was submitted by various state and county entities as well as community representatives. The testimony reflected both support for and opposition to this measure based upon existing positions either supporting or opposing geothermal development. After careful consideration of the testimony, your Committee, believes that some attempt should be made to provide relief to those residents who would choose to participate in this voluntary program.

Your Committee has amended this bill by:

1. Clarifying that the geothermal mitigation fund is a special fund;
2. Changing the effective date to July 1, 1994; and
3. Making non-substantive changes for the purposes of clarity and conformance with statutory language.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1289, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2070 Science, Technology and Economic Development on S.B. No. 1620

The purpose of this bill, as introduced, is to appropriate funds to the University of Hawaii's Institute for Astronomy for the 1993 International Planetary Systems Conference and the planning of a Space Science Institute.

Your Committee finds that the University of Hawaii's Institute for Astronomy is known worldwide for the quality of its astronomical research and observatory complex located on Mauna Kea in Hawaii County. Your Committee further finds that the Institute of Astronomy has successfully hosted several international conferences, including the 1991 International Space Year Planning Conference and the International Planetary Systems Conference of 1993.

Testimony in support of this measure was submitted by the University of Hawaii's Institute of Astronomy and the American Astronomical Society. After review of the testimony, your Committee finds that the measure requires modification to provide support for the 1995 conference which was initiated based on the success of the 1993 Conference. Therefore, your Committee has amended this measure by:

1. Indicating that the appropriation is for administrative support for the 1995 conference of the Division of Planetary Sciences, American Astronomical Society; and
2. Changing the effective date to July 1, 1994.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1620, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2071 Science, Technology and Economic Development on S.B. No. 2028

The purpose of this bill is to authorize the Public Utilities Commission to issue certificates of public convenience to more than one telecommunications utility to provide local exchange service within the same area.

Your Committee finds that the encouragement of a competitive telecommunications industry within Hawaii can only serve to make more services available at reduced costs to the consumer. Your Committee further finds that incentives to develop the telecommunications industry within Hawaii need to be inextricably linked with the systemic establishment of telecommunications infrastructure to adequately support the service being offered to the consumer.

Testimony regarding this measure was submitted by the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, AT&T, Estate of James Campbell, and the Telecommunications Business Services User Group. The testimony of the Department and the Commission expressed reservations about establishing a competitive market force prior to adequate placement of infrastructure.

Your Committee, after consideration of the concerns expressed, believes that encouraging competition can only assist in bringing about the necessary infrastructure improvements and therefore wants to proceed in this direction.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2028 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 2072 Science, Technology and Economic Development on S.B. No. 2103

The purpose of this bill is to amend the state plan relating to energy objectives to include consideration of least-cost, supply-side energy resources.

Your Committee finds that current state energy policy requires the State to promote the development of renewable energy sources and the prudent use of existing fuel supplies through conservation measures. Your Committee further finds that adding language to require the consideration of certain externalities such as environmental, social, cultural, and public health costs and benefits is important to the development of statewide energy policy.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, the Consumer Advocate, and the Pacific International Center for High Technology Research. Testimony in opposition was submitted by Hawaiian Electric Company, indicating that the Public Utilities Commission presently includes these externalities in its considerations. Your Committee, after consideration of the concerns expressed, believes that the language added by this bill is necessary to clarify state policy in this area. Your Committee notes that further consideration of this measure by the Committee on Planning, Land and Water Use Management will include possible amendments to conform with S.B. No. 2107.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2103 and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 2073 Science, Technology and Economic Development on S.B. No. 2104

The purpose of this bill is to reinstate the Natural Energy Laboratory of Hawaii Authority Special Fund which will be repealed effective June 30, 1994, pursuant to Act 280, Session Laws of Hawaii 1993.

Your Committee finds that the Natural Energy Laboratory of Hawaii Authority was established as an incubator facility for the development of ocean-related technologies, and these activities are partially supported by fees collected from the tenants involved in the research and development of these technologies. Your Committee further finds that although fees are exacted from the tenants, revenues are not yet sufficient to fully support the operations and maintenance of the Laboratory and its attendant facilities. Your Committee believes that the special fund provides the Authority with the incentive to achieve self-sufficiency while at the same time provides them flexibility to expend self-generated revenues as the need arises and as the Authority determines.

Your Committee on Science, Technology & Economic Development is in accord with the intent and purpose of S.B. No. 2104 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2074 Science, Technology and Economic Development on S.B. No. 2106

The purpose of this bill is to provide a thirty-five per cent income tax credit for residential wind and photovoltaic systems.

Your Committee finds that resident taxpayers are presently allowed income tax credits for the installation of various alternate energy systems. Your Committee further finds that the installation of residential wind and photovoltaic systems should be encouraged to develop small, residential-scale renewable energy sources.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Sierra Club, Hawaii Chapter. Testimony in opposition was submitted by the Department of Taxation. After consideration of such testimony, your Committee agrees that these systems should be afforded tax credits already provided for other alternate energy systems.

Your Committee has amended this measure by:

1. Changing the system capacity for solar water systems installed in multiunit buildings from eighty to fifty per cent of the daily annual average hot water needs; and
2. Making technical non-substantive amendments 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. 2106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2106, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2075 Science, Technology and Economic Development on S.B. No. 2107

The purpose of this bill is to amend the state plan to encourage diversification of transportation modes, ensure energy security, and encourage consideration of certain externalities affecting energy resource decisions.

Your Committee finds that current state planning laws require the State to promote the development of renewable energy sources and, the prudent use of existing fuel supplies through conservation measures. Your Committee further finds that adding language to require the consideration of certain externalities such as environmental, social, cultural, and public health costs and benefits is important to the development of a statewide energy policy.

Testimony regarding this measure was submitted by the Office of State Planning, the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, the Consumer Advocate, the Hawaii Energy Coalition, and the Natural Resources Defense Council. Your Committee, after consideration of the concerns expressed, believes that the language in this bill is necessary to clarify state policy in this area. Your Committee notes that further consideration of this measure by the Committee on Planning, Land and Water Use Management will include possible amendment to conform with S.B. No. 2103.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2107 and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 2076 Science, Technology and Economic Development on S.B. No. 2109

The purpose of this bill is to increase the amount of royalties paid to the counties from geothermal resource mining.

Your Committee finds that the controversy surrounding geothermal development has created additional burdens on county resources due to their handling of its attendant problems. Your Committee further finds that as geothermal development receives further investigation, there will likely be more local impacts which will need to be addressed by the counties.

Testimony in support of this measure was submitted by the County of Hawaii and the Puna Community Council, and opposing testimony was submitted by the Department of Land and Natural Resources. Your Committee, after consideration of the testimony, believes that the resulting present and future impacts upon county resources justify an increase in the royalties they receive from geothermal development.

Your Committee has amended this bill by making a technical change to correct a drafting error in the effective date section.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2109, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2077 Science, Technology and Economic Development on S.B. No. 2209

The purpose of this bill is to establish a one-half percent general excise tax rate for wholesale service providers.

Your Committee finds that the current law provides a one-half percent general excise tax rate for wholesale goods providers, but does not extend the same rate to wholesale service providers. Your Committee further finds that the service sector has become one of the fastest growing components of our economy and should be treated in the same manner as goods. This bill goes a long way toward establishing equity and fairness for all businesses in Hawaii.

Testimony in support of this measure was submitted by the Chamber of Commerce of Hawaii, the National Federation of Independent Businesses, and the Hawaii Merchandise Association. The Department of Business, Economic Development, and Tourism supported the intent of the measure but deferred to the Department of Taxation which submitted testimony in opposition. Upon consideration of the testimony, your Committee believes that an inequity exists in the general excise tax structure that needs to be remedied.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2209 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2078 Science, Technology and Economic Development on S.B. No. 2392

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist electric utilities serving the general public.

Your Committee finds that the issuance of tax-exempt special purpose revenue bonds to support electric utility capital improvement projects contributes to the reduction in the overall costs of these projects, which in turn reduces the costs passed on to electric utility customers. Your Committee further finds that special purpose revenue bonds are obligations of the electric utilities and as such are repaid with utility company revenues and are not considered obligations of the State.

Testimony in support of this measure was submitted by the Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company.

Your Committee has amended this bill by making technical non-substantive changes for the purposes of clarity and conformity with existing statutory language.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2392, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2079 Science, Technology and Economic Development on S.B. No. 2632

The purpose of this bill is to appropriate state matching funds for the manufacture of a prototype electric bus in Hawaii.

Your Committee finds that the State is seeking alternative industries for the diversification of our economy. Your Committee further finds that alternative energy projects, such as the electric bus, are clean industries in which our State should encourage further development.

Your Committee has amended this bill by:

1. Inserting an appropriation amount of \$50,000; and
2. Making technical 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. 2632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2632, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2080 Science, Technology and Economic Development on S.B. No. 2909

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for the construction of a demonstration fuel-grade ethanol production plant in Hamakua, Hawaii.

Your Committee finds that the issuance of tax-exempt special purpose revenue bonds will assist in the economic development of the Hamakua coast as well as contribute to the reduction of our State's dependence on imported fossil fuel. Your Committee further finds that special purpose revenue bonds are obligations of the industrial enterprise and as such are repaid with company revenues and not considered obligations of the State.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, and Energy Associates of Hawaii, Inc.

Your Committee has amended this bill by making technical non-substantive changes for the purposes of conformity with proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2909, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2909, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2081 Science, Technology and Economic Development on S.B. No. 3027

The purpose of this bill is to establish the Public Utilities Commission Special Fund to support the operations of the Commission and the Consumer Advocate.

Your Committee finds that the regulation of public utilities encompasses the Public Utilities Commission which is responsible for monitoring 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 the various taxes and fees assessed upon public utilities, including a surcharge of one-eighth of one per cent, will generate sufficient revenues to support the regulation activities undertaken by the State on behalf of the public interest.

Testimony in support of this measure was submitted by the Public Utilities Commission, the Consumer Advocate, Hawaiian Electric Company, and GTE Hawaiian Tel. The testimony in support of this measure indicated that the workload of the two agencies is increasing proportionately with the complexity of public utility regulation issues, and the special fund will assist in clearing the growing backlog of cases through increased staffing. Testimony in opposition was submitted by various ground transportation companies expressing their concern about the proposed fee increases to be paid by the public utilities. After consideration of the testimony and given that current fees have remained unchanged for almost forty years, your Committee agrees that the need for increased support for public utility regulation justifies the small fee increases being proposed.

Your Committee has amended this bill by:

1. Inserting a general fund appropriation of \$1,000,000 to establish the special fund beginning with the 1994-1995 fiscal year; and
2. Providing an effective date of July 1, 1994 for the appropriation to the special fund.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 3027, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3027, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2082 Science, Technology and Economic Development on S.B. No. 3055

The purpose of this bill is to allow the Public Utilities Commission to extend the nine-month period in which it must issue decisions in utility ratemaking cases.

Your Committee finds that the workload of the Commission and the Consumer Advocate have greatly increased due to the concomitant increase in the demand for regulated utility and transportation services. Your Committee further finds that in addition to the increase in workload, the complexity of the cases requires the hiring of consultants with specialized knowledge of public utility issues.

Testimony in support of this measure was submitted by the Consumer Advocate who indicated that beginning July 1, 1994, they will be required to hire consultants pursuant to the new procurement code and this will place them at a disadvantage in preparing their representation of the public interest within the nine-month period. Various public utilities submitted testimony in opposition to this measure. Your Committee, however, believes that the public interest must be adequately represented and, further believes that the Public Utilities Commission will carefully consider all parties in any request for an extension of the time period in which a final decision must be rendered.

Your Committee has amended this bill by making technical non-substantive changes to conform with proper statutory language and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 3055, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3055, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 2083 Science, Technology and Economic Development on S.B. No. 3074

The purpose of this bill is to create a temporary Hawaii Wellness Industry Commission to develop a strategic plan for the establishment of a wellness industry in Hawaii.

Your Committee finds that our State's future economic well-being is dependent upon the diversification of our present industries and the implementation of innovative economic development programs to achieve this goal. Your Committee further finds that Hawaii presently possesses invaluable infrastructure and talent which if tapped through a strategic plan can be easily developed into a wellness industry for promotion within as well as outside the State.

Testimony in support of this bill was received from the Department of Business, Economic Development, and Tourism, the Department of Health, the Chamber of Commerce of Hawaii, and many health care providers and wellness industry advocates. Based upon the testimony, your Committee has amended this bill by:

1. Making various editorial changes to clarify the scope of the commission and the strategic plan;
2. Creating a temporary commission through session law rather than the statutes; and
3. Making various technical 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. 3074, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3074, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2084 Science, Technology and Economic Development on S.B. No. 2036

The purpose of this bill is to encourage competition within Hawaii's telecommunications industry, to preserve and advance universal service, and to require the Public Utilities Commission to adopt rules for such purposes.

Your Committee finds that the telecommunications industry is among the State's most dynamic industries. Of critical importance is the need to encourage competition and investment in the State's infrastructure while maintaining high quality local phone service. Increased competition in the provision of communications services will encourage private infrastructure development and benefit consumers on price, availability, and variety of communications services.

Testimony in support of this bill was received from the Department of Business, Economic Development, and Tourism (supporting the intent) and the Telecommunications Businesses Service User Group Ad Hoc Committee. GTE Hawaiian Tel and the Consumer Advocate submitted testimony in opposition, and AT&T supported the bill with clarifying amendments.

The Public Utilities Commission submitted testimony expressing its concern that this measure should be deferred until the completion of the Commission's Docket 7702 which is undertaking a review of our State's telecommunications infrastructure. Your Committee is aware that the Commission is presently studying telecommunications infrastructure and supports this effort, but also believes that the passage of this measure will not impede the completion of the docket and will only assist in developing our State's telecommunications infrastructure and thereby encouraging competition within the industry.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2036 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee except Senators Hagino and Koki.

SCRep. 2085 Science, Technology and Economic Development on S.B. No. 2394

The purpose of this bill is to create a telecommunications branch of the Public Utilities Commission (PUC) and to provide for one commissioner with telecommunications experience to be on the PUC.

Your Committee finds that telecommunications is increasingly important to economic development in Hawaii, and that there are significant changes occurring in the telecommunications industry. The PUC must deal with technological changes, competition in communications, and the State's infrastructure needs of which telecommunications is a part.

Testimony in support of this bill was received from the PUC with the recommendation to delete the provision requiring one commissioner with telecommunications experience because this could unnecessarily exclude candidates.

Your Committee has amended this bill to incorporate the PUC testimony and to set out in a separate section the provision establishing a telecommunications branch.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2394, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Hagino and Koki.

SCRep. 2086 Science, Technology and Economic Development on S.B. No. 2395

The purpose of this bill is to encourage competition within Hawaii's telecommunications industry, to preserve and advance universal service, and to require the Public Utilities Commission to adopt rules for such purposes.

Your Committee finds that competition for local exchange telephone service is inevitable and may eventually be mandated through federal regulations. However, your Committee also believes that developing state policy to encourage competition will serve to enhance the development of telecommunications services available to the consumer.

Testimony in support of this measure was submitted by Oceanic Cablevision and AT&T. The Public Utilities Commission submitted testimony expressing its concern that this measure should be deferred until the completion of the Commission's Docket 7702 which is undertaking a review of our State's telecommunications infrastructure. Your

Committee is aware that the Commission is presently studying telecommunications infrastructure and supports this effort, but also believes that the passage of this measure will not impede the completion of the docket and will only assist in developing our State's telecommunications infrastructure and thereby encouraging competition within the industry.

Your Committee has amended this bill by inserting language to acknowledge the Commission's docket to study telecommunications infrastructure.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2395, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee except Senators Hagino and Koki.

SCRep. 2087 (Joint) Science, Technology and Economic Development and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3104

The purpose of this bill is to appropriate \$2,500,000 to develop digital imaging and related technology through the Research Corporation of the University of Hawaii.

Your Committees find that the state economy needs to be diversified by attracting innovative industries such as high technology which can have significant commercial applications. Your Committees further find that high technology industry provides higher paying jobs and supports the academic community to which it is also linked.

Your Committees have amended this bill by deleting the appropriation amount for further consideration by the Committee on Ways and Means.

Your Committees on Science, Technology and Economic Development and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 3104, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3104, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Aki.

SCRep. 2088 (Joint) Science, Technology and Economic Development and Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3128

The purpose of this bill is to appropriate \$50,000 for start-up expenses for the operation of the Hilo foreign trade zone.

Your Committees find that the foreign trade zone program has authorized four new expansion sites, the most recent being the Hilo Airport. Your Committees further find these expansion sites need start-up funds, but also need to prove their financial viability through generation of additional revenues to support continuing operations.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Island Chamber of Commerce, the Hawaii Island Economic Development Board, and the County of Hawaii.

Your Committees on Science, Technology and Economic Development and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 3128 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. 2089 (Joint) Science, Technology and Economic Development and Education on S.B. No. 2142

The purpose of this bill is to require the Public Utilities Commission (PUC) to establish a discounted rate for telecommunications services used for distance learning.

Present law does not address rates for distance learning. This bill provides for a fifty per cent discounted rate and for procedures for the educational institution to follow to obtain that rate.

Your Committees find that the Department of Education's distant learning program utilizes telecommunications technology in the classroom to support student learning beyond the local classroom. A telephone line for distance learning has been installed in every school by the state distance learning program. Because of heavy use, many schools, on their own, have added additional lines. The lines provide for videophone conferencing, electronic mail, and audio interaction with the Teleschool Instructors, worldwide information databases, and research planning. Currently, business rates apply to those phone lines, making them a large budget item. This bill mitigates that budgetary expense for the schools.

Your Committees received supporting testimony from the Department of Education, PUC, University of Hawaii, Hawaii State Public Library System, East-West Center, Hawaii Broadcasting Authority, and AT&T.

Your Committees have amended this bill to require that the educational institution apply to the provider of the service rather than to the PUC and that the public utility be certificated or exempted by the PUC from regulation. Conforming amendments were made accordingly.

Your Committees on Science, Technology and Economic Development and Education are in accord with the intent and purpose of S.B. No. 2142, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2142, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committees except Senators Iwase and Koki.

SCRep. 2090 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3253

The purpose of this bill is to appropriate funds for the 1994 bicentennial anniversary celebration of the arrival of Hispanics in Hawaii.

The funds shall be expended by the Commission to Commemorate the 200th Anniversary of the Arrival of Hispanics in Hawaii, for which there shall be a celebration in each of the neighbor island counties.

Your Committee finds the 90,000 residents of Hawaii who are of Hispanic origin have contributed to the kingdom, territory, and now State of Hawaii. Your Committee recognizes that celebrating the bicentennial anniversary of their arrival is an occasion worthy of support.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3253 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 Aki.

SCRep. 2091 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 3254

The purpose of this bill is to appropriate \$5,000 for the celebration of the 1994 Samoan Flag Day.

The funds shall be expended by the State Foundation of Culture and the Arts.

Your Committee finds that the celebration of Samoan Flag Day will incorporate many different cultural exhibitions and presentations including dance, historical interpretation, craft workshops, and games of Samoa.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 3254 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 Aki, Baker and Koki.

SCRep. 2092 Transportation on S.B. No. 532

The purpose of this bill is to require legislative approval for all airport contracts entered into by the Department of Transportation.

Your Committee finds that a legislative approval requirement would hinder the efficiency and expediency of the department's ability to enter into airport contracts. In recognition of this concern, your Committee has deleted the requirement of prior legislative approval for the department's airport contracts.

Your Committee has amended the bill by requiring contractors to be selected by competitive bid or request for proposals which fairly considers all interested and qualified contractors.

Your Committee finds that outlining the methods by which the department may enter into airport contracts will ensure efficiency, equity, and expediency in the airport contracts process.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 532, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2093 Transportation on S.B. No. 811

The purpose of this bill is to excuse first time offenders of serious traffic offenses from providing proof of financial responsibility.

Your Committee finds that proof of financial responsibility by insurance, bond, or \$25,000 cash deposit is a severe financial penalty that results in drivers being unable to obtain automobile insurance and being forced to drive for a three year period without a license until the financial responsibility requirement expires.

Your Committee has amended this bill by:

- (1) Revoking the authority of the administrator, defined as the chief of police or the county Director of Finance, to suspend a license in connection with proof of financial responsibility;
- (2) By increasing the amount of property damage from \$1,000 to \$2,000 as the threshold for proof of financial responsibility;

- (3) Applying the amendments retroactively to pending cases for first time offenders; and
- (4) Making a technical change to reflect the current version of section 287-20.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 811, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Tanaka and Nakasato.

SCRep. 2094 Transportation on S.B. No. 892

The purpose of this bill is to amend the sentencing provisions for the offense of Driving Under the Influence of Intoxicating Liquor (DUI). This bill permits a person charged with DUI and who has no prior DUI convictions to request the sentencing court for a deferred acceptance of guilty (DAG) plea or deferred acceptance of no contest (DANC) plea.

An acceptance by the court of a DAG or DANC plea would allow the prosecution against the defendant to be deferred for a specified period of time. This bill, in giving discretionary authority to the sentencing judge to grant a DAG or DANC plea for a first-time DUI offender would help alleviate the current backlog of DUI cases awaiting adjudication.

By granting a deferred acceptance plea, this bill allows a defendant who has successfully complied with the court's conditions to apply for expungement of his/her record after one year. Your Committee has amended this bill to extend the time allowed for the expungement of a DUI defendant's record when a DAG or DANC plea has been granted by requiring him/her to wait five years before an application for expungement can be made. Your Committee finds that requiring a DUI defendant to wait five years before applying for expungement supports the legislative intent that DUI be viewed as a serious offense.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 892, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2095 Transportation on S.B. No. 2011

The purpose of this bill is to appropriate funds for the design and construction of a second right turning lane from Waimano Home Road onto Kamehameha Highway.

Your Committee finds that there has been a rapid growth of the neighborhood and adjacent areas of Leeward and Central Oahu, which has resulted in an increase of vehicular traffic on existing corridors without sufficient corresponding improvements. One example of congestion occurs on Waimano Home Road at Kamehameha Highway where makai-bound traffic is backed up along a half-mile stretch from Kamehameha Highway to Moanalua Road during morning, mid-day and afternoon peak hours. This has been attributed to unnecessarily long delays in traffic movement due to the one existing right-turn lane to such destinations as the Pearl City Shopping Center, Leeward Community College, Pearl City Industrial Park, the Pearl City Post Office, and Pearl Highlands Center.

The State Department of Transportation has verified testimony by the Pearl City Neighborhood Board and the Pearl City Community Association that a second right-turn lane at this particular intersection would provide sufficient relief to the overflow of traffic that commuters now experience.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2011 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2096 Transportation on S.B. No. 2788

The purpose of this bill is to make various changes to the procedures regarding administrative revocation of drivers' licenses to facilitate the operations of the Administrative Driver's License Revocation Office ("ADLRO").

Specifically, this bill:

- (1) Eliminates the prohibition on extending the temporary permit when an arrestee fails to request a hearing within five days and thus gives the ADLRO discretion to extend the time when an arrestee fails to request a hearing;
- (2) Allows the ADLRO director to assess witness and mileage fees for administrative hearings;
- (3) Grants the district court authority to remand a case back to ADLRO for further proceedings;
- (4) Gives the ADLRO director authority to adopt rules necessary for administering the revocation program subject to the approval of the supreme court;
- (5) Allows the director to issue a conditional permit to an arrestee who must drive for a medical hardship or other humanitarian reasons such as care of the arrestee or any person in direct care of the arrestee;

- (6) Disallows a conditional permit from being issued to an arrestee whose current license has expired; if the arrestee's license expires within the sixty-day period following the thirty-day mandatory revocation, then a conditional permit will be issued up to the license expiration date; and
- (7) Excludes Saturday when computing time.

Your Committee finds that the proposed changes in this bill are housekeeping amendments that are intended to facilitate effective operation of the administrative license revocation program. Your Committee finds, however, that the remand provision would cause an increase in the cost of legal fees and would thwart the legislature's intent to quickly determine license revocation. Accordingly, your Committee has amended this bill to delete the proposed amendment which would allow the court to remand an ADLRO decision.

Pursuant to testimony your Committee has further amended this bill to include a provision which transfers the ADLRO from the courts to the Department of Transportation, and to require the adoption of rules in accordance with chapter 91, Hawaii Revised Statutes, the Administrative Procedure Act, rather than subject to approval by the Supreme Court. Your Committee finds that compliance with chapter 91 ensures the public right to input with respect to administrative rulemaking. Your Committee has also deleted the provision giving the director authority to assess witness fees and mileage as provided in district court civil proceedings and deleted the provision which would have mandated the scope of the period of administrative revocation.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2788, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2097 Transportation on S.B. No. 3222

The purpose of this bill is to create a misdemeanor offense for the possession, manufacture, sale, distribution, or use of any driver's license or identification appearing to be a driver's license which has been reproduced or imitated.

This bill is intended to ward off the problem of merchants manufacturing and selling identification cards resembling drivers' licenses. Your Committee finds that, this bill, in deterring the availability and use of forged identification, will further deter counterfeiting activities such as the forging of checks and the purchase of liquor by minors.

Your Committee has amended the bill to make nonsubstantive technical changes to conform with proper drafting style.

Your Committee on Transportation, is in accord with the intent and purpose of S.B. No. 3222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3222, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Tanaka and Nakasato.

SCRep. 2098 Transportation on S.B. No. 3231

The purpose of this bill is to appropriate state matching funds to the City and County of Honolulu for street-widening projects along Salt Lake Boulevard from Kahuapaani Street to Bougainville Drive.

The Honolulu City Department of Public Works reported that design funds to widen Salt Lake Boulevard within the existing 100-foot right-of-way are already provided for in the City's capital improvement program for fiscal year 1993-1994. This appropriation request, which would provide half of the estimated construction cost of said improvements, represents a portion of a master improvement project for Salt Lake Boulevard corridor to alleviate traffic congestion and enhance pedestrian safety.

Furthermore, as the State of Hawaii has the land title to this portion of Salt Lake Boulevard, the direct beneficiaries would be Makalapa Elementary and Radford High Schools, as well as the general public.

Your Committee has amended this bill by making technical, non-substantive changes for the purposes of clarity and proper drafting style.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3231, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2099 Consumer Protection on S.B. No. 2594

The purpose of this bill is to amend Chapter 461J, Hawaii Revised Statutes, to require licensure of physical therapy assistants (PTA's)

Under this bill, PTA's must meet established educational and training standards, pass a national certifying examination, and practice under the supervision of a licensed physical therapist.

In the ten years since enactment of physical therapy regulation, the number of PTA's in Hawaii has grown from six to approximately seventy-five. Your Committee finds that licensing is essential to ensure that only qualified persons possessing appropriate education and experience provide these services to the general public.

Your Committee has amended this bill by deleting the "grandfathering" provision. The Department of Commerce and Consumer Affairs expressed strong opposition to this provision because it allowed less qualified applicants to gain licensure and did not ensure consumer protection.

Your Committee has also amended this bill by deleting the responsibility of the Physical Therapist Advisory Committee to review all complaints relating to physical therapy assistants. This responsibility currently rests with the Department's Regulated Industries Complaints Office.

In addition, your Committee has made some nonsubstantive technical changes for the purposes of clarification and style.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2594, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2594, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Iwase, Ikeda and Koki.

SCRep. 2100 Consumer Protection on S.B. No. 2753

The purpose of this bill is to clarify that each authorized insurer providing real property title insurance shall be subject to the insurance premium tax on the risk premium actually received for provision of the title insurance coverage.

For nearly forty years, the insurance premium tax has been paid based upon the actual amounts received by the underwriter. The Insurance Division has recently taken the position that the tax applies to the entire amount of the insurance premium collected for title insurance and all related services.

In the title insurance business, the underwritten title companies perform all of the essential tasks up to, but not including, the actual issuance of the policy of title insurance. As a result, the underwritten title companies incur substantial labor and facilities costs. In return for such efforts, the underwritten title companies receive between sixty percent and ninety percent of each dollar charged for the provision of title insurance.

Those states whose premium tax rates are closest to Hawaii's rate collect the tax on only the "risk rate," which is the premium attributable to the insurance risk coverage provided by the underwriter. In those states, charges for title search, examination, abstracting, and title opinions are separate charges and are not subject to the premium tax.

Your Committee finds that the insurance premium tax should be applied to the portion of the proceeds actually received by the underwriter in a similar manner as dividing gross receipts between travel agents (taxed under the general excise tax) and tour service providers (taxed under the public service company tax) so that each party pays their respective tax only on the gross income that actually accrues to them.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2753 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 Iwase, Ikeda and Koki.

SCRep. 2101 Consumer Protection on S.B. No. 2985

The purpose of this bill is to provide for warranties to protect a consumer who purchases a used car that is later found to be defective or improperly equipped.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs, which also provided information concerning complaint calls in this area.

Your Committee would like to note that while most used car dealers in this State are honest in their dealings with consumers, there are some who sell used cars not in the condition represented to the buyers. Because these vehicles are sold on an "as is" basis, consumers have limited recourse against these dealers. Your Committee finds that consumers need protection in the form of a limited warranty of the used car's major mechanical parts, the warranty's duration of which is determined by the car's age, price, and mileage.

Your Committee has amended this bill by making a technical change that has no substantive effect.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2985, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Iwase, Ikeda and Koki.

SCRep. 2102 Consumer Protection on S.B. No. 3036

The purpose of this bill is to create the Hawaii Health Alliance to promote health care cost containment, reduce health care cost increases, and maximize health care options and plans for Hawaii's consumers.

The Alliance would be placed administratively in the Department of Health and governed by a Board of Directors consisting of seven members representing employers, employees, and purchasers of prepaid health plans, along with the Executive Director of the Public Employees Health Fund and the Medicaid Administrator. The Board would review prepaid health plans and negotiate the premiums for those sold under the Prepaid Health Care Act, the Public Employees Health Fund, and Medicaid. The Alliance would also negotiate prepaid health care plan prices for individual purchasers.

The effective date of provisions relating to the Prepaid Health Care Act and Medicaid would be contingent on federal action, and the Governor and the Alliance would report over the next two years on measures necessary to incorporate all state and federal programs into the Alliance, including Workers' Compensation and automobile insurance, and the anticipated effects on Hawaii of federal health care legislation that may be enacted.

An appropriation is provided to the Department of Health to implement the provisions of the bill.

Your Committee finds that a public/private partnership such as the Hawaii Health Alliance will be better able to impact on pressing problems besetting the health care industry than individuals or groups working alone or with conflicting objectives and methods.

Since this measure cannot be given true effect until certain anticipated federal actions are taken, and the nature and extent of those actions are as yet unknown, your Committee has amended this bill to give it a prospective effective date of July 1, 1995. Consistent with this change, your Committee has deleted the appropriation and made other conforming amendments.

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

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 3036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3036, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Iwase and Koki.

SCRep. 2103 (Joint) Transportation and Consumer Protection on S.B. No. 3320

The purpose of this bill is to create an incentive for airlines to increase the number of their flights to Hawaii by assessing a passenger surcharge on all departing flights and giving a partial rebate to airlines having flights to Hawaii with seventy or more percent of passenger capacity.

While the purpose of the bill is laudatory, the means chosen to accomplish it may not be viewed as an incentive by the airlines. Furthermore, except under very narrow and strict federal guidelines, a passenger surcharge may not square with federal aviation laws. Despite the obstruction to the intent of the bill, your Committees believe that an incentive for more flights to Hawaii that is worthy of consideration is legislation that would aid in keeping air fares from increasing.

Your Committees are aware that the Airports Division may be authorized by federal aviation laws to impose passenger facilities charges (PFCs) to finance the construction of airport facilities. Your Committees believe that imposing PFCs runs counter to the purpose of this bill. Accordingly, your Committees have amended the bill by deleting its contents and replacing it with an amendment to Section 261-5, Hawaii Revised Statutes to impede the Airports Division's ability to use both the revenue derived from PFCs and the Airport Division's traditional sources of revenue to meet its capital improvement expenditures.

Your Committees on Transportation and Consumer Protection are in accord with the intent and purpose of S.B. No. 3320, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3320, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Iwase and Koki.

SCRep. 2104 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2125

The purpose of this bill is to create a new class of liquor license for microbreweries.

Your Committee finds that the present categories of liquor licenses do not provide the latitude necessary for microbreweries to concurrently manufacture, sell at retail and wholesale, and allow consumption on the premises. Your Committee further finds that the introduction of microbreweries and brew pubs into Hawaii will be another way in which to diversify our local economy.

Testimony in support of this measure was submitted by the City and County of Honolulu and various local advocates of microbrewery industry development.

Your Committee has amended this bill by reframing the microbrewery licenses into two distinct categories, class one for the manufacture and sale of malt beverages and class two for the manufacture, sale, and on-premises consumption of malt beverages.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2125, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2105 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2158

The purpose of this bill is to expand the groundwater monitoring program of the Department of Health (Department).

Your Committee finds that the bill requires the Department to establish programs for groundwater monitoring and testing in each county and to provide the public with notice of any contaminants in the county's groundwater supply.

Your Committee has amended the bill to include nuclear material as one of the contaminants the Department is required to test for in groundwater supplies. Your Committee has also added a section to provide an unspecified appropriation amount to assist the Department in carrying out the duties mandated by the bill.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2158, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2106 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2170

The purpose of this bill is to encourage the recycling of glass in the State.

Specifically, the bill assesses a flat fee per container load of glass upon entry into the State and uses the revenues from the fee to promote glass recovery activities throughout the State.

Your Committee finds that the City and County of Honolulu currently operates a similar program and reports success in diverting a significant volume of glass from the waste stream without the cumbersome procedures that normally accompany the implementation of so-called "bottle deposits."

Your Committee has amended the bill by:

- (1) Allowing a reduction in the advance glass disposal fee for glass containers exported from the State and requiring importers to maintain records of exported containers; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and proper drafting style.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2170, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2107 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2171

The purpose of this bill is to promote the use of recycled products by the State.

Specifically, the bill establishes a recycled products procurement program within the Department of Accounting and General Services to assist state departments and urge county purchasing agencies in applying price preferences for the purchase of recycled content products. Additionally, the bill also establishes a "recycled only" procurement policy for office paper products purchased by the State.

Your Committee finds that promoting the use of recycled content products is in the best interest of the State and will result in more responsible use of resources. However, as written, the bill would lead to conflicts within the State's new procurement law (Chapter 103D, Hawaii Revised Statutes) and rules on the procurement of recycled products which were adopted on November 4, 1993.

Realizing that this is not the intent of the bill, your Committee has made amendments to eliminate these conflicts while preserving the intent of the bill.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2171, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2108 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2172

The purpose of this bill is to establish a Clean Hawaii Center to promote environmentally and financially sound recycling activities in the State.

Your Committee understands that Hawaii's energy resources and physical environment must be managed and protected in a manner that ensures the health, safety, and welfare of the citizens of the State and preserves our limited natural resources for future generations.

Your Committee believes that if there is to be significant progress in the diversion of a larger portion of solid waste from landfills, local markets for recycled products must be expanded immediately. Local market development would also

benefit the State by reducing its reliance on export markets requiring overseas shipment; creating business and employment opportunities for residents; reducing dependency on imported goods with recycled content; and reducing dependency on landfills.

Your Committee finds that the bill establishes a separate mechanism for the promotion and development of local processing and manufacturing industries that utilize solid waste or convert solid waste into usable products. Your Committee believes that establishing a Clean Hawaii Center will provide a permanent structure with a stable source of revenue to ensure that markets for recycled products will be continuously stimulated, expanded, and sustained within the State.

Your Committee has amended the bill by:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to submit a progress report on the Clean Hawaii Center to the Legislature before the 1995 Regular Session;
- (2) Pushing back the organizational and implementation plan requirement of the DBEDT to 1996;
- (3) Making an undetermined increase in the solid waste disposal surcharge effective July 1, 1994, and mandating that the increase be repealed on June 30, 1996;
- (4) Requiring that a financially sound business plan be incorporated into the Clean Hawaii Center's guiding principles;
- (5) Removing all references to a "multi-material advance disposal fee" to provide more flexibility in establishing funding mechanisms for the program;
- (6) Changing the expenditure limitations in section 7 from dollar amounts to a percentage of the total appropriation; and
- (7) Making numerous nonsubstantive amendments to clarify the intent of the bill.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2172, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2172, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2109 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2239

The purpose of this bill is to authorize the issuance of general obligation bonds and make an appropriation of \$119,945,000 for various capital improvement projects for the County of Hawaii.

Your Committee finds that the projects contained within the bill are necessary to ensure the health, safety, and welfare of the residents of the County of Hawaii.

Your Committee has amended the bill by adding authorizations for the construction of a sewerage system for Papaikou and a community center complex for Hakalau.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2239, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2110 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2456

The purpose of this bill is to appropriate \$4 million to be expended by the Department of Hawaiian Home Lands on repair or replacement of homes in Panaewa residential lots units 3 and 4 in Hilo, Hawaii.

Due to poor construction, all fifty of the houses in the Panaewa subdivision need substantial repair, and some may need to be replaced. Controversy regarding the appropriate course of action continues, and while your Committee is not equipped with the engineering and architectural expertise needed to resolve the issue, it is clear that something must be done and that the State has an obligation to do it.

Your Committee has amended the bill by deleting the appropriated amount.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2456, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2111 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2477

The purpose of this bill is to allow citizens to bring civil action against any person, including the State, counties, or instrumentalities thereof, for alleged violations of environmental statutes, rules, or ordinances or when there is an alleged failure to perform any act or duty under these laws.

Your Committee finds that the protection of the State's natural environment is the responsibility of everyone in the State. However, your Committee also finds that if enacted as written, the bill could potentially open the floodgates to an unprecedented amount of lawsuits stemming from alleged violations of environmental law. If this were to occur, existing environmental protection programs could significantly suffer due to the diversion of resources away from enforcement activities.

In light of this, your Committee has amended the bill by limiting a citizen's ability to bring civil action to laws relating to air pollution, water pollution, noise pollution, solid waste pollution, and used oil transport, and by imposing disincentives on persons bringing frivolous lawsuits.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2477, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2112 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2486

The purpose of this bill is to permit state agencies which conduct energy efficiency projects that result in savings to the State, to continue to receive appropriations for energy expenditures at a level equal to appropriations made prior to the energy-saving actions taken.

Your Committee finds that state agencies often lack an incentive to be energy-efficient due to the demoralizing practice of budget reduction once cost savings are realized.

Your Committee believes this is an important measure needed to achieve the full potential for energy conservation in state facilities. The bill encourages agencies to achieve energy savings by allowing the agencies to share in the actual savings realized for other purposes in support of their missions.

Your Committee has amended the bill by deleting from the energy performance contract requirements, the annual allocation dependency clause.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2486, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2113 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2672

The purpose of this bill is to ban the open burning of agricultural crops or crop residue as a means to accomplish crop harvesting, segregation, or waste reduction, and to appropriate funds to explore and develop alternative harvesting methods.

Your Committee finds that the sugar industry continues to provide several thousands of jobs to Hawaii's citizens. The practice of preharvest burning permits the industry to survive in a very competitive global market.

However, the pressure of a growing populace in urban centers has motivated persons to move into agricultural areas where such harvesting techniques had been previously practiced without the need to contemplate the intrusion of residential housing.

Your Committee also finds that studies have indicated that there are no significant health risks attributable to this practice other than to nearby residents who have pre-existing respiratory system disorders.

To address these concerns, cooperative discussions have been initiated to develop procedures by which residential communities can reconcile their concerns with an established agricultural practice that is vital to the operation of a supportive industry.

Your Committee believes that the proposed ban would unnecessarily intervene in such voluntary cooperative dialogue and jeopardize the prospects for success.

Therefore, your Committee has amended the bill by deleting the prohibition of preharvest sugarcane burning. Those who testified in support of the bill at the hearing have agreed with this amendment. Your Committee has retained the appropriation to explore and develop alternative harvesting methods, and specified that this should be accomplished by a study and pilot tests to determine the cost of retrofitting sugar plantations so as to eliminate the need for preharvest burning of sugarcane.

Your Committee believes that the appropriation for the development of alternative harvesting methods to the open burning of crops is consistent with sound environmental practices, and industrial diversification.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2672, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2672, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2114 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2667

The purpose of this bill is to amend the laws relating to the regulation of public nuisances.

Specifically, the bill clarifies what constitutes a public nuisance and deems commercial cooking smoke as a public nuisance. The bill also makes numerous other amendments to update certain antiquated public nuisance laws that are no longer under the jurisdiction of the Department of Health.

Your Committee finds that under existing law, the abatement of public nuisances that are potentially injurious or dangerous to health are within the regulatory jurisdiction of the Department of Health. However, the law does not establish clear standards to determine when nuisances endanger health.

Your Committee believes that the proposed amendments will enable the State's environmental programs to deal with growing public concerns over nuisances.

Your Committee has amended the bill by removing the references to commercial cooking smoke as a public nuisance and by making numerous technical amendments for the purposes of style and clarity.

Your Committee understands the concerns of both commercial food preparation establishments and the nearby residents who are affected by the smoke generated from these establishments. However, your Committee is not ready to accept the notion that standards must be established by the Legislature. Broad public policy is for the Legislature to decide. Meticulous, scientific details are better left to the administrative agencies.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2667, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2115 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2729

The purpose of this bill is to establish a Department of Environmental Protection.

Your Committee finds that the bill transfers all the regulatory powers relating to environmental protection from the Department of Health to the newly created Department of Environmental Protection. The bill also adds a new part to Chapter 342P, Hawaii Revised Statutes, to regulate asbestos related occupations.

Your Committee finds that the organizational structure of the Department of Health is strained beyond capacity. With pressing public health concerns as well as growing environmental regulatory functions, the Department of Health cannot effectively administer all the programs under its jurisdiction. Therefore, your Committee believes that establishing a Department of Environmental Protection is in the best interest of the State.

Your Committee has amended the bill by adding language that requires the Director of Environmental Protection to initiate a public review process when adopting rules that are more stringent than federally mandated requirements.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2729, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2116 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2751

The purpose of this bill is to amend the Procurement Code to provide specifications for construction contracts.

The bill requires any business contracting with the government for a construction job priced at \$2.5 million or more to be party to project agreements with all members in good standing of the Hawaii Building and Constructing Trades Council, and all joint contractors and subcontractors must be likewise bound by the agreements. The project agreements would provide protection against strikes in return for adherence by the business with all terms of standard collective bargaining agreements in force for union workers on the job.

Provision is made for violation and enforcement of project agreements.

Your Committee finds that this bill will help local contractors compete effectively with out-of-state competitors and benefit the State by preventing costly delays on public construction projects.

Your Committee has amended this bill by clarifying that as a condition precedent to receiving governmental construction contracts, a company must first be signatory to project agreements of the kind described above with all AFL-CIO unions in the building and construction trades in the State. In so doing, your Committee has also generally rewritten this measure for the purposes of brevity, 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. 2751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2751, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2117 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2769

The purpose of this bill is to establish a Genealogy Arbitration Program within the Office of Hawaiian Affairs and to allow lessees with leases subject to Chapter 171, Part IV, Hawaii Revised Statutes (HRS), to purchase their respective leases for \$1.

Your Committee finds that homestead leases subject to the continuation of rights provisions of Section 171-99(e), HRS, do not allow a lessee to determine successorship of the lease. Your Committee further finds that keeping track of legal successorship becomes increasingly more difficult with each passing generation. Establishing a Genealogy Arbitration Program would assist in the determination of legal successors of a disputed lease.

Additionally, your Committee finds that because the homestead leases governed by Chapter 171, Part IV, HRS, are for 999 years, fee simple title should be granted to the lessees. Your Committee believes that these leases should be sold for the nominal cost of \$1 rather than at a "fair market appraisal value," which can be transitory in nature and not indicative of the value of the property when first leased.

Your Committee has amended the bill by changing the name of the "Genealogy Arbitration Program" and any reference to it to "Determination of Successor Arbitration Program" and by making an appropriation of \$25,000 to administer the program. Your Committee has also amended the bill by retaining subsections (c), (d), and (h) of Section 171-99, HRS, which relate to cash freehold terms and rights of purchase lease, rather than deleting the subsections as originally intended in the bill.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2769, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2118 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Education on S.B. No. 2851

The purpose of this bill is to set forth specific guidelines for the adoption of fair and equitable impact fee ordinances which would benefit the state public school system.

Your Committees received testimony in support of this bill from the Department of Education, the Hawaii State Teachers Association, and the Office of State Planning.

Your Committees note that the bill should not be viewed as a replacement of the obligation of the State to provide school facilities. Rather, the fees would supplement the present State appropriations which are insufficient to meet all the needs of the public school system to provide adequate school facilities. The assistance of private developer contributions would provide better facilities in the areas where the development creates an impact.

Your Committees have amended the bill by making numerous technical amendments to clarify the bill's intent.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Education are in accord with the intent and purpose of S.B. No. 2851, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2851, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Koki.

SCRep. 2119 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2911

The purpose of this bill is to require the University of Hawaii to establish a systemwide recycling program.

Your Committees find that while many post-secondary, secondary, and even elementary institutions of learning have recognized the merits and environmental necessities of recycling programs, the University of Hawaii has languished in its efforts to develop and implement such a program. Your Committees also find that in the past, endeavors to establish a systemwide recycling program have failed due to the lack of administrative, financial, and physical infrastructural support required to ensure success.

In light of these concerns, your Committees have amended the bill by:

- (1) Limiting the recycling program to the Manoa campus;
- (2) Authorizing the hiring of a recycling coordinator; and
- (3) Appropriating \$55,000 to effectuate the purpose of the bill.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 2911, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2911, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Aki and Koki.

SCRep. 2120 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on S.B. No. 3303

The purpose of this bill is to protect the natural beauty of the State and the health of its residents by deterring the dumping of solid waste in unpermitted landfills or other public or private lands.

Specifically, the bill would amend Chapter 342H, Hawaii Revised Statutes, to:

- (1) Prohibit solid waste dumping in amounts greater than one cubic yard in volume, anywhere other than a permitted landfill or site approved by the Department of Health;
- (2) Expand the enforcement power of the Department of Health to include the commissioning of enforcement officers and the power to seize or cause forfeiture of equipment used during an illegal dumping; and
- (3) Authorize the Department of Health to delegate its powers of enforcement to the counties and allow the counties to share in fines collected as a result of county enforcement efforts.

Your Committees received testimony in support of the bill from the Department of Health, PVT Land Company, Ltd. and the Sierra Club.

The Department of Health submitted testimony in support of the bill's intent and purpose, but did not support the bill's provisions for enforcement such as police powers, seizure and forfeiture of equipment. The Department testified that such measures were overly punitive compared to other enforcement provisions for existing solid waste prohibitions. Your Committees have amended the bill to reflect these concerns by eliminating these powers. Instead, your Committees propose to strengthen the Department's enforcement powers by extending the Department's authority to jointly and severally fine not only those persons who maintain illegal open dumps, as presently provided, but also those persons who generate, transport, dispose of, or facilitate the illegal disposal of solid waste.

Your Committees have also amended the bill by adding a definition of "inert fill material" to Chapter 342H, Hawaii Revised Statutes, and by allowing the counties to retain half, rather than one quarter, of the proceeds generated by county enforcement activities under Chapter 342H.

Your Committees find that illegal dumping is a statewide economic and environmental problem that deserves immediate attention. Currently, the only prohibition against dumping solid waste anywhere other than a permitted landfill is the prohibition against littering found in Chapter 339, Hawaii Revised Statutes. The maximum penalty for littering is \$500 and eight hours of litter collection or community service. Your Committees find the littering statute to be an inadequate deterrent to illegal dumping and finds the problem warrants stronger measures.

Your Committees believe the initiatives contained in this bill will provide a substantial deterrent to dumping in unpermitted landfills or public and private lands. This additional deterrence to illegal dumping may also help to strengthen the State's solid waste recycling efforts.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary are in accord with the intent and purpose of S.B. No. 3303, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3303, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Iwase and Koki.

SCRep. 2121 (Majority) Agriculture on S.B. No. 1634

The purpose of this bill is to transfer all aquaculture programs from the Department of Land and Natural Resources to the Department of Agriculture.

Your Committee finds that, in recent years, state government has undergone many changes in response to either a changing environment or the need to become more efficient because of dwindling resources. Many of the executive departments are looking seriously at their organizations and have proposed or already undergone restructuring.

The majority of the testimony received by your Committee was in opposition to this bill. Some in the industry are content with the current services being provided by the aquaculture programs and, thus, "if it ain't broke, don't fix it." Others are afraid that the move would set the aquaculture industry back because of the possible loss of indispensable personnel.

Your Committee finds that over eighty percent of the states have their aquaculture programs located within their Department of Agriculture. Of the top five leading aquaculture states only Arkansas has its program with its development and finance authority. In the remaining four states, Mississippi, Idaho, Arkansas, Louisiana and Washington, aquaculture is with the Department of Agriculture.

Your Committee understands that those who want to preserve the status quo of the industry would like the aquaculture programs to remain with the Department of Land and Natural Resources. Your Committee is concerned, however, that

the fate of the industry is under the control of one office which has to perform the numerous functions that several divisions within the Department of Agriculture perform to keep agriculture a viable industry.

The Joint Subcommittee on Aquaculture, an interagency body established by Congress through the National Aquaculture Act of 1980 (as amended and reauthorized through 1993), reported in May 1992 in Aquaculture in the United States: Status, Opportunities and Recommendations that "the treatment of aquaculture as a form of agriculture by local and state regulatory agencies should enhance development of the industry from a regulatory standpoint and provide a positive climate for development." Mr. Bradley Powers, Director of the Aquaculture/Seafood Programs in the State of Maryland, reported that he found, as a result of research and data compilation conducted on twenty-six states, that "having an advocacy voice for aquaculture in the state Department of Agriculture serves to provide for a system of checks and balances with natural resources, game and fish and other environmental agencies."

Your Committee feels that the transfer of aquaculture programs to the Department of Agriculture would greatly enhance services available to the industry as the Department already has in place the following support programs and services:

AGR 122 plant pest and disease control -

To increase productivity of agricultural products through the prevention of entry of plant pests and diseases and non-domestic animal pests; the facilitation of export shipment; and plant pest control activities;

AGR 131 animal quarantine -

To assist in the detection of pests and disease in imported and local animals;

AGR 132 animal disease control -

To maintain animal health surveillance; control or eradicate certain diseases; provide veterinary laboratory support for diagnosing diseases; prevent the entry of serious diseases into the state;

AGR 141 agricultural resource management -

To assist in developing and managing the state's agricultural resources by ensuring adequate and reliable supplies of irrigation water, farmland, infrastructure and processing facilities;

AGR 151 marketing information and distribution systems improvement for agriculture -

To assist in market development and promotion of agricultural products;

AGR 192 general administration of agriculture -

To conserve and protect important agricultural lands; expand contribution of diversified agriculture; and

AGR 810 testing and certification of consumer goods -

To license and do sanitary inspections.

Your Committee has addressed the concern of the possible loss of personnel by transferring existing personnel of the aquaculture program from the Department of Land and Natural Resources to the Department of Agriculture.

Your Committee has amended this bill to strengthen the language to highlight aquaculture as a major component of the Department of Agriculture and to delete aquaculture from the Governor's duties relative to the Agriculture Coordinating Committee. Other nonsubstantive amendments were made for the purpose of clarity and style.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 1634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1634, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.
Senators Chang, Matsuura and Reed did not concur.

SCRep. 2122 (Majority) Agriculture on S.B. No. 2010

The purpose of this bill is to appropriate funds for the construction of a slaughterhouse on Molokai.

Your Committee finds an urgent need for a slaughterhouse facility on Molokai to meet the requirements of small farmers and ranchers engaged in livestock production and as a viable alternative for Molokai agriculture. Your Committee further finds that the absence of a meat processing plant on the island threatens the continued production of livestock for commercial purposes.

Your Committee heard testimony in support of the bill from the Department of Agriculture, the University of Hawaii College of Tropical Agriculture, numerous public and private interests, and concerned individuals. Your Committee also learned that the County of Maui is already assisting this important effort by working to secure the release of a portion of the leased land as a location for the facility. Plans and design of the facility have been completed and is awaiting approval by the State.

Your Committee received opposing testimony from individuals who cited advantages of a vegetarian diet to the environment and the human health, and who were concerned about the lack of land and water on Molokai. The Department of Health supports the intent of the bill but has reservations, however, relative to problems of environmental health which may be created. Your Committee also heard from Animal Rights Hawaii who views the meat industry as a dying business and urges instead changes in health, nutrition and lifestyle for the people of Hawaii.

Your Committee has amended this bill by designating the expending agency as the Department of Business, Economic Development and Tourism because of the possible conflict by the Department of Agriculture since it is charged with regulating meat and poultry slaughter and processing activities.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2010, 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. 2123 (Majority) Agriculture on S.B. No. 2876

The purpose of this bill is to appropriate funds to purchase the Kahua Slaughterhouse on the Island of Oahu.

Your Committee finds that there is an urgent need to continue the services of a slaughterhouse on Oahu to maintain swine and dairy industries on the island, and to meet the demands of consumers for fresh products. Your Committee also learned from the Department of Agriculture and the Hawaii Farm Bureau, that since the introduction of this bill, the Kahua slaughterhouse has been purchased by and is presently being operated by the hog industry. However, this remains as a short-term solution since the facility at its present location will eventually have to close down due to urban encroachment and other factors.

Your Committee finds that assistance is needed from the State in finding a long term solution as necessary to maintain the viability of the livestock industry on Oahu.

Your Committee also received opposing testimony from two individuals who cited the advantages of a vegetarian diet to the environment and human health, and who view the meat industry as a dying business. These individuals urged, instead, changes in health, nutrition, and lifestyle for the people of Hawaii.

Your Committee has amended the bill to address the need for a long term solution by deleting the purchase of the Kahua slaughterhouse and construction of a new slaughterhouse, and instead requiring the State's assistance in encouraging the private development of a new slaughterhouse and the retention of the rendering plant. Your Committee has also changed the appropriation to \$1 for planning of the new slaughterhouse and has designated the expending agency as the Department of Business, Economic Development, and Tourism because of a possible conflict with the Department of Agriculture which is charged with regulating meat and poultry slaughter and processing activities.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2876, 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. 2124 Agriculture on S.B. No. 3061

The purpose of this bill is to transfer the functions of the Governor's Agricultural Coordinating Committee (GACC), currently located for administrative purposes in the Governor's Office, to the Board of Agriculture.

Your Committee finds that, with the downsizing of sugar and pineapple operations across the State, there is now an unprecedented opportunity for new and diversified agriculture to become a growth industry in Hawaii. Your Committee further finds that if this agricultural transformation is to take place, the Department of Agriculture will need to assume a much greater leadership and advocacy role. In order to succeed, the Department must be provided with the tools necessary to accomplish this transformation.

Testimony in support of this bill was received from the Office of State Planning and the University of Hawaii's College of Tropical Agriculture and Human Resources with some amendments. Opposing testimony was given by the Hawaii Farm Bureau, the County of Hawaii Department of Research and Development, Hawaii Human Development, and the ILWU. Their major concerns were the losses of budget autonomy and the pivotal role that GACC plays in providing research, educational and promotional funding.

Your Committee feels, however, that abolishment of the GACC and the transfer of its functions to the Department of Agriculture will consolidate public resources devoted to agriculture and provide the department with greater flexibility and control of the direction it is taking. Your Committee further feels that the opportunity to move into the twenty-first century is now. Increasing competition and changes in the global market demand we abandon the status quo and look to finding more innovative and creative ways of meeting the challenges of the future, while still preserving our agricultural community.

Your Committee has amended this bill by transferring the functions of the Governor's Agriculture Coordinating Committee to the Department of Agriculture, rather than the Board of Agriculture.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3061, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2125 Agriculture on S.B. No. 3087

The purpose of this bill is to provide for county licensing, capture, and impounding of cats in the same manner as currently prescribed for dogs.

Your Committee finds a need for licensing of cats to address the serious cat overpopulation problem in this state. Last year approximately 22,000 cats were euthanized on Oahu and Maui. Part of the problem is that ownership is difficult to determine. The issuance of identification tags to be attached to the cat's neck would be a first step in determining ownership.

Your Committee received testimony in support of the bill from the City and County of Honolulu. The Maui and Hawaiian Humane Societies were supportive of the bill, but expressed the concern that the capture and impoundment provisions are unenforceable without significant additional resources.

Your Committee has amended the bill to delete all references to seizure, impoundment, and disposal of cats. The effective date of the Act is extended from July 1, 1994 to January 1, 1995.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 3087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3087, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2126 (Joint) Agriculture and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2877

The purpose of this bill is to appropriate funds to develop the necessary infrastructure to implement low-input sustainable agriculture and organic crop production and marketing on the island of Oahu.

Your Committees find that low-input and organic crop demonstration projects have been successful on all islands of the State except Oahu. Your Committees further find that farmers on Oahu must adopt practices which are environmentally safe, ensure high productivity and profitability, and conserve natural resources.

Your Committees received testimony in support of the bill from the University of Hawaii and the Sierra Club.

Your Committees on Agriculture and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 2877 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. 2127 (Joint) on Agriculture and Planning, Land and Water Use Management No. S.B. 3045

The purpose of this bill is to establish the Agribusiness Development Corporation with the authority to carry out programs to promote the development of new agricultural enterprises, to assist expansion of existing agricultural enterprises, and to alter or modify agricultural enterprises to take advantage of changing market conditions.

The downsizing of plantation industries such as sugar and pineapple presents the State with an unprecedented opportunity to plan and coordinate the transition of vast acreages of prime agricultural lands into agricultural industries and ventures made viable by timely market analysis and development. Within the next decade, more than 75,000 acres of agricultural lands are expected to be released by the plantations. In addition, 50 million gallons per day of irrigation water will be released. More importantly, if large tracts of agricultural lands are allowed to lie fallow, it will idle the valuable inventory of supporting infrastructure such as pumps, pipelines, drainage systems, processing and packing facilities, maintenance workshops, and warehouses. The establishment of the Agribusiness Development Corporation as a strong advocate for agriculture will provide the leadership and instrument capable of administering the transition of agriculture in a coordinated and comprehensive manner.

The transition from large plantations with single crops to diversified agricultural ventures producing a large variety of commodities will require strong leadership and coordination. Agricultural ventures will have to compete in constantly evolving markets. The Agribusiness Development Corporation will monitor the changing local, national and international markets, and based on detailed studies and analyses, advise and assist agricultural producers in anticipating market changes to take advantages of newly identified marketing opportunities or altering production because of shrinking marketing advantages.

The Agribusiness Development Corporation will be the catalyst for the evolution of Hawaii agriculture. The Corporation will assist existing farmers, who are seeking to expand their operations, in obtaining land and conducting marketing studies to determine the viability of crops to avoid conflicts with other producers and to give the farmer advice on the best local, national and international marketing opportunities for success. The Corporation will be able to create joint ventures and other synergistic arrangements for agricultural production. Moreover, by utilizing the concept of a "coordinating entrepreneur," the Corporation will be able to facilitate the creation of operations to produce crops on a

large enough scale for national and international markets identified through detailed marketing research. The coordinating entrepreneur can be an existing farmer, a new farmer, or anyone able to function much like a konohiki. The coordinating entrepreneur is the person responsible for organizing and operating the agricultural enterprise. Through "right-to-till agreements" with other farmers, the coordinating entrepreneur will coordinate the production of the farmers for the identified market. Further, the Corporation will be able to assist farmers and coordinating entrepreneurs in obtaining financing based on sound business plans.

Your Committees have adopted the recommendation made during the hearing that the members of the Board of Directors of the Corporation include those actively involved in the agricultural industry and has included language to specify that board members have knowledge, experience, and expertise in large- or small-scale agriculture operations or agricultural economics.

Your Committees have made several other amendments to the measure. We deleted from the general powers of the Corporation the provision for assisting agricultural enterprises in establishing health care plans and pension plans. The establishment of such plans can be accomplished without the Corporation's assistance. The provisions allowing the Corporation to transfer or convey land have been deleted. A new section has been included to preserve the marketing order revolving fund which would have been eliminated by the repeal of Chapter 1631, Hawaii Revised Statutes. The marketing order revolving fund is necessary to preserve federal monies received by the Department of Agriculture for providing inspection services for Federal Marketing Order Programs. Other nonsubstantive amendments have been made for the purpose of style and clarity.

The provisions relating to the Corporation's authority to issue bonds is being reviewed by bond counsel. The counsel's recommendations and changes, if any, have not been received in time to be incorporated into the bill. Any amendments recommended by bond counsel should be incorporated by the Committee on Ways and Means.

Your Committees on Agriculture and Planning, Land and Water Use Management are in accord with the intent and purpose of S.B. No. 3045, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3045, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Iwase and Aki.

SCRep. 2128 (Joint) Agriculture and Planning, Land and Water Use Management on S.B. No. 3161

The purpose of this bill is to specify that state lands located in the area of Waimanalo be leased on the basis of income from the land rather than fair market value, and to provide that agricultural land leases under this Act shall be exempt from laws and regulations for subdivision development.

This bill also extends the repeal date of Act 237, Session Laws of Hawaii 1988, from July 1, 1994 to July 1, 1995 to allow qualified agricultural lessees the additional time to negotiate long-term leases.

The Department of Land and Natural Resources submitted testimony opposing the bill's provision as to Waimanalo leases on the basis that it is unconstitutional and that not all leased properties are income generating.

Your Committees have amended the bill to delete the provision to allow lease rents to be based on income from the land.

Your Committees on Agriculture and Planning, Land and Water Use Management are in accord with the intent and purpose of S.B. No. 3161, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3161, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Iwase and Aki.

SCRep. 2129 Agriculture on S.B. No. 2274

The purpose of this bill is to provide funds for research to address critical pest management problems of the State's pineapple industry.

Your Committee finds that the pineapple industry remains a vital component of the state's economic base and is the second largest agricultural industry in Hawaii. Your Committee further finds that increasing foreign competition, rising production costs, and depressed market prices has placed the pineapple industry in an extremely precarious position. In order for the industry to survive, research must be continued to identify and develop sound pest management practices.

Your Committee received testimony in support of this bill from the Department of Agriculture, the University of Hawaii's College of Tropical Agriculture and Human Resources, and the Pineapple Growers Association of Hawaii. Your Committee is advised that \$200,000 is included in the budget of the Governor's Agriculture Coordinating Committee to fund this project. However, testimony states that \$300,000 is needed to allow the highest priority projects to continue. Therefore, \$100,000 more is needed.

Your Committee has amended the bill to reduce the appropriation from \$300,000 to \$100,000.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 2274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2274, S.D. 1, be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2130 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2895

The purpose of this bill is to appropriate funds to establish a temporary commission which will plan and oversee the development of a historic and cultural exhibition complex on the Oahu Sugar Mill grounds.

The commission shall consist of eleven members appointed by the governor and shall oversee the construction of the Oahu Sugar Mill complex. The complex shall preserve the historic Oahu Sugar Mill, the Waipahu cultural gardens, the Hawaiian Railway Society facilities, a state history museum, and an artists' colony which promotes Hawaiian arts and crafts.

The commission shall be placed within the state foundation for culture and the arts.

Your Committee finds that during tough economic times the state should consider investing in the arts as a way to stimulate tourism. The Oahu Sugar Mill could become a center for the arts which would benefit civic life in the community, provide enrichment of education and an inspiration for young people, while offering sound economic support to the State.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2895 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 Aki, Baker Kanno and Koki.

SCRep. 2131 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2896

The purpose of this bill is to appropriate \$400,000 to support art education in public schools.

Specifically, this bill aims to strengthen arts curriculum in the public schools by:

1. Establishing arts resource centers;
2. In-service courses for teachers;
3. Participation in conferences and workshops;
4. Curriculum planning, writing, implementation and evaluation; and
5. Specialized supplies and equipment.

The sum appropriated is to be expended by the state foundation on culture and the arts. Your Committee finds that arts education is essential in helping students learn to think and communicate in innovative ways. Realizing the need to provide appropriate funding for the implementation and continuation of substantive arts programs in Hawaii's public schools, your Committee has amended this bill to allow funds to be expended by the Department of Education, in consultation with the state foundation on culture and the arts, the Hawaii alliance for arts education, and other interested organizations.

Furthermore your Committee has amended this bill to allow for the matching of federal funds to effectuate learning through varied art forms. Your Committee has directed the state foundation on culture and the arts to develop a master plan for an integrated high school learning center for the Pacific arts, in consultation with the Hawaii alliance for arts education and other interested arts organizations. Your Committee has also directed that the master plan integrate relevant elementary and intermediate (middle) school programs into the master plan.

In view of the fact that currently the Music, History, and Humanities Learning Center Pearl City High School is in need of a technician, your Committee has amended this bill to include a \$40,000 appropriation for such purpose; this sum is to be expended by the Department of Education.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2896, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Aki, Baker and Koki.

SCRep. 2132 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on S.B. No. 3012

The purpose of this bill is to strengthen and enhance the ability of the Kaho'olawe Island Reserve Commission to carry out its mission pursuant to Chapter 6K, Hawaii Revised Statutes.

The Commission was established in 1993 to facilitate transfer of the island of Kaho'olawe to the State of Hawaii and ensure its use for the preservation of Hawaiian cultural, spiritual, and subsistence practices; preservation of archaeological, historical, and environmental resources; environmental protection and enhancement; and education.

This bill establishes a Rehabilitation Trust Fund to carry out the purposes of Chapter 6K and appropriates \$150,000 for deposit therein, allows the Commission to hire civil service exempt employees, transfers rulemaking authority from the Department of Land and Natural Resources to the Commission, and appropriates \$100,000 to complete negotiations on a memorandum of understanding with the United States Navy.

Your Committees find that this measure will facilitate return of Kaho'olawe to the State of Hawaii and ensure its efficient and appropriate restoration and use.

Your Committees have amended this bill by making the appropriations effective on July 1, 1994, and by making some technical changes that have no substantive effect.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management are in accord with the intent and purpose of S.B. No. 3012, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3012, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2133 (Joint/Majority) Higher Education, Culture and Arts and Historic Preservation and Agriculture on S.B. No. 3068

The purpose of this bill is to enable the Department of Land and Natural Resources to designate native Hawaiian subsistence fishing areas, and to implement fishery management strategies for native Hawaiians in the exercise of their customary and traditional rights of subsistence, cultural, and religious practices.

Your Committees find that native Hawaiians have always depended on fishing for basic sustenance. This bill provides for the protection and preservation of fishing areas utilized for subsistence purposes and for the exercise of native Hawaiian cultural and religious practices.

Your Committees have amended this bill by adding a new section which directs the Department to create a fishing pilot demonstration project on Molokai with Hui O Mo'omomi designated as steward.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Agriculture are in accord with the intent and purpose of S.B. No. 3068, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3068, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Aki, Baker and Koki.

SCRep. 2134 Science, Technology and Economic Development on S.B. No. 2396

The purpose of this bill is to compel the Public Utilities Commission (PUC) to act expeditiously on the application for a certificate of public convenience and necessity of a utility qualifying as a small business under the federal Small Business Administration and to enable public utilities having annual gross revenues of less than \$2,000,000 to set rates for any competitive service without PUC approval.

Your Committee finds that small businesses providing public utility services should be encouraged but that applications for certificates of public convenience and necessity by small businesses are likely to involve contested case proceedings due to intervention by a monopoly provider. Your Committee believes that the PUC should expedite the review of applications regardless of the business size.

The PUC submitted testimony opposing this bill for the reason that they feel they are already acting expeditiously on applications and that section 269-16.9, Hawaii Revised Statutes, already provides for an exemption process for telecommunications providers. The Department of Business, Economic Development, and Tourism (DBED) submitted testimony supporting the intent of the bill but deferred to the PUC as to the impact of the bill on current regulations.

Your Committee has amended this bill on the recommendation of DBED by substituting "small business" with applicants having "fewer than fifty employees." Your Committee has also limited scope of the bill to apply to telecommunications public utilities.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2396, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2135 Human Services on S.B. No. 391

The purpose of this bill is to require that assistance payments to persons with a psychiatric disability or who are drug addicted be made to a trustee rather than the eligible person.

Your Committee finds that persons suffering from addiction may use general assistance payments to purchase drugs or alcohol. As a member of the U.S. Senate Special Committee on Aging has said, "Each month, the government is giving vulnerable people the money to poison and kill themselves." Because of their addiction, these individuals may not receive counseling and might not enter a treatment program or case management plan. The availability of these funds directly to the recipient creates a disincentive to seek lifestyle changes.

Your Committee has amended the bill to:

- (1) Establish a demonstration project;

- (2) Require the Department to solicit proposals from nonprofit agencies interested in serving as trustee; and
- (3) Determine the number of recipients in the program based on the funds and trustees available.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 391, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Aki.

SCRep. 2136 Human Services on S.B. No. 2012

The purpose of the bill is to provide caregivers an income tax credit of up to \$3,000 per year.

Your Committee finds that home care is a desirable alternative to long-term nursing home care in that the necessary services are rendered in a person's home by family, friends, and caregivers. Your Committee further finds that the comparative cost is much less in the case of home care.

Your Committee has amended the bill to require the director to prepare claim forms which must be filed by a claimant before the end of the twelfth month following the end of the taxable year. Other amendments delete all reference to a stipend paid to caregivers and define the term "caregiver". Nonsubstantive technical changes have also been made for the purpose of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2012, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

SCRep. 2137 Human Services on S.B. No. 2141

The purpose of this bill is to create the Spouse and Child Abuse Program Special Account.

Your Committee finds that the executive branch has been too quick to cut appropriations to non-profit agencies when savings are needed, rather than look at internal operations. The mechanism of a special account can be used to assert legislative priorities and preserve legislative prerogatives.

Your Committee has amended the bill to delete all references to the sources for funding the account.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2141, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

SCRep. 2138 Human Services on S.B. No. 2285

The purpose of this bill is to adjust the standard of need on July 1, of each year in the event of a change in the federal poverty level.

Your Committee finds that assistance payment levels in Hawaii have failed to keep pace with inflation and that these benefits are less than the poverty level currently set by federal guidelines.

Your Committee has amended the bill by:

1. Providing for the transfer of persons receiving general assistance to the Federal Supplement Security Income program;
2. Requiring the Department of Health and Human Services to establish a demonstration project to formulate procedures to transfer general assistance recipients to federal assistance;
3. Allowing any funds saved by the project to be used for assistance needs; and
4. Exempting aid to families with dependent children from the department's rules for subtracting income from the standard of need, unless mandated by federal regulations.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2285, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

SCRep. 2139 Human Services on S.B. No. 2479

The purpose of this bill is to provide more effective means for recovery of unauthorized payments under the states assistance programs.

Your Committee finds that many recipients of public welfare are in fact taking advantage of a system designed for the poor. It is a common practice for upper-class individuals to conceal or transfer their assets to become qualified for taxpayer-funded benefits.

The bill allows the Department of Human Services to recover benefits paid against any living trust of a deceased recipient into which real property has been transferred less than five years prior to the date the decedent became a recipient. The bill also deletes the provision protecting estates where there is a surviving spouse or dependent child who is blind or disabled from recovery actions.

Your Committee has amended the bill by deleting the contents and substituting provisions to:

- (1) Allow recovery for benefits paid to persons over age fifty-five; and
- (2) Require the Department to seek recovery if it can reasonably determine that a recipient in a nursing home has no spouse or dependent children and cannot return home or if the recipient has received or is entitled to receive long term care insurance benefits.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2479, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

SCRep. 2140 Human Services on S.B. No. 2485

The purpose of the bill is to direct the auditor to conduct a management and financial audit of the Department of Human Services.

Your Committee finds a need for the Department to maximize the use of federal matching funds to ensure adequate services from the most qualified service providers.

Your Committee received testimony on the bill from the Department.

Your Committee has amended the bill by providing that the audit examine whether the Department has maximized federal matching funds and by amending the purpose section accordingly.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2485, S.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senator Aki.

SCRep. 2141 Human Services on S.B. No. 2734

The purpose of this bill is to establish a pilot program for the recovery from third parties of costs for health care services provided by public assistance programs.

Your Committee finds a need to pursue every means to avoid the payment of unauthorized claims against public assistance funds and to recover all sums to which the State is lawfully entitled after payment has been made.

Your Committee has amended the bill by:

- (1) Deleting the provisions for the establishment of recovery of funds by private organizations;
- (2) Extending from thirty months to thirty-six months, the allowable period for transfer of assets for the purpose of determining eligibility;
- (3) Revising the list of assistance programs which will subject the applicant to real property liens;
- (4) Authorizing the Director to consider extreme hardship in decision to release real property;
- (5) Providing criminal penalties for knowingly transferring assets for the purpose of obtaining benefits; and
- (6) Lowering from sixty-five to fifty-five, the age of a descendant, that permits filing of liens against the estate for recovery of medical assistance.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2734, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

SCRep. 2142 Human Services on S.B. No. 2999

The purpose of this bill is to establish a means for improving the efficiency and accountability of the purchasing and contracting process for health and human services.

Your Committee finds a need to create a collaborative process to improve the planning and management of health and human services including the purchase of services.

Your Committee has amended the bill by:

- (1) Creating a Purchase of Service Unit within the State Procurement Office;
- (2) Establishing a Purchase of Service Oversight Council and defining its membership and duties;
- (3) Placing the powers and duties of the Unit in an administrator rather than a division;
- (4) Removing the exclusion of grants, subsidies and purchase of services from the application of Chapter 103D, Hawaii Revised Statutes, Public Procurement Code;
- (5) Deleting provisions to place the administration of the purchase of services within the Department of Accounting and General Services;
- (6) Establishing a Purchase of Service Council and defining its membership and duties;
- (7) Requiring sixty day notice for the termination of purchase of service contracts or thirty days where the reconsideration process has been completed;
- (8) Extending the authorization for purchase of service contracts from two to five years;
- (9) Authorizing grants for a period not to exceed one fiscal year rather than two;
- (10) Specifying that the Act shall be repealed on July 1, 1997.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 2999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2999, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

SCRep. 2143 Human Services on S.B. No. 3031

The purpose of this bill is to establish the Hawaii long-term care trust fund to administer an actuarially sound long-term care financing program.

Your Committee finds that all citizens desire a choice in selecting a health care provider and should have available an array of essential services with full protection for long-term care, regardless of the individual's health status. Your Committee further finds that the establishment of a mechanism for financing long-term care to secure individuals and families against depleting their financial and other resources builds upon the spirit of Hawaii's long-standing prepaid health care example.

Your Committee has amended the bill to:

- (1) Require the interim trustees to review public and private insurance plans in the determination of a financing program;
- (2) Provide the procedure for termination of the program which requires legislative approval;
- (3) Require the interim trustees to submit to the Legislature prior to the 1995 Session a financing plan;
- (4) Create a seven member interim advisory panel appointed by the governor;
- (5) Clarify that participants who purchase coverage for co-insurance are exempt from the listed excluded services and may receive co-insurance payments without penalty; and
- (6) Specify that no premiums shall be imposed or assessed until authorized by the legislature.

Your Committee on Human Services is in accord with the intent and purpose of S.B. No. 3031, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3031, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Aki.

SCRep. 2144 (Joint) Human Services and Health on S.B. No. 2187

The purpose of this bill is to afford the elder population of Hawaii now and in the future an alternative to prohibitively expensive institutional long-term care by encouraging and supporting the development and expansion of community-based adult day health centers as a viable long-term care alternative.

Your Committees find that the older adult population in Hawaii is increasing at a rate that will soon require three times the resources for long-term care, but that institutional long-term care may not be affordable or available for many of Hawaii's families. Your Committees further find the need for alternative community-based long-term care services must be encouraged and developed.

Your Committees have amended the bill by making technical changes for the purposes of style, clarity, and conformance with recommended drafting techniques.

Your Committees on Human Services and Health are in accord with the intent and purpose of S.B. No. 2187, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2187, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Aki.

SCRep. 2145 (Joint) Human Services and Health on S.B. No. 2382

The purpose of this bill is to allow patients covered by the Health QUEST System to contact a specialist for treatment without the necessity of first contacting a primary care provider.

Your Committees find that the proposed Health QUEST System has the potential to bring runaway Medicaid costs under control. The State Health Insurance Program and general assistance programs would receive support from federal funds rather than rely exclusively on state funds. Under QUEST, a limit would be placed on the cost of services per person, thereby passing part of the risk of increased use of medical care to the private sector.

Your Committees see the Health QUEST System as a method of reaching the ultimate goal of providing equal access and coverage for the health needs of all citizens at a reasonable cost using a true public private partnership.

Your Committees received testimony relative to the bill from the Department of Health, Department of Human Services and the State Health Planning and Development Agency. Written testimonies on Health QUEST System issues were also received from virtually every major medical society or association in the State. Testimonies were also received from numerous firms and individuals engaged in health care.

Your Committees have amended the bill by substituting its entire contents with provisions that seek to continue the discussion and review of the QUEST program. Specifically, the bill as amended, encourages responses to issues relative to funding, transfer of funds and personnel, program specifics, recovery programs, purchase of services, repeal of the Hospital and nursing home tax, bonding requirements for community health centers, and termination of the program.

It should be noted that your Committees believe that QUEST cannot be implemented without legislative approval. As stated by the legislative auditor, "The legislature [has] exclusive power to make appropriations. The legislature establishes state policies and implements programs through this power of the purse."

Your Committees on Human Services and Health are in accord with the intent and purpose of S.B. No. 2382, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2382, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Aki and Grauly.

SCRep. 2146 Labor and Employment on S.B. No. 2015

The purpose of this bill is to reduce the unfunded liability of the Employees' Retirement System (ERS) by allowing the ERS to retain more of its investment income to liquidate that liability.

Specifically, the bill allows the ERS to retain earnings in excess of the statutory eight percent investment yield rate according to a graduated formula beginning on July 1, 1995. By July 1, 2001, all of the investment earnings of the fund will remain with the fund.

Your Committee finds that as of June 30, 1993, the ERS has had an unfunded pension obligation of \$1.6 billion and this liability is projected to increase significantly over ensuing years if not mitigated. This trend endangers the long term financial stability of the ERS and could place a financial burden on future state taxpayers.

Your Committee further finds that between 1983 and 1993, \$996 million in excess earnings was credited to the State and counties, enabling them to fund other government programs in lieu of the required contributions. If the ERS had been allowed to retain the \$996 million, it would be fully funded today and the need for contributions by the State and counties would be significantly lessened.

Your Committee believes that the bill will help the ERS to become fully funded, thus ensuring the financial stability of not only current retirants, but future ones as well.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2015 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2147 Labor and Employment on S.B. No. 2019

The purpose of this bill is strengthen and clarify the duties, responsibilities, and prerogatives of the Board of Trustees of the Employees' Retirement System (ERS), and require increased accountability in the management of the System's assets.

Specifically, the bill:

- (1) Requires the Board to report on the probable or expected effects of any proposal to change benefits under Chapter 88, Hawaii Revised Statutes;
- (2) Requires performance audits of the ERS at least once every four years;
- (3) Changes the composition of the Board to eleven members by adding one System member and three non-System members and deleting the Director of Finance as a voting member, with System members to be appointed by the collective bargaining units and the retirant member to be elected by the System's retirants. Appointed members will be limited to two six-year terms. The Director of Finance will continue to sit on the Board as an ex officio non-voting member;
- (4) Increases the Board's quorum for doing business from five to six;
- (5) Establishes guidelines requiring that investments be made with prudence and discretion, considering probable safety of capital as well as probable income and eschewing speculation. Other guidelines: require that the total book value of all real estate investments shall not exceed five per cent of the total book value of all the System's investments; require that each investment be subject to the assessment and evaluation of a professional investment advisor employed by the Board; require that preference be given to in-State investing whenever feasible; prohibit commercial loans for recreational properties such as golf courses; require loans exceeding \$25 million to be made jointly or severally with one or more additional lender; require all borrowers to invest a substantive percentage of their own money in the project;
- (6) Requires the Board to establish goals and objectives governing investments, policies and guidelines to carry out the goals and objectives, procedures for waiving restrictions, procedures relating to conflict of interest and abstention from voting, and provision for documenting failure of a trustee to adhere to a rule; and
- (7) Provides an appropriation for an independent audit of the System during fiscal year 1994-1995.

Your Committee is cognizant of the concerns regarding the ERS expressed through the media and by the general public, and the efforts of the Special Committee on the Employees' Retirement System and Government Procurement and others to uncover, address, and remedy real or perceived problems relating to benefits, investments, and conduct of business. While the System and the Administration can do much to address these problems, it is incumbent on the Legislature to provide more specific policies, guidelines, and requirements to ensure the continued integrity of the System and its vast resources.

Therefore, to further strengthen and enhance the policies and means expressed in this bill, your Committee has made the following amendments:

- (1) Prohibited members of the Board from having any direct or indirect interest in a real estate development group, business, or firm within or without the State;
- (2) Required the Chairperson of the Board to give initial orientation to new trustees within one month of seating covering duties, ethical constraints, current projects and investments under consideration, and System operations, and to once a year hold educational seminars for all trustees on selected topics relevant to the ERS;
- (3) Provided that the Trustees who are members of the System shall be elected by the general membership or by System retirants, as appropriate; that no appointed Trustee shall serve more than one term; and that the Director of Finance may send a designee to sit in on Board meetings;
- (4) Required the Board to hire one or more real estate advisors for every new real estate investment and obtain an appraisal of the property prior to the transaction;
- (5) Increased the ceiling on real estate investment to ten percent of the total book value of all the System's investments;
- (6) Deleted the five percent requirement for a borrower's personal investment;
- (7) Required all trustees to be actively involved in any commercial real estate loan venture valued at more than \$30 million; and
- (8) Added an appropriation for Trustee orientation and training purposes.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2019, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

The purpose of this bill is to repeal the section in Act 364, Session Laws of Hawaii 1993 requiring the Auditor to study and report to the 1994 regular session of the Legislature on the salary and classification of Department of Education educational officers.

Included in this section is provision for the prospective repeal of Sections 297-31.2 through 297-31.5, Hawaii Revised Statutes, delineating the role and composition of the Educational Officers Classification/Compensation Appeals Board, unless those sections are reenacted or amended during the 1994 or 1995 regular session.

Your Committee finds that all public employees should have appeal rights. This bill preserves the Educational Officers' right to due process in appealing Department actions relating to classification and repricing.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2098 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2149 Labor and Employment on S.B. No. 2113

The purpose of this bill is to provide a statutory formula for computing increases in the post retirement allowance for public pensioners.

Under current law, on July 1 of each year all retirants and beneficiaries receive an automatic post retirement benefit increase of two and one-half percent of the original retirement allowance, not compounded.

This bill provides that beginning on July 1, 1995, the post retirement increase for retirees and beneficiaries who are age sixty-five and older will be the greater of the current two and one-half percent or one-half of the annual increase in the Honolulu Consumer Price Index. Younger pensioners will continue to receive two and one-half percent. The bill also caps the increase at six percent.

Your Committee finds the current post retirement benefit has not been adjusted since 1970, and that an increase is needed to help retirees and beneficiaries, most of whom are on fixed incomes, keep pace with the cost of living.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2113 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2150 Labor and Employment on S.B. No. 2150

The purpose of this bill is to replace the language of the domestic service exclusion under the Unemployment Insurance law with a reference to Section 3306(c)(2) of the federal Internal Revenue Code.

Currently, Section 383-7(2), Hawaii Revised Statutes, specifies that domestic services are not considered employment for Unemployment Insurance purposes if the employer pays less than \$225 to an individual and less than a total of \$1,000 in cash wages for all individuals per calendar quarter for such services. The intent of this earnings test is to protect coverage of individuals who are employed on a regular basis performing services of a household nature such as housekeeping, cooking, or gardening.

Your Committee finds that the reference to federal law will not disturb the \$1,000 limitation but will effectively eliminate the additional \$225 per calendar quarter qualifying requirement. Since the state minimum wage is \$5.25 per hour, deletion of the \$225 restriction will serve the purpose of the statute while protecting domestic workers.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2124 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2151 Labor and Employment on S.B. No. 3164

The purpose of this bill is to require Workers' Compensation medical fee schedules to reflect prevailing charges allowed by health plan contractors under Chapter 393, Hawaii Revised Statutes, the Prepaid Health Care Act.

Presently, the medical fee schedule is determined by the Director of Labor and Industrial Relations on the basis of Department rules, with adjustments to reflect increases or decreases in the Consumer Price Index.

Your Committee finds that more control has to be placed on the escalating costs of Workers' Compensation in Hawaii, but is not convinced that fashioning a methodology based on the Prepaid Health Care Act, or even on the Consumer Price Index, is appropriate. More flexibility is required to appropriately and expediently address the vagaries of the economy, the labor market, and the insurance industry.

Therefore, your Committee has amended this bill by deleting the new material that would tie Workers' Compensation medical fee schedules to Kaiser or HMSA, and by deleting existing language requiring adjustments based on the Consumer Price Index. In doing so, your Committee finds that the Director will have the authority necessary to effectively and efficiently adjust the schedules when required.

Your Committee's intent in making these amendments is to allow the Director appropriate discretion and not to permit fees to rise above prevailing standards.

Your Committee has further amended this bill by making a technical change that has no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2164, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2152 Labor and Employment on S.B. No. 2165

The purpose of this bill is to require review and approval of costs associated with defending a Workers' Compensation claim.

Under this bill, fees and costs billed to an employer or an insurance carrier by an attorney, including expert witness fees and fees for independent medical examinations, will have to be reviewed and approved by the Director of Labor and Industrial Relations, the Appellate Board, or the court.

In addition, the approving party will be responsible for transmitting the approved amounts to the appropriate parties.

Current law only requires approval of fees and costs paid in connection with prosecuting the employee's claim.

Your Committee finds that the cost of defending a Workers' Compensation claim contributes to the overall cost of Workers' Compensation in Hawaii. Reviewing and to some extent regulating these costs will help to normalize the process and control premium costs.

Your Committee has amended this bill by making some technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2165, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2153 Labor and Employment on S.B. No. 2168

The purpose of this bill is to change the composition of the board of trustees of the public employees health fund to include a retirant of the public employees' retirement system.

Your Committee finds that the present composition of the board of trustees of the public health fund does not explicitly allow for representation of public employee retirants. Your Committee further finds that there are over 22,000 public employee retirants whose interests would be better represented by inclusion of a retirant member on the board of trustees.

Your Committee has amended this bill by indicating that the member should be a retirant of the employees' retirement system to conform with existing statutory language.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2168, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2154 Labor and Employment on S.B. No. 2186

The purpose of this bill is to provide for the impartial examination of injured workers by certified health care providers at the request of employers in order to facilitate adequate medical care or rehabilitation services under Hawaii's Worker's Compensation law.

Your Committee finds that under existing laws injured workers are routinely subject to frequent examinations by physicians who may not be active treating physicians for the relevant injuries or "impartial" to all parties. The unlimited and indiscriminate use of employer initiated examinations increases the cost of Worker's Compensation premiums without necessarily resulting in the expedient termination of cases.

Your Committee has amended this bill by requiring the Director of Labor and Industrial Relations, under Section 386-79, Hawaii Revised Statutes, to consider whether employer requests for examination of injured workers are for good cause and to order examinations only where justified to qualified physicians. Injured employees are also accorded due process and as a cost saving measure, the frequency of such examinations are limited.

In addition, your Committee has amended this bill by requiring the Director to utilize Section 386-80 to order truly impartial examinations from a certified list of physicians where a deadlock exists on medical opinions on issues which are pertinent to a case. Funding for such examinations shall be provided by the Special Compensation Fund under Chapter 386.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2186, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2155 Labor and Employment on S.B. No. 2575

The purpose of this bill is to allow civil actions for violation of any statute within the administrative jurisdiction of the Director of Labor and Industrial Relations if timely and appropriate administrative or other remedies are otherwise unavailable by law.

The court, in addition to awarding judgments and damages to a prevailing plaintiff, shall require the losing defendant to pay all costs of the action, including costs of fees of any nature, civil fines and penalties, and reasonable attorney's fees. The court may also provide injunctive or other relief if necessary.

Your Committee finds that this measure will enhance government efficiency and accountability and help ensure that injured parties are afforded timely and appropriate relief.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2575 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2156 Labor and Employment on S.B. No. 2576

The purpose of this bill is to repeal Chapter 382, Hawaii Revised Statutes.

Chapter 382 was enacted after the longshoremen strike of 1949 to give the Governor the right to seize possession of and operate stevedoring plant facilities in the event of a declared emergency. The law has never been used.

Your Committee finds that Chapter 382 is federally preempted and currently invalid. In Motor Coach Employees v. Missouri, 374 US 74, the U.S. Supreme Court in 1963 reasoned that federal law prohibits states from regulating activities that the national labor laws protect; thus, Chapter 382 can have no basis for application. Indeed retention of this statute creates a risk of potential liability. See Golden State Transit Corporation v. City of Los Angeles, 475 US 608.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2576 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2157 Labor and Employment on S.B. No. 2577

The purpose of this bill is to repeal Chapter 381, Hawaii Revised Statutes.

Chapter 381 provides a process for avoiding interruption of public utility services in the event of a labor dispute.

Your Committee finds that Chapter 381 is federally preempted and currently invalid. In Motor Coach Employees v. Missouri, 374 US 74, the U.S. Supreme Court in 1963 reasoned that federal law prohibits states from regulating activities that national labor laws protect; thus, Chapter 381 serves no current function. Indeed retention of this statute creates a risk of potential liability. See Golden State Transit Corporation v. City of Los Angeles, 475 US 608.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2577 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2158 Labor and Employment on S.B. No. 2630

The purpose of this bill is to make it unlawful to discriminate against a person in employment or public accommodations because of the person's relationship with a person with a disability.

This bill would bring Hawaii law into compliance with the federal Americans with Disabilities Act of 1990 (ADA).

Your Committee finds that current Hawaii law does not prohibit associational discrimination, which ultimately impacts on persons with disabilities. This bill toughens the State's stance against an insidious kind of employer or proprietor that would indirectly discriminate against a disabled person by denying equal access to the disabled person's caretaker.

Testimony presented on this measure was unanimously in support.

Your Committee has always strongly advocated for the rights of all workers and individuals, whether or not disabled, to live to the extent possible without discrimination. This bill strengthens the ability of Hawaii's citizens to receive equal protection against discriminatory actions and to obtain remedy for mistreatment, reflecting the intent and purpose of the ADA and your Committee.

Your Committee has amended this bill by expressly prohibiting discrimination in employment because of a person's work injury, and by clarifying that it is unlawful for an employer to discriminate in terms of fringe benefits. Your Committee also amended the bill by making a technical change that has no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2630, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2159 Labor and Employment on S.B. No. 2647

The purpose of this bill is to authorize the Department of Education (DOE) to classify education paraprofessional positions based on a system that is similar to the classification system for teachers.

Education paraprofessionals provide services to classroom teachers and related services to school support staff and special population students. This employee classification includes educational assistants, communication aides, teaching assistants, counseling assistants, and career education assistants.

Currently, classification and personnel management of these employees comes under the jurisdiction of the Department of Personnel Services. This bill would convert them to a new class of paraprofessionals who will be recruited, compensated, and employed by the Superintendent of Education and the DOE under a new salary classification that recognizes levels of training, ability, skills, and demonstrated competence.

An appropriation of \$249,242 is appropriated to facilitate the conversion.

Your Committee finds that the existing civil service classification, recruitment, and employment system as applied to classroom employees is not appropriate for educational paraprofessionals because it does not respond to the dynamic and changing needs of workers, students, and schools. Civil service recruitment and examination processes, detailed class specifications and job descriptions, job classification reviews, and other traditional civil service controls provide little incentive to attract and retain the most capable individuals and encourage their growth, development, and effective performance on the job. This bill provides a more appropriate alternative.

Your Committee has amended this bill by changing the appropriation to \$1 and by making several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2647, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2160 Labor and Employment on S.B. No. 2726

The purpose of this bill is to place emergency medical services (EMS) workers in contributory class A of the Employees' Retirement System.

EMS workers are currently in noncontributing class C. In contributory class A they will contribute 12.2 percent of their monthly pay towards a higher retirement benefit and will be privileged to retire after twenty-five years of service at any age without penalty. All EMS employees with the State or county will be converted to class A effective December 31, 1994, but those who wish will be able to convert their accumulated class C years to class A pursuant to the buy back provision of Chapter 88, Hawaii Revised Statutes.

The increased retirement benefits provided in this measure are currently provided to employees in high risk positions such as police officers, firefighters, corrections officers, sewer workers, investigators, and water safety officers. Your Committee finds that EMS workers belong in this category.

Your Committee has amended this bill by making a technical change that has no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2726, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2161 Labor and Employment on S.B. No. 2752

The purpose of this bill is to clarify the role of the Chairperson of the Labor and Industrial Relations Appeals Board.

Under this bill, the Chairperson is responsible for administrative functions and the Board may appoint employees as needed, with the exception of clerical and stenographic workers who must be hired in accordance with standard civil service procedures. For purposes of the Procurement Code Section 103D-209(b), Hawaii Revised Statutes, an attorney employed by the Board as full-time staff will not be classified as a deputy attorney general, and hence need not be excepted from that statute.

The bill also provides \$100 administrative fines for violating an Appeals Board Rule relating to administrative hearing procedures.

Your Committee finds that the Chairperson and the Board should have the authority and discretion to appoint key employees and fix their compensation.

However, your Committee cannot endorse stiff fines for each violation of the Board's rules and believes that there must be a better way to provide needed control. Accordingly, your Committee has deleted Section 2 of this bill.

Your Committee has also amended this bill by clarifying the statutory reference to the Procurement Code and by allowing employment of more than one staff attorney. In addition, your Committee has made some nonsubstantive technical changes for the purposes of further clarification and style.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2752, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2162 Labor and Employment on S.B. No. 2762

The purpose of this bill is to convert exempt positions in Department of Labor and Industrial Relations programs to civil service status.

Specifically, the bill converts 24 positions in the Hawaii Career Information Delivery System (Career Kokua), Chapter 373C, Hawaii Revised Statutes; 54 positions in the Transition Center System (Quick Kokua), Chapter 373E; two positions in the Tourism Training Council (Chapter 373F); and seven positions under the Job Training Partnership Act (JTPA) and the Senior Community Services Program (SCSEP).

The fundamental policy governing Hawaii's civil service is adherence to the merit principle pursuant to HRS 76-1. However, in recent years the number of civil service exempt positions in state government has increased dramatically. For the purpose of meeting short term goals or carrying out projects of limited duration, it may be appropriate to hire on a non-permanent exempt basis, but when staffing long-range, permanent programs, employees should be given the protections and benefits of civil service status to the extent possible, lest they may seek more stable and lucrative positions elsewhere.

Your Committee finds that the Hawaii Career Information Delivery System (Career Kokua), Chapter 373C, and the Transition Center System (Quick Kokua), Chapter 373E, adequately justify the conversion from exempt positions to permanent civil service status. Your Committee has amended this bill by deleting Sections 3 through 5.

Your Committee has also amended this bill by making some technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2762, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2163 Labor and Employment on S.B. No. 2763

The purpose of this bill is to provide health insurance coverage to newly hired employees on a more timely basis.

Specifically, the bill requires that health benefits coverage begin on the first day of the month following the date the employee works four consecutive weeks; provided that the employee's health benefit payment is made in advance of the coverage being provided. The bill also excludes student hires from these health benefits.

Your Committee finds that in the case of the State, emergency hires are not provided with health benefits due to the nature of their short term contracts. However, even though these emergency hire contracts were intended for short-term employment, many agencies have been utilizing emergency hires for long periods of time by continuously renewing such contracts, thus depriving them of health benefits.

Your Committee believes that the bill will help ensure that more people will be able to obtain needed health benefit coverage.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2763 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2164 Labor and Employment on S.B. No. 2242

The purpose of this bill is to expand eligibility of sewer workers for the early retirement benefit under the Employees' Retirement System.

Under current law, a sewer worker may retire with full benefits after twenty-five years, regardless of age, but only county employees in specific classifications are granted this benefit.

This bill expands the definition of sewer worker to include any state or county employee who is exposed to occupational hazards associated with sewage treatment, transmission, and disposal.

Your Committee finds that wastewater treatment plant operators are currently ineligible for the same early retirement benefit as wastewater collection workers, although they take the same kind of potentially life-threatening risks. This bill remedies that apparent inequity.

Your Committee has amended this bill by adding wastewater treatment plant operators to the specific list of included classifications in the definition, and by making a technical change that has no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2242, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2165 Labor and Employment on S.B. No. 2283

The purpose of this bill is to clarify the intent and purpose of Act 357, Session Laws of Hawaii 1993 relating to the retirement of water safety officers.

Act 357 was intended to grant retirement eligibility to water safety officers (lifeguards) without reduction in benefits for age upon twenty-five years of service. However, the bill also required water safety officers to become contributory members of the Employees' Retirement System, obligating them to monthly payroll deductions of 12.2 percent in return for a higher retirement benefit. Your Committee believes that the Legislature did not intend to make this conversion unequivocal.

This bill offers water safety officers the opportunity to return to noncontributory status and retire after twenty-five years at any age, but with a substantially lower benefit amount, or remain in the contributory plan and receive the higher retirement benefit. All water safety officers first employed after the effective date of the bill will be in the noncontributory plan.

Your Committee finds that this measure appropriately resolves the confusion resulting from Act 357.

Your Committee has amended this bill by correcting statutory references on pages two and three and by making some technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2283, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2166 Labor and Employment on S.B. No. 2303

The purpose of this bill is to clarify the scope of the State and county civil service systems.

The bill provides that all positions through which personal services are performed for the State or a county, whether current or prospective, are civil service, unless specifically exempted by law. In addition, the bill requires the appropriate Personnel Directors to provide the Legislature with detailed biennial reports on exempt positions, including positions with state or county contractors, and provides means by which aggrieved employees or employee organizations may seek remedy or relief.

Your Committee notes that the roster of civil service exempt positions increases each year despite the obvious intent of the State Constitution and the Legislature that merit should be the guiding principle in appointments and promotions. Your Committee finds that hiring on an exempt basis is often in conflict with this principle and should be discouraged. The clarifications, reports, and remedies in this measure are necessary to readjust incorrect practices and discretions that diverge from Constitutional and legislative intent.

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

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2303, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2167 Labor and Employment on S.B. No. 2367

The purpose of this bill is to authorize acupuncturists to act as the primary physician under Workers' Compensation law.

Current law limits this authority to those licensed as M.D.'s, dentists, chiropractors, osteopaths, naturopaths, psychologists, optometrists, or podiatrists. This bill would place acupuncturists among this highly professional class of

health care providers, enabling them to assume overall responsibility for an injured worker's medical treatment under Chapter 386, Hawaii Revised Statutes, including referrals, concurrent treatment, consultation, and surgery.

Your Committee finds that acupuncture utilizes a broad range of effective health treatment procedures; moreover, licensed acupuncturists currently serve as primary physicians of choice for many of Hawaii's residents. Since the discipline requires licensing and regulation like other health treatment professions, and is growing in popularity among health care consumers, your Committee finds that it is appropriate to allow injured workers to consult an acupuncturist as their primary physician if they so choose.

Your Committee has amended this bill by changing its effective date to July 1, 1995, in order to provide sufficient time to determine the potential ramifications of this change in status of acupuncturists under the Workers' Compensation Law.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2367, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2168 Labor and Employment on S.B. No. 2370

The purpose of this bill is reduce government payroll costs by allowing any public employee who has twenty-five years of service to retire between June 30, 1994 and December 31, 1994 without penalty.

Your Committee finds that the public payroll is growing faster than the tax base and must be streamlined. This bill will help reduce employee compensation costs without imposing forced reductions in current staffing, while maintaining or increasing the current level of employee productivity for less compensation. In addition, this bill will create opportunities for lower level employees to move upward into positions vacated because of retirement, and help reduce unemployment by providing more access to newly vacated entry level jobs.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2370 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2169 Labor and Employment on S.B. No. 2542

The purpose of this bill is to affirm the Legislature's commitment to civil rights and equal protection under the law by implementing comprehensive sexual harassment procedures and standards.

Basic elements of this measure include:

- (1) A comprehensive definition of "sexual harassment" applicable across the spectrum of state agencies, departments, offices, and other administrative subdivisions, the Legislature, and private companies and individuals who do business with the State;
- (2) Standardized internal procedures for reporting, investigating, and resolving formal or informal complaints of sexual abuse;
- (3) Preventative measures;
- (4) Disciplinary actions, including written reprimands, suspensions without pay, disciplinary demotions, and dismissals, or in the case of private contractors with the State, debarment from contracting privileges;
- (5) Provisions for retaining records of complaints and investigations;
- (6) Prohibitions against retaliation for making complaints;
- (7) Prohibition against the making of malicious false complaints; and
- (8) Required training programs and videos on sexual harassment.

The provisions of this bill do not prevent or exclude a victim from filing a complaint with the Hawaii Civil Rights Commission, the federal EEOC, or a circuit court, and is not intended to replace any previously established recourse.

Your Committee finds that the addition of this chapter to the inventory of existing provisions in state laws and rules relating to sexual harassment will have the effect of reducing sexual harassment in state offices and in the offices of programs and businesses holding state contracts. Your Committee believes that all public employees have a right to work in a rewarding and safe environment and will take any appropriate means, such as this measure, to ensure that this right is maintained.

After further consideration, your Committee sees the need to affirmatively extend the safeguards, procedures, and remedies of this measure across the spectrum of government and public employment in Hawaii, including the Judiciary, the counties, and public contractors and their employees, and has amended this bill accordingly. To be consistent with this change, and for the purposes of clarification, strengthening, and enhancement, your Committee has also:

- (1) Defined and prohibited third party sexual harassment by private citizens against public employees;

- (2) Clarified that unlawful sexual conduct in connection with employment need not be explicit;
- (3) Required management or supervisory personnel to take immediate and appropriate action to correct situations of sexual harassment of which they are aware or should have been aware;
- (4) Provided for remedies such as reinstatement, hiring, or job upgrading to victims whose complaints have been upheld, when appropriate;
- (5) Provided for written reports of true complaints to be held for at least ten years after the incident, or five years after the offender separates from the public service, whichever period is longer;
- (6) Required regular policy training updating;
- (7) Deleted the provisions relating to malicious complaints;
- (8) Authorized other training programs of equal impact, quality, and content to be used to satisfy the video requirement;
- (9) Expressly disassociated this chapter from any tolling requirement for filing actions with the Hawaii Civil Rights Commission, the EEOC, or the courts;
- (10) Required contractors to file annual reports on their sexual harassment policies and experiences; and
- (11) Added a new part to the chapter with sections relating to conflicting statutes, ordinances, and contracts and civil remedies and penalties.

Your Committee has also added a severability clause and made some technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2542, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Koki.

SCRep. 2170 Labor and Employment on S.B. No. 2544

The purpose of this bill is to increase the maximum benefits payable to a worker unemployed due to a plant closure or mass lay-off.

Under present law, the maximum amount a claimant may collect in a benefit year is an amount equal to twenty-six times the person's weekly benefit amount. This bill allows a claimant unemployed due to a shutdown resulting in loss of one hundred or more employees at an employer's establishment to collect an amount equal to fifty-two times the person's weekly benefit amount, while a claimant unemployed due to a permanent lay-off of one hundred fifty employees at an employer's establishment can collect up to seventy-eight times the person's weekly benefit amount.

Within the last four years, thousands of workers have lost their jobs due to plant closures or mass lay-offs, and more are expected in the near future. Many of these people have exhausted their benefits while searching for work, and for many no relief is yet in sight. Your Committee finds that this bill is an appropriate response to the problem.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2544 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2171 (Majority) Labor and Employment on S.B. No. 2546

The purpose of this bill is to increase Temporary Disability Insurance (TDI) weekly benefit amounts.

Currently, TDI benefits are calculated on the basis of fifty-eight percent of average weekly wages with a minimum of \$14 per week and a maximum equal to the maximum weekly benefit amount allowed under Workers' Compensation. This bill raises the minimum to \$15.50, increases the percentage factor to sixty, and ties the maximum weekly benefit amount to the state average weekly wage.

Your Committee finds that adjustment is necessary to bring TDI benefits into line with other benefit programs that provide replacement income to unemployed members of the work force.

Your Committee has amended this bill by deleting the proposed change to the basis for determining the maximum TDI weekly benefit amount.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2546, 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. 2172 (Majority) Labor and Employment on S.B. No. 2547

The purpose of this bill is to activate the Hawaii State Compensation Mutual Insurance Fund (Chapter 386A, Hawaii Revised Statutes) effective July 1, 1994.

The Governor is directed to make initial appointments to the Fund's Board of Directors. The Board will thereupon appoint the Fund's Administrator, who will study other state funds and report back to the Legislature with recommendations for fully implementing Chapter 386A. An unspecified sum is appropriated to enable the study and report.

Chapter 386A was enacted in 1985 to impact on the skyrocketing costs of Workers' Compensation in Hawaii. The law provides for the Fund to become operational upon a special appropriation by the Legislature; however, to date this appropriation has never been made.

Your Committee finds that it is appropriate to take another close look at the feasibility of fully activating the Hawaii State Compensation Mutual Insurance Fund. Premium costs have continued to rise since 1985, and a public entity competing with lower premiums might stimulate cost containment or reduction in the marketplace. This measure provides an appropriate means of determining what further actions should be taken in this regard.

Your Committee has amended this bill by changing the amount appropriated to \$1, and by making a technical change that has no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2547, 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. 2173 Labor and Employment on S.B. No. 2548

The purpose of this bill is to ensure the timely resolution of proceedings before the Department of Labor and Industrial Relations (DLIR) and its administratively attached units involved in adjudication of cases and claims.

Specifically, the bill requires that all decisions arising from proceedings before the DLIR and any of its administratively attached boards, commissions, or other units be rendered within ninety days after the conclusion of hearings or submissions for determinations by the respective agency; provided that another law does not require a decision to be rendered earlier. The bill allows for an extension of the deadline only if a party requests an extension and all parties agree to the extension.

Your Committee finds that delays in rendering decisions by the DLIR and its administratively attached agencies typically result in the denial of some benefit or right to an employee. While your Committee recognizes that the DLIR and its agencies operate under numerous constraints and are obligated to take the time to carefully consider the cases before them, your Committee believes that a ninety-day decision making period is fair and reasonable.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2548 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2174 (Majority) Labor and Employment on S.B. No. 2549

The purpose of this bill is to repeal the indefinite disqualification for voluntarily quitting or discharge for misconduct under the Unemployment Insurance Law.

Currently, a claimant who quits without good cause or is discharged for misconduct connected with work must return to the work force for at least five weeks, and be separated from the job for non-disqualifying reasons, to be eligible for benefits. This bill would instead impose a specific disqualification period of from two to seven weeks immediately following the last week of work, after which the claimant would be eligible for benefits. The length of disqualification would be determined on a case-by-case basis.

This bill also deletes the disqualification for suspension for misconduct (week of occurrence plus one to four additional weeks).

In considering this issue, your Committee has examined the two rationales governing disqualification for benefits - indefinite denial until reemployment versus a pre-set punitive disqualification. While the first demands reattachment to the work force to demonstrate availability for work, the other acknowledges that after many weeks without a job, the reason for the person's unemployment becomes less and less clear and may no longer be primarily attributable to the previous separation.

Your Committee finds that the latter is more appropriate for this State and its current labor market and trends, but has amended this bill to provide for a straight eight week disqualification to avoid inconsistent application of denial periods.

Your Committee has also restored the disqualification for suspension for misconduct connected with work, and changed the effective date of the bill to July 1, 1994.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2549, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 2175 (Majority) Labor and Employment on S.B. No. 2550

The purpose of this bill is to strengthen enforcement of Chapter 379, Hawaii Revised Statutes.

Chapter 379 makes it unlawful for an employer to recruit, advertise for, or contract with another person to furnish workers to replace employees in a labor dispute. Violations are treated as misdemeanors and are punishable by a prison term of up to one year and a fine of up to \$1,000, or both.

This bill increases the maximum criminal fine to \$10,000 and allows civil actions to enforce the statutes or enjoin unlawful behavior. In addition, the prevailing employee or employee organization in a civil action may also be awarded civil penalties of up to \$5,000 plus court costs, including fees of any nature and attorney's fees, to be paid by the defendant employer.

Your Committee finds that the stiffer penalties are equitable and will enhance enforcement of this chapter as well as provide a deterrent effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2550 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 2176 Labor and Employment on S.B. No. 2570

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$10,000,000 to implement the Hawaii state compensation mutual insurance fund.

Because of the shortage of surplus cash revenues in the state treasury to implement the Hawaii state compensation mutual insurance fund, and the amount of funding required to properly implement the fund, your Committee finds that it is necessary to authorize the issuance of general obligation bonds in the sum of \$25,000,000, and to appropriate the same sum for fiscal year 1994-1995, to the Hawaii state compensation mutual insurance fund, to sell workers' compensation insurance at the lowest actuarially responsible price.

Your Committee finds that the issuance of general obligation bonds under this bill would preserve the State's cash revenues, promote the interest and general welfare of the public, and operationalize the Hawaii state compensation mutual insurance fund. Your Committee also finds that it is necessary to repeal those laws requiring the Hawaii state compensation mutual insurance fund to repay the abovementioned sum to the State with interest to eliminate the possibility that the fund, when operating as an insurance company, may be deemed insolvent by regulatory authorities.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated to the Hawaii state compensation mutual insurance fund from \$10,000,000 to \$25,000,000, and the means of financing the same from the general fund to the general obligation bond fund; and
- (2) Adding three sections to repeal those laws requiring the Hawaii state compensation mutual insurance fund to repay the abovementioned sum to the State with interest.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2570, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2177 Labor and Employment on S.B. No. 2574

The purpose of this bill is to enable civil actions and injunctive relief for violations of the laws governing commercial employment agencies.

Current law allows the Director of Labor and Industrial Relations to seek revocation or cancellation of an offender's license, or seek criminal penalties, but the statutes are silent regarding the prerogative of an aggrieved person to seek remedy directly through the courts.

Your Committee finds that the remedies currently available are time-consuming and not entirely satisfactory in that those who suffer harm cannot receive restitution or other damages. This bill provides for civil fines in the amount of \$2,500, as well as judgments and damages for the prevailing plaintiff, with attorney's fees to be paid by the defendant.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2574 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2178 Labor and Employment on S.B. No. 2860

The purpose of this bill is to provide affected parties with sufficient and equal informational access to proceedings before the State Labor and Industrial Relations Appeals Board (Board).

Specifically, the bill requires the chairperson of the Board to prepare transcripts of proceedings before the Board at no cost to the parties.

Your Committee finds that currently, transcripts of proceedings before the Board are only made if there is an appeal or a party requests and pays for the transcription. Your Committee also finds that the relative cost of transcription can run into the thousands of dollars, making it prohibitive to those who cannot afford to pay for such services. The end result would be that only insurance companies and employers would be able to afford these services, putting the employee at a disadvantage.

Your Committee believes that the bill provides adequate protection to ensure informational equity in Board proceedings.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2860 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2179 Labor and Employment on S.B. No. 2879

The purpose of this bill is to implement in the workplace the right of privacy under Article I, Section 6 and right of the people to be free from unreasonable searches, seizures, and invasion of privacy under Article I, Section 7 of the State Constitution. The bill creates a new chapter under Title 21, Hawaii Revised Statutes, applicable to private and public work places in Hawaii.

Section 1 of the new chapter reaffirms the fundamental right of privacy endowed to all the people of Hawaii. Delegates to the 1978 Constitutional Convention mandated through Article I, Section 6 of the Constitution that affirmative steps be taken to implement this right of privacy established by common law and by the United States Constitution. Article I, Section 6 provides:

The right of the people to privacy is recognized and shall not be infringed without the showing of compelling state interest. The legislature shall take affirmative steps to implement this right.

In enacting the foregoing section the delegates intended the right to privacy be given the broadest possible scope and coverage. Stand. Comm. Rep. No. 69, Const. Con., 1978. Your Committee finds this measure to be consistent with the spirit and intent expressed by the delegates.

The Committee further finds that with respect to employer initiated drug and alcohol testing the right of employee privacy must be considered in light of public health and safety considerations, and legitimate employer concerns to verify substance use and influence on a case by case basis for cause. Accordingly, your Committee has amended the bill in Sections 2 and 3 of the new chapter to permit greater latitude through pre-employment and random selection testing of applicants and employees in "safety sensitive" jobs the performance of which would present significant life-threatening danger if the incumbent were working under the influence of drug or alcohol. Also, employers are authorized to test employees on a "reasonable cause" basis.

Your Committee believes it is essential to establish a uniform procedure for workplace drug and alcohol testing to ensure all employees with "due process" whenever a drug and alcohol testing program has been initiated by an employer. Section 4 of the new chapter requires testing laboratories to comply with the requirements of Chapter 329B, Hawaii Revised Statutes. Section 5 of the new chapter provides that notice be given to affected employees of substance abuse testing policies and standards which conform with this measure. Section 6 of the new chapter establishes a standardized testing process. Section 7 of the new chapter affords a determination by the Director of Labor and Industrial Relations as to which jobs are "safety sensitive". Section 8 of the new chapter provides a right of appeal from an employer's determination of "reasonable cause" for testing. Section 9 of the new chapter affords any person who obtains a positive test result to obtain a retest. Section 10 of the new chapter ensures confidentiality of test results. Section 11 of the new chapter provides that non-compliance with the uniform procedures established in this bill will result in an invalidation of test results. Section 12 of the new chapter affords employees with positive test results the alternative to participate in an employee assistance or a follow up testing program.

Your Committee finds that employees in private and public workplaces should be free from unreasonable searches and seizures by their employer or persons acting on their behalf. All too often, employees are subject to random and mandatory searches in areas where they have a reasonable expectation of privacy. Section 15 of the new chapter affords employees fundamental protections against such actions.

The bill has been amended to be consistent with applicable federal laws and affords appropriate civil remedies in state court for proper enforcement.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2879, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Koki.

SCRep. 2180 Labor and Employment on S.B. No. 2925

The purpose of this bill is to repeal the County Special Fund for Certification and Payment of County Contributions to the Pension and Retirement System.

This bill is in response to Section 11 of Act 280, Session Laws of Hawaii 1993, which provides that the "Department of Budget and Finance shall develop and submit to the legislature, legislation to repeal the county special fund for certification payment of county contributions to the pension retirement system twenty days prior to the convening of the regular session of 1994."

Your Committee finds that Act 280, which requires repeal or modification of several special and revolving funds in the State, was enacted in response to a report by the Auditor recommending such action. In particular, the Auditor found that the County Special Fund for Certification and Payment of County Contributions to the Pension and Retirement System is inactive because the counties now make payments directly to the System.

Your Committee has amended this bill by making some technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2925, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2181 Labor and Employment on S.B. No. 2933

The purpose of this bill is to preserve the death benefit payable to the beneficiaries or estate of Department of Education employees who die during the transition from a year round school schedule to a traditional ten-month school year.

Currently, a few schools are already on the year round basis, and others are poised to convert from the traditional school year (two months off during the summer) to the year round schedule. However, an employee of a year round school who is transferred back to a ten-month schedule might have to wait for a month or more on non-paid status before the new school year starts in the fall. If the person dies during this non-paid period, the death benefit under the Employees' Retirement System would not be payable because the person was technically not in service.

This bill closes that loophole.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2933, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2182 Labor and Employment on S.B. No. 2951

The purpose of this bill is to establish a worker profiling system under the Employment Security law.

Public Law 103-152 requires state Unemployment Insurance programs to establish a program to identify individuals likely to exhaust benefits, and refer them to reemployment services available under state and federal law. As a condition of eligibility, the claimant must participate in the service or lose benefits. Failure to comply with the provisions of P.L. 103-152 will result in loss of the federal funds required to operate Hawaii's Unemployment Insurance program.

Your Committee finds that early intervention is effective in helping potentially chronically unemployed persons return to the work force.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2951 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2183 Labor and Employment on S.B. No. 2973

The purpose of this bill is to repeal the general excise tax exemption on an employee benefit plan's real estate investment income received after June 30, 1994.

Investment income received after June 30, 1994, under a contract executed prior to July 1, 1994, will not be taxed until the contract is renegotiated, renewed, or extended, or until December 31, 1998, whichever is earlier.

Currently, all amounts received by an employee benefit plan are tax exempt; however, your Committee believes that when this exemption was enacted, it was not envisioned that benefit plans would be making money on real estate investments. This bill equitably distinguishes between the income that enables an employment benefit plan to operate, which should not be taxed, from the income that represents pure profit and should be taxed.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2973 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2184 Labor and Employment on S.B. No. 3065

The purpose of this bill is to enhance the Department of Labor and Industrial Relation's activities with respect to occupational safety and health.

The bill establishes a special fund, with moneys derived from penalties collected pursuant to Section 396-10, Hawaii Revised Statutes, to be used for grants, training programs, safety and health conferences, and consultants needed to advise employers, unions, and employees on matters relating to safety and health. The bill also expands the overall scope of the Department's occupational safety and health education and training component.

The safety and health of Hawaii's workers is of primary concern to your Committee, and this bill is an appropriate means of improving the State's efforts in this area.

Your Committee has amended the provision related to the retention of additional consultants by requiring that consultants be equally available to unions and employees as well as to employers.

Your Committee has amended this bill by adding a new section to Chapter 396 requiring the Department to report each year on occupations and other employment activities that are considered unsafe and are predominantly performed by women. While there are many studies on hazardous work customarily performed by men, your Committee finds that there is insufficient information available on the safety and health of women who perform hazardous employment tasks. Funding for the Department's annual report on unsafe employment of women shall be provided by the occupational safety and health and assistance fund created by this measure. This amendment will help fill this information gap.

Your Committee has further amended this bill by making several nonsubstantive technical changes for the purposes of clarity, style, and conformance with recommended drafting technique.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3065, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2185 Labor and Employment on S.B. No. 3092

The purpose of this bill is to reduce the unfunded liability of the Employees' Retirement System (ERS) by allowing the ERS to retain more of its investment income to liquidate that liability.

Specifically, the bill allows the ERS to retain earnings in excess of the statutory eight percent investment yield rate according to a graduated formula beginning on July 1, 1995. By July 1, 2001, all of the investment earnings of the fund will remain with the fund.

Your Committee finds that as of June 30, 1993, the ERS has had an unfunded pension obligation of \$1.6 billion and this liability is projected to increase significantly over ensuing years if not mitigated. This trend endangers the long term financial stability of the ERS and could place a financial burden on future state taxpayers.

Your Committee further finds that between 1983 and 1993, \$996 million in excess earnings was credited to the State and counties, enabling them to fund other government programs in lieu of the required contributions. If the ERS had been allowed to retain the \$996 million, it would be fully funded today and the need for contributions by the State and counties would be significantly lessened.

Your Committee believes that the bill will help the ERS to become fully funded, thus ensuring the financial stability of not only current retirants, but future ones as well.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3092 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2186 Labor and Employment on S.B. No. 3174

The purpose of this bill is to exclude service charges from the definition of wage for the purposes of calculating minimum wage.

Your Committee finds that within certain service industries there are conflicting practices in the calculation of minimum wage, wherein some employers include service charges in the minimum wage while others do not. Your Committee further finds that these service charges are similar to tips and gratuities, and therefore should similarly be exempt from the definition of wage in order to conform with the intent of the minimum wage law.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3174 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2187 Labor and Employment on S.B. No. 3170

The purpose of this bill is to promote the furtherance of job-related education, training, and retraining within the State by creation of a new public-private partnership formalized as a new chapter in the Hawaii Revised Statutes.

Basically, the bill requires employers with fifty or more employees to allow regular employees (those who have been employed for at least seven years) to take up to six months of unpaid leave to pursue education related to the person's employment or the employer's business. The employer must hold the employee's job open during the leave and continue providing benefits when the employee returns. Approval of an application for educational leave can only be denied in writing, including reasons for denial and conditions that could reverse the decision. An employer who subsidizes an educational leave is entitled to recover expenditures if the employee leaves the employer within a year of returning to work. Violations of the chapter may only be enforced by an employee directly to the circuit court.

Employers who assist employees with tuition costs will be allowed a \$50 tuition tax credit, and any income so provided to the employee by the employer will be deductible from the employee's gross income tax liability.

Your Committee finds that helping employees obtain relevant education and training is essential to maintaining a vital and competent workforce. Your Committee also finds that responsibility should be borne through public/private partnership as provided in this measure. In this age of rapidly changing needs and technologies, an educated, competitive workforce that is able to adapt will ensure the economic viability of not only employers and their employees but of the State as well.

After further consideration, your Committee has strengthened this bill by making the following amendments:

- (1) Deleted the income tax credit and deduction, but expressed in section -1 of the new chapter that employers and employees will be able to take advantage of the provisions of Sections 162 and 127 of the Internal Revenue Code, respectively, as those provisions relate to tax deductions and income exclusions for educational activities adopted by Hawaii pursuant to Chapter 235, Hawaii Revised Statutes;
- (2) Clarified the definition of "regular employee" to specifically include those workers who work at least twenty hours per week;
- (3) Clarified that the leave may be taken in increments or all at one time;
- (4) Required all employers to adopt and post educational leave policies;
- (5) Required employers to report to the Director of Labor and Industrial Relations on educational leave activities, and the Director to report to the Legislature on the status of leave usage under the chapter;
- (6) Added a section to the chapter protecting more liberal benefits that an employer may already have in place; and
- (7) Added a severability clause.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3170, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2188 Labor and Employment on S.B. No. 2573

The purpose of this bill is to ensure the safe operation of lifting devices by requiring their operators to be licensed elevator mechanics, as that term is defined in Section 448H-1, Hawaii Revised Statutes.

The measure expressly applies to operation, construction, reconstruction, alteration, maintenance, mechanical or electrical work, or adjustments to elevators, dumbwaiters, stage lifts, mechanized parking garage elevators, escalators, moving walks or ramps, and manlifts.

Your Committee finds that this bill will help promote the public's safety by codifying a final decision of the Elevator Mechanics Licensing Board in a dispute arising in connection with performance of "aesthetic work" on elevators. When enacted, job site inspectors from the Department of Labor and Industrial Relations will have authority to take immediate corrective action if they observe personnel lacking in qualifications attempting to perform work on elevators and other such specialized equipment.

Upon review your Committee has amended this bill to include "apprentice elevator mechanics" as defined in section 448H-1 as qualified personnel since they have a minimum of two years supervised work experience.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2573, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 2189 Labor and Employment on S.B. No. 2050

The purpose of this bill is to prohibit elected officials from immediately assuming high paying appointed positions with the State, a county, the judiciary, or a legislative agency, after leaving office.

The bill also requires that the salary and years of service earned by an elected official for legislative service be calculated separately from that of other service when computing the individual's retirement benefit amount. The retirement allowance of elected officials is calculated at a higher rate than most other public employees.

This bill would prohibit them from accepting an appointed public position until they have been retired from elective office for five or more years and precludes the combining of the salaries of such positions with legislative salary and service in calculating the official's final retirement allowance.

Your Committee finds that this bill will be useful in forestalling actual or perceived conflicts of interest relating to the different benefits associated with service in the separate but equal executive, judicial, and legislative branches of government.

However, your Committee believes that a five-year waiting period is unduly restrictive and might result in the loss of otherwise qualified individuals needed to perform important public services. Your Committee is also concerned that this bill might inappropriately prevent a retired elected official from competing for available, non-appointed civil service positions for which he or she might otherwise be qualified and should be able to freely apply.

Therefore, your Committee has amended this measure by clarifying that the prohibition relates only to civil service exempt appointed positions and will be imposed for a period of two, rather than five, years.

In making these changes, your Committee is mindful of the intent of the Legislature in enacting the Ethics Code, Chapter 84, Hawaii Revised Statutes, in 1972. In its Committee Report on H.B. No. 54, the Senate Public Employment Committee wrote: "In drafting a conflict-of-interest statute, it is easy to become overzealous and to forget the impact which a broad restriction may have. A statute clearly should prohibit conflicts of interest which are most damaging to the standards of good government and yet not prohibit so much that competent people will be discouraged from serving...."

Your Committee has also amended this bill by making a technical change that has no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.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 Hagino and Koki.

SCRep. 2190 Labor and Employment on S.B. No. 3190

The purpose of this bill is to require all members of the Employees' Retirement System who retire with less than twenty-five years of service to bear part of the cost of their health benefit plans.

Currently, public employees who had less than ten years of service at retirement pay half of their monthly premiums while the State or county pays the other half. Employees who retire with ten or more years of service receive health coverage for themselves, their spouses, and their dependents free of charge.

Under this bill, effective July 1, 1994 anyone who retires with less than fifteen years of service will pay half of the monthly premiums, while those who retire with at least fifteen but less than twenty-five years of service will pay twenty-five percent. The State or county will pay one hundred percent of the premiums of any employee who retires with at least twenty-five years in the public service.

Your Committee finds that while the benefits provided by the State of Hawaii and the counties are among the most generous anywhere, if the costs of providing those benefits increase faster than the ability of the employer to provide them, an adjustment must be made. Such is the case today. Hawaii's government cannot afford to continue bearing the entire cost of covering the growing number of employees who retire with substantially less than the number of years of service generally associated with a career in the public service.

Your Committee has amended this bill by making some nonsubstantive technical changes for the purpose of clarity.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3190, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2191 Labor and Employment on S.B. No. 3271

The purpose of this bill is to ensure that injured employees on Workers' Compensation continue to receive the other employment-related benefits they were receiving at the time of injury.

Benefits include group life, health, disability, sick leave, vacation leave, educational benefits, and pensions, and would remain payable during a temporary disability until it is demonstrated that the claimant is no longer able to perform his or her usual job and the employer has no other work that the claimant is able to do. Provision is made for enforcement and penalties, including injunctive relief.

Current law prohibits suspension or discharge during temporary disability but is silent regarding other employment benefits that the employee might have been receiving when injured. Thus, an employee who suffers a work-related injury has no recourse if the employer terminates medical and dental coverage, or life insurance, or other important benefits that up until the injury had customarily been associated with the individual's employment.

Your Committee finds that benefits are an essential element of employment and should be protected along with an injured employee's position. While Workers' Compensation may to an extent replace wages, your Committee believes that an employer has an obligation to continue providing benefits for as long as the employer-employee relationship exists. Your Committee notes that the federal Family Leave Act also takes this position and requires that employers continue to pay benefits when an employee is on temporary leave for compelling personal reasons.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3271, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2192 Labor and Employment on S.B. No. 3315

The purpose of this bill is to prohibit capricious Workers' Compensation policy cancellations or non-renewals and open Workers' Compensation rate-filing and ratemaking procedures to public scrutiny and appeal.

Specifically, the bill:

- (1) Prohibits policy cancellations or non-renewals except for non-payment of premiums or when otherwise allowed by law;
- (2) Prohibits non-renewal on discriminatory basis or because the insured has contested a rate increase;
- (3) Requires thirty days notice of cancellation or non-renewal and allows contested case hearings in which the insurer bears the burden of proof;
- (4) Prohibits renewal deposit premiums;
- (5) Requires the Insurance Division to publicly announce prospective approval of rate filings and allow insureds adequate opportunity to object to and challenge the action;
- (6) Requires insurance companies to submit detailed information in support of requests for rate increases;
- (7) Requires insurance companies to submit data in support of rate increases allegedly enabled by statutory changes;
- (8) Requires credible statistical evidence to support a request for an increase in class rates of more than five percent;
- (9) Allows contested case hearings of Division approved filings;
- (10) Requires insurance companies to bear the burden of proof in justifying rate increases, and pay the costs of any hearing in which they fail to prevail; and
- (11) Requires the Insurance Commissioner to institute proceedings within two years in any case in which an insured was not afforded the right to intervene and participate in rate-filing or ratemaking as a party in interest.

Despite positive legislative efforts in the past several years, Workers' Compensation rates in Hawaii continue to escalate at an alarming rate. This bill seeks to open the rate-filing and ratemaking process to full public scrutiny, with free access to crucial documents and opportunities for appeal. Your Committee believes that these provisions will have a beneficial effect on the process and help to keep rates at a level that appropriately balances the needs of consumers and insurance companies alike.

Your Committee has amended this bill by making some technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3315, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 2193 (Joint) Labor and Employment and Human Services on S.B. No. 2194

The purpose of this bill is to establish and fund an early education demonstration project to encourage creation of new education facilities for immigrant and refugee children.

The project will be located in the Office of Community Services, Department of Labor and Industrial Relations, and will concentrate on training immigrants and refugees to become early education providers, provide grants to convert and renovate existing facilities, and establish an early education resource lending center.

Your Committees find that early education will better enable Hawaii's immigrant and refugee children to make satisfactory adjustments to their new environments.

Your Committees have amended this bill by changing the amount of the appropriation to \$1, and by making some technical changes that have no substantive effect.

Your Committees on Labor and Employment and Human Services are in accord with the intent and purpose of S.B. No. 2194, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2194, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2194 (Joint) Labor and Employment and Human Services on S.B. No. 2195

The purpose of this bill is to fund statewide forums for minorities and disadvantaged people in Hawaii through the Office of Community Services, Department of Labor and Industrial Relations, in consultation with the Inter-Agency Council for Immigrant Services.

Your Committees find that public forums are an appropriate and cost effective means of facilitating and enhancing program development, delivery, and coordination, and assisting public and private organizations with their missions relating to immigrants, refugees, and indigent persons.

Your Committees have amended this bill by inserting the amount of \$1 for the appropriation, and by making some technical changes that have no substantive effect.

Your Committees on Labor and Employment and Human Services are in accord with the intent and purpose of S.B. No. 2195, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2195, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2195 (Joint) Labor and Employment and Human Services on S.B. No. 2202

The purpose of this bill is to fund a training and pilot program by which multilingual and multicultural workers will assist immigrants and refugees with accessing available public and private services.

The program will operate out of the Office of Community Services, Department of Labor and Industrial Relations.

Your Committees find a need for more capability in the field of multilingual and multicultural service provision in Hawaii, especially proactive responses to conditions that inhibit satisfactory economic and social adjustments on the part of immigrants and refugees.

Your Committees have amended this bill by inserting the sum of \$1 as the appropriation and by making a technical change that has no substantive effect.

Your Committees on Labor and Employment and Human Services are in accord with the intent and purpose of S.B. No. 2202, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2202, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2196 (Joint) Labor and Employment and Human Services on S.B. No. 2203

The purpose of this Act is to appropriate funds to implement and staff training programs for immigrants and refugees in Hawaii.

The funds will be expended by the Office of Community Services, Department of Labor and Industrial Relations.

Your Committees find that quality training is an efficient and cost effective means of helping newcomers to this State to become self-sufficient.

Your Committees have amended this bill by inserting the amount of \$1 for the appropriation and making some technical changes that have no substantive effect.

Your Committees on Labor and Employment and Human Services are in accord with the intent and purpose of S.B. No. 2203, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2203, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2197 (Joint) Labor and Employment and Human Services on S.B. No. 2204

The purpose of this bill is to fund a demonstration project to help immigrant and refugee programs establish microenterprise programs for their clientele.

The project will operate through the Office of Community Services, Department of Labor and Industrial Relations.

Your Committees find that community-driven economic development initiatives are cost effective and efficient means of helping immigrants and refugees make satisfactory adjustments to their new lives in Hawaii.

Your Committees have amended this bill by inserting the amount of \$1 for the appropriation and by making some technical changes that have no substantive effect.

Your Committees on Labor and Employment and Human Services are in accord with the intent and purpose of S.B. No. 2204, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2204, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2198 (Joint) Labor and Employment and Judiciary on S.B. No. 2781

The purpose of this bill is to increase the number of exempt law clerk positions assigned to the Judiciary.

Specifically, the bill authorizes two additional law clerks for the Civil Administrative Judge of the Circuit Court of the First Circuit; one additional law clerk for the Criminal Administrative Judge of the Circuit Court of the First Circuit; one additional law clerk for the Senior Judge of the Family Court of the First Circuit; one additional law clerk for the Civil Motions Judge of the Circuit Court of the First Circuit; and one additional law clerk for the Criminal Motions Judge of the Circuit Court of the First Circuit.

Your Committees find that the current caseload and backlog of cases in the Judiciary cannot be satisfactorily addressed without additional staff. Each additional law clerk position authorized by this measure is appropriate and will provide relief where it is most needed.

Your Committees on Labor and Employment and Judiciary are in accord with the intent and purpose of S.B. No. 2781 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. 2199 (Joint) Labor and Employment and Judiciary on S.B. No. 3020

The purpose of this bill is to increase the retirement allowance of public safety investigations staff investigators.

Currently, these personnel are noncontributory class C members of the Employees' Retirement System and entitled to a retirement allowance of one and one-quarter percent of their average final compensation for each year of credited service. Under this bill, they will be designated as contributory class A members effective October 1, 1994, and entitled to a retirement allowance of two and one-half percent. They will contribute twelve and two-tenths of their monthly compensation towards this increased benefit. Those currently in the noncontributory classification will have an opportunity to convert their years to class C by making additional contributions or a lump sum payment.

Others currently afforded the two and one-half percent retirement allowance include firefighters, police officers, corrections officers, investigators of the Departments of the Prosecuting Attorney and the Attorney General, narcotics enforcement investigators, and water safety officers. All are distinguished by the dangerous nature of their work.

Your Committees find that public safety investigations staff investigators conduct investigations comparable to those conducted by investigators in the Departments of the Attorney General and the Prosecuting Attorney, and should be afforded the same retirement allowance.

Your Committees have amended this bill by making technical changes that have no substantive effect.

Your Committees on Labor and Employment and Judiciary are in accord with the intent and purpose of S.B. No. 3020, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3020, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Chang, Iwase and Koki.

SCRep. 2200 Ways and Means on S.B. No. 2967

The purpose of this bill is to clarify the definitions of "dealer" and "wholesaler" under the cigarette and tobacco tax law. This bill also clarifies the tax return filing and record keeping requirements.

Your Committee agrees with the Department of Taxation's testimony and recognizes this bill as a housekeeping measure for the consistent application of the cigarette and tobacco tax imposed by chapter 245, Hawaii Revised Statutes. The clarification is designed to address persons who acquire cigarettes or tobacco products from out-of-state sources such as through mail order by expanding the definitions to include persons who come into possession of cigarettes and tobacco products and distribute or use the same. However, the broad language requires your Committee to amend the bill to limit the tax applied to cigarettes and tobacco products to be imposed at the latest of the activities of selling, using, or possessing. In addition, there shall be allowed as a refund or a credit to the accounts of wholesalers and dealers any tax imposed on cigarettes and tobacco products that are part of a casualty loss claimed under the income tax law.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2967, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2967, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2201 Health on S.B. No. 2945

The purpose of this bill is to replace the premarital rubella testing requirement with a prenatal one.

Specifically, this bill requires any physician treating a pregnant woman, on a matter concerning the pregnancy, to test for rubella. Any person authorized to attend a pregnant woman is also required to have the patient tested for rubella. No blood sample for the test shall be taken if the woman does not consent or has been previously tested. If a woman is found to be susceptible to rubella, the physician is required to counsel her regarding the risks of infection and the effect of the vaccine on the unborn child. The bill also repeals section 572-7, Hawaii Revised Statutes, which requires rubella testing for women prior to marriage.

Your Committee finds that because of its ability to cause birth defects, conquering rubella is an important health consideration. Though rubella in Hawaii is rare, three to four percent of women of child bearing age are susceptible to the disease. Congenital rubella will affect more than twenty-five percent of infants born by women contracting rubella during the first trimester of pregnancy. Accordingly, the American College of Obstetricians and Gynecologists recommends prenatal, as opposed to premarital, rubella testing. Since twenty-five percent of children in Hawaii are born to mothers who are not married, this bill, mandating prenatal testing, ensures that all childbearing women will be screened and that appropriate immunization measures will be taken.

Your Committee received testimony in support of the bill from the Director of Health, Commission on Persons with Disabilities, Hawaii Medical Association, and American Academy of Pediatrics.

Your Committee has amended the bill by deleting the requirement that the physician or other person attending a pregnant woman, upon determining that a woman is susceptible to rubella, counsel the patient on the possible effect of the virus and the vaccine on the fetus.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 2945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2945, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2202 Judiciary on S.B. No. 2513

The purpose of the bill is to amend Article VI, section 4, of the Constitution of the State of Hawaii clarifying the length of time a member of the judicial selection commission may serve.

Your Committee finds that the bill implements a recommendation of the 1993 Citizens Conference on Judicial Selection that a commissioner should hold office for no more than six years. Current language limits commissioners to one six-year term. Technically, a commissioner completing another commissioner's less than full term could serve up to eleven years on the commission. This bill would clarify that six years is the maximum length of service on the commission.

Your Committee received testimony in strong support of the bill from the Citizens Conference on Judicial Selection, the Hawaii State Bar Association, MADD, and individual citizens.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2513 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2203 Judiciary on S.B. No. 2182

The purpose of the bill is to amend Article VI, Section 3, of the Constitution of the State of Hawaii to provide for consent by the Senate to the appointment of district court judges.

Your Committee received testimony in support of this bill from the Citizens Conference on Judicial Selection (hereafter Citizens Conference), Hawaii State Bar Association, MADD, and individual citizens.

Your Committee finds that Senate consent of district court appointments is in keeping with the recommendations of the Citizens Conference.

Your Committee finds that the confirmation process allows the public an opportunity to provide input and testimony on the appointment. Such public participation enhances public confidence in the judicial selection process.

Your Committee amended the bill, reflecting the recommendations of those representing the Citizens Conference, that if the Senate fails to hold a public hearing and vote on the appointment, the nomination shall be returned to the commission and the commission shall make the appointment from the list without Senate consent. Your Committee believes that this would encourage the Senate to take affirmative action to either approving or rejecting the appointment.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2182, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2204 Judiciary on S.B. No. 2514

The purpose of the bill is to amend Article VI, section 3, of the Constitution of the State of Hawaii to require the Senate to hold a public hearing and vote on each appointment within thirty days of any appointment of a justice or a judge.

Your Committee received testimony in strong support of the bill from the Citizens Conference on Judicial Selection, Hawaii State Bar Association, MADD, and individual citizens.

Your Committee believes that public input and participation is important to the judicial selection process and that "confirmation by default" is not good public policy.

Your Committee amended the bill to provide a procedure in the event the Senate failed to hold a public hearing and vote on the appointment within thirty days. Your Committee believes that the best way to ensure that the Senate take action on a nomination is to provide that the nomination be returned to the judicial selection commission and for the commission to make the appointment without the consent of the Senate. This recommendation was made by the representatives of the Citizens Conference and your Committee believes that this procedure effectively balances the interests of the governor or chief justice, the Senate, the public and the nominee.

Your Committee amended the bill to correct a drafting error by including Article VI, section 3, in its entirety.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2514, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2205 Judiciary on S.B. No. 2515

The purpose of the bill is to amend Article VI, section 4, of the Constitution of the State of Hawaii to change the number of appointees to the judicial selection commission by the governor, chief justice, Speaker of the House of Representatives, and President of the Senate.

The bill reduces the number of governor's appointees from three to two, reduces the chief justice's appointees from two to one, and increases the number of appointees by the Speaker of the House of Representatives and the President of the Senate from one each to two each. The bill further provides for a member of the judicial selection commission to be a resident of one of the counties other than the city and county of Honolulu.

Your Committee finds that by reducing the number of appointees by the governor and chief justice and increasing the number of appointees by the Speaker of the House and the President of the Senate respectively, the perceived influence of the appointing authorities would be reduced from the current majority to one-third of the total number of commission members.

Your Committee received testimony in support of the bill from the Citizens Conference on Judicial Selection (hereafter Citizens Conference), Hawaii State Bar Association, and individual citizens.

Your Committee finds that to exclude the governor and chief justice as appointing entities as recommended by MADD would not be in keeping with the sentiments of the Citizens Conference report.

Your Committee finds that the bill is in accord with the recommendations from the Citizens Conference by reducing the number of appointees named by the governor and provides for a neighbor island member on the commission at all times.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2515 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2206 Judiciary on S.B. No. 2518

The purpose of the bill is to propose an amendment to Article VI, section 3, of the Constitution of the State of Hawaii to change the number of nominees for judicial appointments made by the judicial selection commission and submitted to the governor from not less than six to no less than three and no more than six.

Your Committee received testimony in strong support of the bill from the Citizens Conference on Judicial Selection (hereafter Citizens Conference), the Hawaii State Bar Association, MADD, and individual citizens.

Your Committee believes that this change will further increase the likelihood that only the most qualified applicants will be forwarded to the appointing authority for consideration.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2518 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2207 Judiciary on S.B. No. 2825

The purpose of the bill is to amend Chapter 11, Hawaii Revised Statutes, to lengthen the cycle in which voters who fail to vote are removed from the voters list, and to permit the County Clerks to transfer voters to new precincts upon receipt of change of address notifications.

Your Committee received testimony in support of the bill from the Lieutenant Governor's office.

Your Committee finds that the National Voter Registration Act of 1993 calls for the non-removal of registered voters who failed to vote for one election cycle. The intent of this federal legislation was to allow voters who only voted in presidential elections to remain registered for each succeeding presidential election. The 1993 Act requires that states who are not in compliance with its provisions to do so by January 1, 1995.

Your Committee amended the bill by deleting the words "any of" on page one line six to clarify that a voter must have failed to vote in either the two preceding primary elections, the two preceding general elections, or the regularly scheduled special elections held in conjunction with those primary and general elections to be removed from the list.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2825, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2825, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2208 Judiciary on S.B. No. 2829

The purpose of the bill is to amend section 11-132, Hawaii Revised Statutes, by changing the radius around a polling place within which persons are prohibited from engaging in electioneering activities.

Testimony was submitted in support of the bill by the Office of the Lieutenant Governor in behalf of the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii (ACEOH).

Your Committee finds that a recent U.S. Supreme Court decision raises questions about the constitutionality of Hawaii's law prohibiting electioneering activities within a 1000-foot radius of the polling place. The Attorney General's Office has advised that the 1000-foot radius may not be constitutional and could make the State liable for damages.

Your Committee finds that the suggestion by the ACEOH of defining the controlled area as "100 feet from the perimeter of the polling place and the perimeter of its appurtenances," would pronounce a clear boundary within which electioneering is prohibited.

Your Committee further finds that the bill will also provide the Chief Election Officer with statutory authority to regulate non-electioneering activities within the controlled area around the polling place to ensure the safe and orderly conduct of elections.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2829, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2209 Judiciary on S.B. No. 2183

The purpose of the bill is to statutorily provide for confirmation by the Senate of district court judges.

Your Committee received testimony from the administrative director of the courts who testified that the Chief Justice was not opposed to Senate confirmation of district court judges. Previous testimony in support of a constitutional amendment providing for Senate confirmation of district court judges was received by the Committee from the Citizens Conference on Judicial Selection, the Hawaii State Bar Association, Mothers Against Drunk Driving, and several individual citizens.

Your Committee finds that this bill is necessary to comply statutorily with the constitutional amendment proposed in S.B. 2182, S.D.1.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2183 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2210 Judiciary on S.B. No. 2188

The purpose of the bill amends the provision relating to civil jurisdiction by giving the district court jurisdiction in all civil actions where the debt, amount or damages or the value of the property claimed does not exceed \$25,000 and amends the exclusive jurisdiction amount of District Courts from \$5,000 to \$10,000.

Your Committee heard testimony in support of the bill from the judiciary. Presently a case filed in the Circuit Court takes approximately two years from filing to disposition. District Court civil actions on the other hand, tend to be less complex and are usually disposed within one year. The judiciary testified that the increase in the jurisdiction is not like to have any adverse effect on the District Court's ability to dispose such actions in a timely manner.

Your Committee amended the bill to set the jurisdictional limit to \$20,000 to be consistent with a resolution adopted by the members of the Seventh Annual Hawaii State Judicial Conference.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2188, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2211 Judiciary on S.B. No. 2794

The purpose of the bill is to remove the district of Kalawao on the island of Molokai from the first judicial circuit.

Your Committee received testimony in support of the bill from the Judiciary.

Your Committee finds that having the Kalawao district in the first circuit no longer serves any rational purpose. Returning the Kalawao district to the second circuit would be consistent with having all areas of each island in the same district.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2794 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2212 Judiciary on S.B. No. 2776

The purpose of the bill is to allow district court judges to set or adjust bail for persons charged with class A felonies.

Your Committee received testimony from the judiciary and the office of the public defender.

Your Committee finds that currently, district court judges conduct preliminary hearings to determine whether probable cause exists in all felony cases. Under the present statute, a judge cannot set or adjust bail for class A felonies previously set by police officers.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2776 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2213 Judiciary on S.B. No. 2198

The purpose of the bill is to exempt all property of resident judgement debtor from attachment and execution where the judgment is in favor of any other state for failure to pay income tax on benefits received from a pension or other retirement plan.

Your Committee received testimony in strong support of the bill from the Hawaii State Chapter of the National Association of Retired Federal Employees, and numerous individuals.

Your Committee finds that the protection provided by this bill prevents the unfair effect of having its residents pay income taxes twice on the same income.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2198 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2214 Judiciary on S.B. No. 2880

The purpose of the bill is to preserve the integrity of land registered in accordance with chapter 501, Hawaii Revised Statutes, by recognizing the authority of the certificate of title in determining encumbrances to which registered land is subject.

Testimony in support of the bill was submitted by the judiciary, the Department of Land and Natural Resources, and the law office of Goodsill, Anderson, Quinn, and Stifel.

Your Committee finds that the bill will clarify the specificity with which an encumbrance must be noted on a certificate of title in order to provide the holder thereof with notice sufficient to encumber the holder's registered land.

Your Committee amended the bill to reflect the recommendation of Goodsill, Anderson, Quinn, and Stifel. Your Committee added a new subsection (c) to read as follows:

(c) If the title of a recorded document indicates that it contains an encumbrance, the Assistant Registrar shall note the document as an encumbrance on the certificate of title or the new certificate of title issued upon recordation of such document, as applicable.

Your Committee believes this additional language will serve to assist the Assistant Registrar in determining which documents contain encumbrances requiring notation by encouraging those seeking to encumber registered land to include a reference to the encumbrance in the document's title.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2880, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2215 Judiciary on S.B. No. 2774

The purpose of the bill is to conform the adoption statute with the provisions in Hawaii Court Rule 4(c) which permits service of process by any adult who is not a party to the case.

Testimony in support of the bill was submitted by the Judiciary. Testimony in opposition to the bill was submitted by the Committee for Adoption Reform Education (CARE).

Your Committee finds that the bill would permit in-state service of adoption summons to be made by any person authorized by court rules. The existing law requires that service of process in these cases be made by sheriffs or police.

Your Committee further finds that the bill is consistent with the Hawaii Supreme Court's amendments to Hawaii Family Court Rule 4 (c) which permits service of process to be made by any adult who is not a party to the case.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2774 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2216 Judiciary on S.B. No. 2510

The purpose of the bill is to clarify the exceptions to the Uniform Simultaneous Death Act.

Your Committee received testimony in support of the bill from Hawaii's Commission to Promote Uniform Legislation.

Your Committee finds that the standard of proof of "clear and convincing evidence" on the issue of survival is in keeping with the intent of the Uniform Simultaneous Death Act and will reduce litigation and facilitate the resolution of cases.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2510 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2217 Judiciary on S.B. No. 2273

The purpose of the bill is to specify the agency responsible for providing notification to a crime victim of the defendant's sentencing date and the opportunity to be heard.

Your Committee received testimony in strong support of the bill from the judiciary and testimony from the office of the public defender. This measure is intended to better serve the needs and interests of victims of crimes by clarifying overlapping interests and eliminating duplicated effort between the judiciary and the Department of the Prosecuting Attorney.

Your Committee finds that having the prosecuting attorney or the victim/witness counselor become responsible for notifying these victims will have a twofold benefit to these victims. First, it will eliminate any confusion on the part of the victim concerning whom, the judiciary or the prosecuting attorney, the victim should be in contact with. Second, the prosecuting attorney and the victim/witness counselor generally have extensive experience in working with the victim and in dealing with their legal and emotional needs.

Your Committee amended the bill by changing "circuit court cases" to "felony cases". The Committee believes that the intent of the provision was to mandate notice to the victim in felony cases because of the greater gravity of the injury or loss suffered from the defendant's conduct. Your Committee further amended the bill by substituting "felony convictions" rather than "circuit court crimes" for clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2773, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2773, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2218 Judiciary on S.B. No. 2350

The purpose of the bill is to amend Chapter 709, Hawaii Revised Statutes, by providing for abuse of family and household members in the first, second, and third degree. The bill closely tracks the current criminal statutes on assault.

Your Committee believes that any person who intentionally or knowingly causes serious bodily injury to a family or household member should be charged with a class B felony.

A person who intentionally or knowingly causes substantial bodily injury, recklessly causes serious bodily injury, or intentionally or knowingly causes bodily injury to a family or household member with a dangerous instrument will be charged with a class C felony under the provisions of this bill.

A person who knowingly or intentionally causes bodily injury to a family or household member, or negligently causes bodily injury to a family or household member with a dangerous instrument will be charged with a misdemeanor under this bill and may be sentenced to a term of imprisonment not to exceed one year, a fine not to exceed \$2000, and required to participate in appropriate domestic violence treatment and counseling programs.

For a first-time offender, upon entering a guilty plea, the court shall order the person to a domestic violence treatment and counseling program and any other terms and conditions the court deems appropriate under the circumstances. If the person fails to meet any of the terms and conditions imposed by the court, the court will thereupon sentence the person to a mandatory term of imprisonment of two days for failure to comply with the court's orders. A person who violates the terms and conditions imposed by the court for a second time, the court shall sentence the person to a mandatory term of imprisonment of seven days. Upon completion of the domestic violence treatment and counseling program and the terms and conditions imposed by the court, the court may then sentence the first time offender to a term of probation not to exceed one year or to a term of imprisonment up to one year, depending on the court's discretion.

Your Committee believes that a major factor in the 2300 jury trial case backlog for domestic violence offenses results from the failure to provide any incentives to plead guilty and receive treatment and counseling. Defendants have nothing to lose and everything to gain by requesting a jury trial. With the huge backlog in jury trial cases, many of these offenders may be able to escape any sanctions by obtaining dismissals under Rule 48, the speedy trial rule.

Your Committee believes by placing the incentives on a plea of guilty as early in the process as possible, by early intervention, and by mandating that offenders undergo domestic violence treatment and counseling programs, abused spouses and household members will no longer feel doubly victimized by the abuser and our currently dysfunctional system.

The organizations and individuals involved in domestic violence programs were divided on the issue. Testimony in support of the bill was submitted by the Office of the Public Defender and the Honolulu Police Department. Testimony in opposition to the bill was submitted by the Prosecuting Attorney for the County of Kauai, the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Sexual Assault, YWCA of Kauai, and others.

Your Committee believes that those persons who commit violent acts on family and household members must be dealt with in two ways: first, by the criminal justice system, in which punishment must be swift and commensurate with the nature of the offense; and secondly, by treatment and rehabilitation, in order that the underlying causes of the offender's violent behavior can be addressed and changed. Your Committee believes that the combination of these two approaches are essential in providing for the protection of spouses and household members in our State.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2350, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2219 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on S.B. No. 2758

The purpose of this bill is to ensure that beneficiaries of the Hawaiian Homes Commission Act (Act) are kept informed over the potential impacts of existing and future uses of water reserves in the State.

Your Committees find that the Hawaiian Homes Commission is charged with the responsibility to ensure that adequate water resources are available for current and foreseeable development and use of Hawaiian Home Lands. Providing beneficiaries of the Hawaiian Home Lands Trust with the opportunity to participate in the management of these water resources will assist them in determining the future success and perpetuation of Hawaiian Home Lands.

Your Committees have amended the bill by moving the proposed amendment to the Hawaiian Homes Commission Act and by adding a standard severability clause.

Your Committees believe that the Act is the appropriate place for the amendment because the Act provides for Native Hawaiian water rights, whereas the Water Code provides that it does not affect the Native Hawaiian water rights contained in the Act.

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. 2758, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2758, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 2220 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2179

The purpose of this bill is to provide that any permittee under the Clean Air Act who complies with the conditions of a permit issued by the Department of Health (Department) under Chapter 342B, Hawaii Revised Statutes, shall be deemed to be in compliance with the chapter if all the conditions have been fulfilled.

The bill also provides similar assurances for applicants seeking an air permit from the Department.

Your Committee finds that the purpose of such provisions are to provide certainty to those who are regulated by the Department's Clean Air Branch by requiring that all conditions which the applicant is required to adhere to be specifically included in the permit. A similar protection is desirable for an applicant during the period in which the application is being processed.

Your Committee understands that the intent of the bill is to make state law consistent with the Federal Clean Air Act Amendments of 1992 and Environmental Protection Agency regulations. However, your Committee finds that the bill as written does not mirror the intent of federal law. Accordingly, your Committee has amended the bill by:

- (1) Allowing the Department to be discretionary in incorporating permit shields into its permits;
- (2) Conforming it to federal law; and
- (3) Making nonsubstantive amendments for the purpose of style.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2179, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2221 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2180

The purpose of the bill is to require the Department of Health to adopt requirements and procedures for the issuance of underground petroleum storage tank closure reports for satisfactorily remediated property to ensure that the status of the affected property is reported in a regular and timely manner.

Your Committee finds that the issuance of "no further action" reports by the Department of Health is not done in a timely manner and that the Department should reevaluate current procedures and develop a process to ensure prompt issuance of these reports.

Your Committee has amended the bill by deleting the proposed statutory amendments and inserting provisions to require a study by the Department of existing practices in the issuance of petroleum-contaminated site reports and that its findings and recommendations be submitted for consideration by the legislature before the 1995 regular session.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2180, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2222 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2402

The purpose of this bill is to allow counties to determine whether parking at the top of a "T-shaped" intersection should be permissible for streets and roads under its jurisdiction.

Your Committee believes that providing the counties with the authority to determine whether parking should be admissible at the top of "T-shaped" intersections, where traffic will not be adversely affected by such parking, would help alleviate growing parking problems.

The intent of your Committee is to encourage the counties to convert no parking zones at "T-shaped" intersections into parking stalls, particularly in Waikiki.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2402 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2223 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2621

The purpose of this bill is to allow air pollution permittees regulated under Chapter 342B, Hawaii Revised Statutes, to submit a compliance certification to the Department of Health annually rather than every six months.

Your Committee finds that the state law requiring a compliance certification to be submitted every six months is more onerous than existing federal law and creates confusion over state and federal reporting requirements within the regulated community. Your Committee believes that allowing permittees to submit compliance certifications on an annual basis is adequate and will not compromise the Department of Health's monitoring and enforcement activities.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2621 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2224 Planning, Land and Water Use Management on S.B. No. 2077

The purpose of this bill is to authorize the Department of Agriculture to set the rental fees for land in agricultural parks based on the appraised evaluation of the property rather than the fair market value.

Your Committee finds that the current rental fees reflect an unreasonably high and distorted figure which is based primarily on the general trend of real estate sales. This results in a major imbalance of lease rents for agriculture lands throughout the State.

Your Committee believes that agricultural lease rents must be affordable if agriculture is to remain a viable industry in this State. This bill, by authorizing the Department to adjust lease rents by rules, provides for a method of setting lease rents that are more reflective of existing conditions, taking into account discrepancies in the real estate market that may adversely impact agriculture lease rents.

Your Committee received testimony in support of the bill from the Department of Agriculture, the Hawaii Sugar Planters Association, and the Hawaii Farm Bureau.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2077 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2225 Planning, Land and Water Use Management on S.B. No. 2107

The purpose of this bill is to amend the state plan to encourage diversification of transportation modes, ensure energy security, and encourage consideration of externalities affecting energy resource decisions.

Current state plan policy requires the State to promote the development of renewable energy sources and the prudent use of existing power and fuel supplies through conservation and efficiency measures.

A statewide energy policy must address other energy objectives such as statewide energy security, least-cost supply-side energy resources, and the use of alternative transportation fuels and efficiencies. In addition, energy resource options must be compared on their total costs and benefits as determined by externalities such as long-term, direct, and indirect economic, environmental, social, cultural, and public health costs and benefits.

Your Committee finds that these statewide energy issues, as identified in the Hawaii Integrated Energy Policy (HIEP), the Public Utilities Commission's Integrated Resources Planning (IRP) process, and the 1993 Energy and Environmental Summit subcommittee workshops, are not currently addressed in the state plan. Your Committee also finds the need to separate energy and telecommunications objectives in the state plan because of their different needs and priorities.

Your Committee further finds that to avoid conflicting amendments to the objectives and policies of the state plan, a mutually acceptable set of language changes has been developed by a workgroup comprised of representatives from the Department of Business, Economic Development, and Tourism, the Consumer Advocate, BHP Petroleum, the Hawaii Energy Coalition, and Life of the Land.

Your Committee has amended the bill to:

- (1) Include energy security as a state energy objective;
- (2) Include lease-cost supply-side and demand-side and cost-effective energy conservation objectives in the state plan;
- (3) Include the promotion of alternative transportation fuels through diversified transportation modes and infrastructure;
- (4) Specify quantitative and qualitative accounting of externalities in determining energy resource options;
- (5) Separate energy and telecommunications objectives in the Hawaii State Plan; and
- (6) Add energy supplies and system to the objectives and policies for energy facility systems on recommendation of the Department of Business, Economic Development, and Tourism for clarification purposes.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2107, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2107, S.D. 1.

Signed by all members of the Committee.

SCRep. 2226 Planning, Land and Water Use Management on S.B. No. 2657

The purpose of this bill is to streamline the permitting process for housing project developments.

Specifically, the bill provides that where a housing development permit request requires the amendment of a county general plan, a county community development plan, a county zoning map, or any combination of the three, the processing of these requests for amendments shall be done concurrently upon request of the applicant. Additionally, the bill requires these plan and zoning map amendment requests to be processed concurrently with any State Land Use Commission redesignation requests that affect the permitting of the project.

Your Committee finds that the concurrent processing of amendment requests would expedite the permitting process, thereby not only facilitating a faster rate of construction of new dwellings, but lowering the total cost of the project as well.

Your Committee has amended this bill to delete reference to "county general plan." The county general plan is a comprehensive planning document whose purpose is to establish the long range growth policy for the county. Given the nature and importance of the general plan, your Committee believes that the process involved in developing the general plan should remain separate and distinct.

Your Committee has further amended this bill to recognize any affordable housing components which may be imposed by the county council. Your Committee believes that an affordable housing component in projects which take advantage of this streamline permitting process is fair and is consistent with state housing policy goals. Your Committee further believes that the issue of whether to impose affordable housing requirements is best addressed by the respective county councils.

Your Committee also made amendments proposed by the Department of Land Utilization of the City and County of Honolulu to allow the counties more flexibility in their right to accept or deny applications for land use plan and zoning area changes.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2657, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2657, S.D. 2.

Signed by all members of the Committee.

SCRep. 2227 Planning, Land and Water Use Management on S.B. No. 2658

The purpose of this bill is to provide state agencies charged with the responsibility of approving permits to construct housing projects with the flexibility to extend the review period in contested cases.

Specifically, the bill allows a state agency that is reviewing a request to construct housing through a contested case hearing, to extend the maximum six month time period for an additional ninety days. The ninety day extension can only be granted if stipulated by all parties to the proceeding or if the extension is deemed necessary by the state agency.

Testimony in support of the bill was received from the Land Use Commission.

Your Committee finds that in contested case proceedings, it is important that the parties are afforded sufficient opportunity to present relevant evidence so that the state agency has an accurate and complete record upon which to make its decision. However, the six month time period is too constrictive for those contested cases which may require more time to ensure adequate notice and opportunity to present evidence.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2658 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2228 Planning, Land and Water Use Management on S.B. No. 2928

The purpose of this bill is to provide the State Land Use Commission (LUC) with more time to conduct its hearings and decision-making process.

Specifically, the bill requires the LUC to publish hearing notices not less than fifteen days in advance in both a local newspaper and a paper of general circulation when hearing any land use petitions that request boundary changes.

Your Committee received testimony in support of the bill from the Housing Finance and Development Corporation. The LUC previously submitted supporting testimony to the Committee on Housing.

Your Committee finds that currently, the LUC is required to conclude its proceedings within forty-five days upon receipt of a petition request. However, existing law also requires the LUC to provide at least thirty days notice before going to public hearing on a matter. Consequently, the LUC is required to conduct its hearings and decision-making process within the remaining fifteen-day period.

Your Committee believes that lowering the public notice requirement to fifteen days still provides the public with adequate notice and concomitantly affords the LUC more time to conduct and conclude its deliberations.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2928, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2229 Planning, Land and Water Use Management on S.B. No. 2952

The purpose of this bill is to require a hearing to be held within five working days upon receipt of a request to contest the impounding of an unauthorized vessel and to allow the disposal of unclaimed impounded vessels.

Your Committee finds that the present law requires a hearing within seventy-two hours of the receipt of a request to contest the impounding of an unauthorized vessel, which does not provide sufficient time to select a hearing place and provide adequate notice to all parties. Your Committee further finds that the authority for disposition of impounded vessels was inadvertently omitted from previous legislation directing the transfer of the boating program from the Department of Transportation to the Department of Land and Natural Resources (DLNR). Therefore, this is a housekeeping measure and is necessary to allow the disposal of impounded vessels.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources (DLNR).

Your Committee has amended this bill on request of the DLNR on an issue which was recently brought to its attention concerning the legality of the composition of the arbitration board for contesting marine inspections. The composition of the board was decreased from four to three inspectors to provide for an odd number of board members.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2952, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2952, S.D. 2.

Signed by all members of the Committee.

SCRep. 2230 Housing on S.B. No. 2288

The purpose of this bill is to exempt transitional housing for abused family or household members from the provisions of Chapter 521, Hawaii Revised Statutes, relating to the Landlord-Tenant Code.

Your Committee finds that transitional housing facilities for battered women and children provide a safe haven for victims of domestic abuse. The housing rules established by these facilities help to ensure safety for the victims by protecting the victims from possible contact with potential abusers. Unfortunately, when these rules are broken by the intrusion of a potential instigator of abuse, the provisions of the Landlord-Tenant Code are triggered, making it difficult to evict the offender in a timely manner. Exempting transitional facilities from the Landlord-Tenant Code will provide victims with the safety and peace of mind necessary to recover from the ordeal of abuse.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2288 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2231 Housing on S.B. No. 2605

The purpose of this bill is to provide clarification with regard to housing agreements during periods of disaster relief and rehabilitation.

Specifically, the bill protects a tenant from being indiscriminately evicted after a natural disaster occurs unless:

- (1) The owner serves the tenant with a written notice at least forty-five days in advance;
- (2) The owner is selling the property;
- (3) The owner or a member of the owner's immediate family will occupy the dwelling; or
- (4) The dwelling requires repair in order to restore it to habitable standards.

Your Committee finds that the bill protects tenants from being evicted at a time when they can least afford to be dislocated from shelter, while still maintaining the basic property rights of real property owners.

Your Committee has amended the bill by amending the definition of "breach of a material term" to be more malleable to the provisions of differing lease agreements and by making nonsubstantive, stylistic changes for the purpose of clarity.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2605, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2232 Housing on S.B. No. 2927

The purpose of this bill is to allow present owners of Housing Finance and Development Corporation (HFDC)-sponsored affordable dwelling units to purchase a larger HFDC-sponsored dwelling unit if the owner's family size has increased beyond the occupant capacity permissible for the owner's existing dwelling unit.

Your Committee finds that under existing law, purchasers of HFDC-sponsored affordable dwelling units are only allowed to purchase HFDC-sponsored affordable units once. The existing law does not allow for the potential growth of a purchaser's family, nor does it allow for the possibility that the purchaser in subsequent years, still may not be able to afford a market-priced dwelling unit.

Your Committee has amended the bill by adding a provision that limits the applicability of the exception to owners who have owned their HFDC-sponsored dwelling unit for less than ten years, thereby requiring the prospective applicant for an exception to sell the applicant's existing dwelling unit back to the HFDC. Your Committee has also amended the bill by broadening the eligibility to purchase a larger dwelling unit from owners of studio or one-bedroom multi-family dwelling unit to any owner of an HFDC-sponsored multi-family dwelling unit.

Your Committee believes that the bill is necessary to accommodate the growing needs of low and moderate income families and at the same time allow the HFDC to recycle "starter homes". It is your Committee's intent, however, that when an owner of a HFDC-sponsored dwelling unit purchases a larger dwelling unit as provided for in the bill, the owner shall be allowed to reside in the owner's existing unit until the new unit is available for habitation. Accordingly, your Committee requests that the HFDC add this provision into its Administrative Rules and to initial purchase contracts with homeowners.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 2927, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2927, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2233 Labor and Employment on S.B. No. 2559

The purpose of this bill is to require the Hawaii State Occupational Information Coordinating Committee (HSOICC) to submit annual reports to the Legislature.

The HSOICC coordinates development, dissemination, and application of occupational and career information for the benefit of youth, trainees, and job seekers. Although its activities are regularly included in annual reports of the Department of Labor and Industrial Relations, your Committee finds that a separate report on its efforts and the efforts of schools and training programs that engage in similar kinds of activities will be useful to the Legislature in evaluating the overall status and quality of the State's efforts on behalf of the unemployed members of Hawaii's work force.

Your Committee has amended this bill by clarifying that the subject of the annual reports will be the progress of the HSOICC program and of other programs providing occupational and career information.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2559, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2234 Transportation on S.B. No. 1081

The purpose of this short form bill is to amend the Hawaii Revised Statutes related to airports.

Your Committee finds that large expenditures of public funds have been made to upgrade the facilities at Hawaii's airports. Our once small-scale operations have been replaced with large-capacity facilities not unlike other major airports. However, although these improvements were necessary to modernize our facilities, there has been a concomitant loss of certain aspects which once reflected the unique cultural experience of arriving in Hawaii.

Your Committee further finds that as part of the overall state effort to promote Hawaii's visitor industry, efforts should be made to introduce Hawaii's unique cultural experience to Hawaii's visitors as soon as possible after their arrival and to reflect that experience as they depart. The airports could be a primary location for the exhibition of Hawaiiiana as well as the promotion of visitor activities, attractions, and local products which reflect our multi-cultural environment.

Your Committee, therefore, has amended this short form bill to create a temporary Hawaii Airports Cultural Development Committee for the purposes of developing a master plan that includes implementing actions to incorporate Hawaii's unique cultural influences, activities, and products into the physical structure and operations of our airport facilities.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 1081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1081, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2235 Transportation on S.B. No. 2977

The purpose of this bill is to extend the period of time for holding an administrative hearing to allow an owner or operator of an impounded vessel to contest the basis for the impoundment.

The change proposed in this bill extends, from seventy-two hours to five days, the period in which the Department must hold an administrative hearing in response to a written request. The allotted time excludes Saturdays, Sundays and holidays.

Presently, there is no provision for excluding nonworking hours from the seventy-two hour time limit, which frequently results in insufficient lead time for the Department to prepare and hold a hearing. Your Committee finds that a five-day period, excluding Saturdays, Sundays and holidays, is a more reasonable time frame in which to prepare and hold such a hearing.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 2977 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2236 Transportation on S.B. No. 3322

The purpose of this bill is to amend Section 261C-20, Hawaii Revised Statutes, relating to applications for federal approval to operate turnaround flights within the State.

Current law provides that as of the effective date of all required federal legislation necessary for implementation, any person who is providing air transportation between points within the State under authority granted by the U.S. Department of Transportation shall be deemed qualified and issued a certificate to operate. This essentially "grandfathered" existing carriers such as Aloha and Hawaiian Airlines, but excluded carriers who were not actually operating at that time but had made appropriate applications with the federal government for authorization to operate. This bill would extend such qualification to those excluded carriers and would apply to a case such as Mahalo Airlines.

Your Committee finds that passage of this bill would enhance competition among interisland air carriers to the benefit of the consumers, especially Hawaii residents, and the overall local economy. Your Committee feels that an airline should not be penalized by withholding its certification because of technical reasons when, for all intents and purposes, the airline meets the practical requirements for certification.

Your Committee also finds that since the bill inadvertently requires that a state certification be issued only if the two conditions relating to turnaround service are met, Mahalo Airlines would still be ineligible. Your Committee therefore amended the bill on line 9 by replacing "and" with "or" so that Mahalo's state certificate could be issued on the one condition of federal compliance.

Your Committee on Transportation is in accord with the intent and purpose of S.B. No. 3322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3322, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2237 (Joint) Higher Education, Culture and Arts and Historic Preservation and Education on S.B. No. 2837

The purpose of this bill is to provide an exemption for public educational facilities from the historic preservation law when a structure is destroyed by violence of nature or human agency.

Your Committees find that there is a growing statewide need for the repair and maintenance of public educational facilities to ensure that our students have a safe learning environment. Your Committees further find that when a natural disaster or human act demolishes or nearly destroys a school facility, the State must be able to expeditiously remedy the situation to ensure a safe learning environment. Your Committees understand that Hurricane Iniki has created unsafe situations at schools on Kauai which, even today, the administrators have not been able to address because of state laws requiring historic preservation review and recommendation for appropriate action.

Testimony regarding this measure was submitted by the State Historic Preservation Division, the Department of Education's Kauai District Office, and the Kalaheo School on Kauai. Your Committees note that while the Division is concerned that historic preservation should be the compelling state policy directive, the public education of our children also must receive equal consideration. Thus, your Committees have amended this bill by:

1. Requiring that before a public educational facility is placed on the Hawaii Register of Historic Places, direct consultation is made with the state agency or other entity having jurisdiction over the facility;
2. Providing that if agreement cannot be reached after such consultation, an arbitrator shall be selected for dispute resolution; and
3. Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Education are in accord with the intent and purpose of S.B. No. 2837, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2837, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 2238 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2154

The purpose of this bill is to promote the Aloha Spirit throughout state government.

Currently, Section 5-7.5, Hawaii Revised Statutes, encourages all elected and appointed officials of the State, including the Judiciary, to "contemplate and reside with the life force and give consideration to the 'Aloha Spirit'" in exercising power on behalf of the people and fulfilling their responsibilities, obligations, and service.

This bill requires the Governor and executive officers of each department to encourage all state employees to act according to the Aloha Spirit in relating to citizens of the State and with each other. Departments will incorporate the Aloha Spirit into their missions or functional statements, and the Department of Business, Economic Development, and Tourism will provide training for the managerial and supervisory personnel of those departments.

Your Committee finds that encouragement and training in the meaning, relevance, and significance of the Aloha Spirit will enable the government of this State to better understand the ethos of the people it serves and illustrate to the world that Hawaii is indeed worthy of its reputation.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2154 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2239 Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2978

The purpose of this bill is to authorize the Board of Regents to impose and collect fees and fines in excess of \$25 for on-campus parking violations.

Testimony in support of this bill was received from the University of Hawaii.

Under current law, the Board of Regents has statutory authority to impose and collect fines of up to \$25 to enforce the University of Hawaii's parking rules and regulations. However, the \$25 ceiling, established in 1964, is outdated and does not adequately serve as a deterrent against traffic violations. Your Committee finds that this bill would provide the Board of Regents with needed flexibility to effectively enforce its parking rules and regulations.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2978 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2240 Ways and Means on S.B. No. 3064

The purpose of this bill is to make an emergency appropriation of \$140,000 to the Department of Health, for fiscal year 1993-1994, for Hamakua medical center, to prevent the reduction or discontinuance of services provided by the medical center.

Your Committee finds that a critical funding emergency exists. Hamakua medical center will expend all appropriated funds before the end of the current fiscal year and be unable to meet its fiscal requirements for operations. The closure of Hamakua Sugar Company has had a negative impact on the Hamakua medical center and its patients. Hamakua medical center's patients no longer receive health insurance through Hamakua Sugar Company as they previously did. When seeking health care for themselves and their families, these patients now have limitations placed on visits to Hamakua medical center because of being uninsured and paying full out-of-pocket expenses for medical services, or because of being insured by third party payors. These additional expenses, added to the already poor economic conditions in the Hamakua area, have significantly reduced the number of patients using Hamakua medical center's services and the frequency of their visits. Additional funds are urgently needed to prevent the reduction or discontinuance of Hamakua medical center's services.

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. 3064, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3064, S.D. 1.

Signed by all members of the Committee.

SCRep. 2241 Ways and Means on S.B. No. 2083

The purpose of this bill is to require the Department of Health to make optimal use of property and improvements that it owns at 548 Kapahulu Avenue, Honolulu, Hawaii 96815 wholly for health-related purposes.

Your Committee finds that the department currently maintains various offices in expensive, leased facilities throughout the city and county of Honolulu which could be housed -- at significant cost savings to the State -- at the Kapahulu site. The site, being centrally located, could also be used for the delivery of comprehensive health services to a large community population. This bill would enable the department to achieve these two objectives.

Specifically the bill requires the Department of Health to explore the feasibility of using public-private partnerships or partnerships with nonprofit organizations in any development, construction, and future utilization activities relating to the Kapahulu site. The department is also required, before November 30, 1994, to develop and implement the means for optimizing its use of the Kapahulu property wholly dedicated to health-related purposes including:

- (1) A multi-purpose health service center;
- (2) Departmental offices; and
- (3) Parking space using part of the adjoining Ala Wai golf course property.

The bill also requires the department to report its findings and progress to the legislature before the 1995 regular session including, if the department fails to develop and implement the Kapahulu site plan, the reasons why. Finally, the bill appropriates an unspecified amount to broaden the scope of the project development work to include additional space requirements and land acquisition for health-related purposes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2083, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2242 Ways and Means on S.B. No. 2660

The purpose of this bill is to appropriate funds to the Department of Health for the construction and staffing of a new dental clinic on Maui.

The legislature finds that current dental treatment for medicaid insured patients on Maui is either unavailable or very limited. This causes additional expense to the State for those medicaid insured individuals in acute pain who must fly to Oahu for treatment. The funding for the establishment of a dental clinic on Maui is in the best interest of the people of Hawaii, as a matter of both fiscal responsibility and humanitarian concern.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2660 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2243 Ways and Means on S.B. No. 2731

The purpose of this bill is to appropriate funds to enhance the delivery of AIDS-related services.

Your Committee finds the number of AIDS cases in Hawaii continues to rise on an annual basis within the general population. Health officials throughout the State are especially concerned about the spread of the HIV virus among adolescents. This bill will enhance the capability of health care providers to expand their programs during the current budget cycle.

While it agrees with the intent of this bill, your Committee finds that additional discussion is necessary to determine the actual levels of funding needed to carry out the objectives of this measure. Accordingly, your Committee has amended this bill by deleting the appropriations indicated for the various programs identified, and by making a technical nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2731, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2731, S.D. 1.

Signed by all members of the Committee.

SCRep. 2244 Ways and Means on S.B. No. 2946

The purpose of this bill is to provide statutory authorization to the Director of Health to appoint ad hoc committees to provide advice and recommendations to health care workers with HIV or hepatitis B regarding changes in practice to reduce the possibility of transmitting the disease to patients.

Your Committee finds that federal law requires each state to adopt the Center for Disease Control guidelines or risk losing federal public health funds. Although the Department of Health has established guidelines for the convening of advisory committees to aid health workers, statutory authorization is required to protect the work of the committee members. This bill would provide the committee members the same protections as the members of boards and commissions of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2946, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2245 Ways and Means on S.B. No. 2615

The purpose of this bill is to establish within the Department of Health the emergency medical service system for children program.

In addition, this bill defines "emergency medical services for children" to mean comprehensive emergency medical services including preventive, prehospital, hospital, rehabilitative, and other posthospital care. The bill also requires at least one member of the state emergency medical services advisory committee to be a member of a health profession

related to clinical or administrative pediatric health services. This bill finally clarifies that the collection and analysis of statewide emergency medical services data (including pediatric data) is for the purpose of improving the quality of services.

Your Committee finds that children react differently from adults to stress, illness, and injuries. Because of these differences, children's emergency medical needs should be recognized separately within the State's existing emergency medical services system. This bill will resolve the deficiencies in current practices relating to children's emergency health needs.

Your Committee has amended this bill by:

- (1) Changing the number of physicians on the advisory committee from four back to five;
- (2) Re-inserting the requirement that physician members of the advisory committee must be board eligible or certified by the American Board of Emergency Medicine; and
- (3) Deleting the requirement that one physician member of the advisory committee must be a full-time pediatrician.

Your Committee has 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. 2615, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2615, S.D. 2.

Signed by all members of the Committee.

SCRep. 2246 Ways and Means on S.B. No. 2874

The purpose of this bill is to appropriate funds to the Department of Health to provide renal dialysis machines and dialysis treatment services to patients living on the neighbor islands.

Your Committee finds that the services required for dialysis patients on neighbor islands are growing and the necessary equipment for treatment is unavailable or not convenient considering the renal patient's illness. Great expense is taken in the transportation and caring of renal failure patients to ensure that adequate care is obtained on a regular basis. These ongoing basic expenses could be reduced by increasing the availability of dialysis equipment and services on the neighbor islands. Your Committee has left the amount appropriated blank to provide for more discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2874 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2247 Ways and Means on S.B. No. 3137

The purpose of this bill is to appropriate an unspecified sum to the city and county of Honolulu, and the counties of Kauai, Maui, and Hawaii, to purchase additional automatic external defibrillators, and to fund a part-time medical director position for the automatic external defibrillator (AED) program in the city and county of Honolulu.

Your Committee finds that the AED is a valid and beneficial medical intervention in cardiac arrest cases, and that a part-time medical director is needed for the city and county of Honolulu's AED program because of the large population and projected increase in the number of emergency medical calls in the city and county of Honolulu.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3137, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2248 Ways and Means on S.B. No. 3270

The purpose of this bill is to establish a uniform health care billing form format.

Specifically, this bill requires the Department of Health to develop and recommend a uniform billing form format for professional health care services to be used by insurance and health care providers. The bill also authorizes the department to create a uniform core dataset for public health programs.

Your Committee finds that although most of Hawaii's health care providers use standard forms, usage of these forms is far from standardized, negating any benefits of using a standard form. This bill will create a truly standard claims form.

Your Committee has 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. 3270, S.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3270, S.D. 2.

Signed by all members of the Committee.

SCRep. 2249 Ways and Means on S.B. No. 2048

The purpose of this bill is to require the Director of Health to convene a task force for the purpose of reviewing governance structure models and making recommendations to the legislature relative to an appropriate governance structure for mental health services.

In addition to specifying the general composition of the task force, this bill:

- (1) Requires the task force to report to the legislature not less than twenty days prior to the convening of the 1995 regular session with an organizational plan and timetable for the establishment and implementation of a public authority to make policy and monitor mental health services in this State; and
- (2) Requires the task force's report to describe all fiscal and personnel ramifications of the plan, and to be presented in a format for legislative bill introduction.

Your Committee has amended this bill by:

- (1) Requiring the Director of Health, rather than the task force, to submit the abovementioned report to the legislature; and
- (2) 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. 2048, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2048, S.D. 2.

Signed by all members of the Committee.

SCRep. 2250 Ways and Means on S.B. No. 3008

The purpose of this bill is to expand the pilot autonomy project to Ka'u Hospital, Honokaa Hospital, Kohala Hospital, Lanai Community Hospital, Hana Medical Center, and the division of community hospital's administrative staff office.

Your Committee finds that autonomous operation of community hospitals has enabled hospitals to reduce administrative overhead, improve patient care, acquire needed medical equipment quickly and more efficiently, and streamline recruitment of essential medical personnel. It is in the interests of the State to extend these benefits to rural hospitals and the division's administration.

Your Committee has 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. 3008, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3008, S.D. 2.

Signed by all members of the Committee.

SCRep. 2251 Ways and Means on S.B. No. 2875

The purpose of this bill is to appropriate funds to the Department of Health for additional ambulance units and increased ambulance services on Oahu.

Your Committee finds that additional ambulance units are necessary to ensure a rapid response to life threatening emergencies, improve the patient survival rate, and continue to meet the emergency response guidelines.

Your Committee has amended this bill by making a technical, nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2875, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2875, S.D. 1.

Signed by all members of the Committee.

SCRep. 2252 Ways and Means on S.B. No. 3037

The purpose of this bill is to transfer the authority currently exercised by the Director of Health over the mental health of state correctional facility inmates to the Director of Public Safety. This bill also transfers Department of Health personnel currently providing mental health services to correctional facility inmates to the Department of Public Safety.

Your Committee finds that although the Department of Public Safety exercises jurisdiction over all correctional facilities, all mental health services for inmates are provided by the Department of Health. Placing this responsibility within the Department of Public Safety will reconcile the problem of having two departments involved in the delivery of services to inmates and will allow for a more effective integration of mental health programs into an overall strategy by the Department of Public Safety.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3037 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2253 Ways and Means on S.B. No. 2834

The purpose of this bill is to preserve benefits and privileges of personnel in the Hawaii women, infants, and children (WIC) nutrition program whose positions have been converted to permanent civil service.

This bill amends Act 289, Session Laws of Hawaii 1993, to require that the 79.5 positions of the WIC nutrition program be converted to permanent service status without loss of salary, seniority, prior service credit, accrued vacation and sick leave, and other employee benefits without the necessity of examination.

Your Committee finds that this bill would, at no cost to the State, prevent disruption in the WIC program which provides nutritious foods, nutrition education, and breastfeeding promotion for 24,520 individuals at medical risk.

Your Committee has 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. 2834, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2834, S.D. 1.

Signed by all members of the Committee.

SCRep. 2254 Labor and Employment on S.B. No. 2240

The purpose of the bill is to:

- (1) Establish a specific standard in prohibited practice cases involving an alleged breach of the duty of fair representation in the public sector;
- (2) Deter frivolous complaints in cases involving an alleged breach of duty of fair representation; and
- (3) Authorize the Hawaii Labor Relations Board to issue interlocutory or interim relief in prohibited practice cases with an appropriate standard.

Your Committee finds that a more specific standard defining the duty of fair representation placed upon employee organizations is both necessary and appropriate in public sector collective bargaining. This bill would codify a holding by the U.S. Supreme Court in Air Line Pilots Association International v. O'Neill, 499 U.S. 65 (1991) as the appropriate substantive criteria by which the conduct of unions will be assessed. A prohibited practice complaint shall be sustained only if in light of the factual and legal landscape, the union's action can be characterized as so far outside a wide range of reasonableness that it is wholly irrational. Your committee believes it inappropriate for the Board to second guess employee organizations generally; and except in rare instances a breach of the duty shall not be found.

The bill requires a complainant to certify that a complaint for an alleged breach of the duty of fair representation is well founded in fact and law and not interposed for improper purposes. Where the Board finds the complaint to be frivolous, sanctions, including attorney's fees and costs, are required. Your committee believes this is necessary to prevent time consuming and expensive litigation over meritless disputes.

This measure also authorizes the Hawaii Labor Relations Board to issue injunctive relief where there is "reasonable cause" to believe that a prohibited practice has occurred and where such relief is "just and proper". Your committee finds that such a standard is best suited for prohibited practice cases under Chapter 89, Hawaii Revised Statutes, where public policies favor prompt relief.

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

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2240, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2255 Labor and Employment on S.B. No. 2555

The purpose of this bill is to require the Executive Director of the Office of Community Services to submit an annual report of its programs and activities to the Legislature.

Your Committee finds a need to supplement the information provided to the Legislature during budget hearings and that an annual report will serve this purpose.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2555 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2256 Labor and Employment on S.B. No. 2563

The purpose of this bill is to encourage employers to make prompt payment of wages due their employees.

Under current law, an aggrieved employee may file suit to recover the amount of wages due and may be awarded the same amount by the court as a penalty, as well as court costs and fees. This bill authorizes the court to additionally assess twelve percent per year interest on the amount of wages due.

Your Committee finds that this measure will discourage employers from unnecessarily prolonging payment of earned wages. Accruing interest will induce employers to expedite payment of back wages, especially where the employer would otherwise have chosen to intentionally delay payment.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2563 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2257 Labor and Employment on S.B. No. 3075

The purpose of this bill is to amend Hawaii's insurance laws to recognize as an eligible dependent a child identified in a qualified medical child support order.

Your Committee finds that under present state law, health fund benefits for state and county employees require that a child live with the employee-beneficiary to be eligible for coverage. Your Committee further finds that federal law requires coverage for dependents who may be identified under a qualified medical child support order and thus this measure will bring state law into compliance with the federal directive.

Testimony in support of this measure was submitted by the Hawaii Public Employees Health Fund.

Your Committee has amended this bill by making technical nonsubstantive changes for purposes of style.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3075, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2258 Planning, Land and Water Use Management on S.B. No. 2279

The purpose of this bill is to allow for a specific land exchange to occur without the time constraints of submitting a resolution to the Legislature as provided by statute.

Under section 171-50(c), Hawaii Revised Statutes, the Department of Land and Natural Resources (DLNR) is required to submit a resolution to the Legislature for review for possible disapproval of any exchange of public land for private land. The resolution is required to be submitted at least twenty days prior to the start of any session. In the case of the George Galbraith estate in Wahiawa, the DLNR is seeking to acquire those lands in exchange for state lands in Kapolei, Oahu. This bill will exempt this particular case from the provisions of section 171-50(c).

The Office of State Planning submitted testimony that this bill is consistent with state planning objectives. The Galbraith lands are prime agricultural lands and surround a historic site, while the Kapolei lands are in an area planned for development.

On recommendation of the DLNR, your Committee has amended this bill to allow the Legislature to approve this land exchange subject to specified conditions.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2279, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2259 Planning, Land and Water Use Management on S.B. No. 2956

The purpose of this bill is to allow a landowner under the tree farm program to harvest trees in accordance with a management plan approved by the Department of Land and Natural Resources (DLNR).

Your Committee finds that this bill addresses the competing interests of economics for the landowners and conservation for the environmentalists. Landowners look to adequate future compensation as recompense for the many years spent in cultivating trees to maturity. Conservationists look to the effect that certain trees have upon the environment, particularly as to natural habitat for endangered species, native forests, and nonpoint source pollution (erosion which increases sediment runoff into streams and coastal waters).

Your Committee recognizes that the downsizing of Hawaii's sugar industry makes a commercial forest industry economically attractive as well as feasible, provided there is an appropriate regulatory climate at the state and local levels. Landowners should have incentives to grow trees commercially; however, under present law, a landowner's right to harvest trees is unclear since the repeal of Section 186-10, Hawaii Revised Statutes, relating to the harvesting of trees on tree farm property. This bill restores a measure of certainty for the landowner while attempting as much as possible to satisfy conservation concerns.

Your Committee has amended this bill in an effort to satisfy the conservation and environmental issues to the extent possible by statute. It is the intent of your Committee that the management plan of the DLNR provide for adequate environmental and conservation protection and that the DLNR procure more public input into the rule making process to reach a consensus among all concerned parties.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 2956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2956, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2260 Science, Technology and Economic Development on S.B. No. 2102

The purpose of this bill is to require a public utility to receive approval from the Public Utilities Commission prior to the adoption of rules governing independent power producers and to prohibit adoption of rules governing the recovery of costs related to the development of non-utility generators by the public utility.

Your Committee finds that non-utility generators, or independent power producers, have been subject to guidelines developed by the public utilities without the review or approval of the Public Utilities Commission. Your Committee further finds that these guidelines can place undue restraints and financial burdens upon the non-utility generators which essentially prevent these alternative energy sources from becoming more economical and thus more available. Your Committee notes that this proposal resulted from the Energy and Environmental Summit in which support for the development of alternative energy sources and production was endorsed by summit participants.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, independent power producers, and energy summit participants. Testimony in opposition was submitted by the Public Utilities Commission and the Consumer Advocate due to concerns about the prohibition on cost recovery for development of non-utility generators. Thus, your Committee has amended this bill to require that any such rules regarding cost recovery be approved by the Public Utilities Commission prior to their adoption by the public utility. A definition of non-utility generator was also added.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2102, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2261 Science, Technology and Economic Development on S.B. No. 2923

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 technical, nonsubstantive 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. 2923, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2923, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2262 Ways and Means on S.B. No. 2009

The purpose of this bill is to expand the services of the Molokai cooling plant by adding a packing shed and installing packing lines.

Your Committee finds that this expansion will enable the cooling plant to expand its services, increase its income, and move toward greater self-sufficiency. The Molokai cooling plant was constructed to allow farmers on Molokai to grow "cold crops" and to provide short-term storage of crops until they are shipped to wholesale markets on the other islands. The plant has operated continuously since June 1993, cooling more than one hundred sixty tons of produce. The goal of the plant is to become self-sufficient by January 1998, and the addition of these packing activities will permit the farmers to become more efficient in their operations and increase revenues of the plant.

Your Committee has amended the bill by inserting a blank amount for the appropriation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2009, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2009, S.D. 1.

Signed by all members of the Committee.

SCRep. 2263 Ways and Means on S.B. No. 2010

The purpose of this bill is to appropriate funds through the Department of Business, Economic Development, and Tourism, for the construction of a slaughterhouse on Molokai.

Your Committee finds an urgent need for a slaughterhouse facility on Molokai meeting Department of Health rules regarding adequate solid and liquid waste-handling capacity to prevent public health nuisances to complement the needs of small farmers and ranchers engaged in livestock production and as a viable alternative for Molokai agriculture.

Your Committee further finds that the absence of a meat processing plant on the island threatens the continued production of livestock for commercial purposes. A slaughterhouse facility would enhance the full development of an animal industry on Molokai which already has most of the components in place, including an improved beef breed, pasture practices, a diversified species-base, land, and an existing and urgent need for economic development.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2010, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2264 Ways and Means on S.B. No. 2046

The purpose of this Act is to appropriate \$80,000 for the cost of installing a foundation, constructing a housing shed, and replacing the compressor at the Kamuela cooling plant compressor.

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 technical, nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2046, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2046, S.D. 1.

Signed by all members of the Committee.

SCRep. 2265 Ways and Means on S.B. No. 2151

The purpose of this bill is to allow the Department of Agriculture to issue a permit for the importation and possession of a microorganism, which is not on the list of prohibited animals and microorganisms, for the purpose of conducting medical research, subject to certain conditions.

Specifically, this bill requires such a microorganism to be contained and disposed of in a laboratory quarantine facility meeting the biosafety level guidelines, and standards established for the microorganism by the Centers for Disease Control or the National Institute of Health, or both.

Your Committee received testimony in support of this measure from the Hawaii Biotechnology Group, Inc., and testimony in support from the Department of Agriculture conditioned on the incorporation of specific amendments.

Your Committee has amended this bill by:

- (1) Limiting the scope of this measure to a microorganism that is not on the lists of prohibited, restricted, or conditionally approved microorganisms, rather than on the lists of prohibited, restricted, or conditionally approved animals and microorganisms;
- (2) Allowing the Department of Agriculture to issue special permits on a case by case basis for microorganisms that are not on the lists of restricted or conditionally approved microorganisms, as well as those on the list of prohibited microorganisms;
- (3) Specifying that the purpose of a special permit is to remediate medical emergencies or agricultural or ecological disasters, in addition to conducting medical research; and
- (4) Requiring the importer of the microorganism to meet permit requirements consistent with Centers for Disease Control and National Institute of Health guidelines as determined by the board of agriculture, rather than containing and disposing of the microorganism in a laboratory quarantine facility meeting these guidelines.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2151, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2151, S.D. 1.

Signed by all members of the Committee.

SCRep. 2266 Ways and Means on S.B. No. 2375

The purpose of this bill is to exempt agricultural and horticultural organizations from the general excise tax law.

Your Committee finds that many organizations that operate for the benefit of the community are exempt from the general excise tax law. Exemptions under the current law may or may not include some of the agricultural and horticultural organizations that exist today. Therefore, this bill extends the exemption specifically to all agricultural and horticultural organizations.

Your Committee received no testimony in opposition to the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2375 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2267 Ways and Means on S.B. No. 2705

The purpose of this bill is to establish the irrigation water development special fund and to finance irrigation projects by the Department of Agriculture.

In addition, this bill:

- (1) Authorizes the Department of Agriculture, with the approval of the Director of Finance and the governor, to issue revenue bonds in an unspecified amount for the financing and refinancing of irrigations projects;
- (2) Makes an unspecified appropriation to the Department of Agriculture for planning, designing, operating, and maintaining irrigation projects authorized under chapter 167, Hawaii Revised Statutes (irrigation water development), and to pay debt service on the bonds;
- (3) Provides that all revenue bonds issued pursuant to chapter 167 be issued in the name of the department and not the State;
- (4) Permits the board, with the governor's approval, to designate by resolution all or any portion of an irrigation project or projects undertaken pursuant to this chapter;
- (5) Permits the board of agriculture to adjust rates to take into consideration payment of debt service on the revenue bonds; and
- (6) Requires acreage assessments to be deposited into either the irrigation system revolving fund or the irrigation system special fund, depending on type.

Your Committee finds that chapter 167, Hawaii Revised Statutes, currently authorizes the issuance of revenue bonds with the prior approval of the legislature for each issuance. Two large sugar plantations, Hamakua Sugar Company and Oahu Sugar Company, have announced their closures. Their existing irrigation systems are essential for the transformation of those lands from sugar to diversified agriculture. Your Committee finds that these resources should be acquired and preserved, through the mechanism provided in this bill, for the public benefit.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2705 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2268 Ways and Means on S.B. No. 2728

The purpose of this bill is to appropriate funds to enable the Hawaiian Sugar Planters' Association experimental station to perform research in consultation with the college of tropical agriculture and human resources of the University of Hawaii and the Department of Agriculture.

Your Committee finds that Hawaii's sugar industry is currently undergoing a series of transitions to remain efficient and productive. The Hawaiian Sugar Planters' Association is currently in the process of transferring its experimental station to a new research corporation. This bill provides the funds to maintain staff and enable an orderly transfer.

While it is in agreement with the intent and purpose of this bill, your Committee finds that further discussion is needed to determine the actual amount of funding necessary to carry out the purposes of this bill. In this regard, your Committee has replaced the sum to be appropriated with a blank amount. Your Committee has further amended this bill by eliminating the involvement of the college of tropical agriculture and human resources of the University of Hawaii in carrying out the requirements of the bill, and 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. 2728, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2728, S.D. 2.

Signed by all members of the Committee.

SCRep. 2269 Ways and Means on S.B. No. 2876

The purpose of this bill is to appropriate funds to purchase a new slaughterhouse on Oahu.

Your Committee agrees with your Committee on Agriculture that there is an urgent need to continue the services of a slaughterhouse on Oahu to maintain swine and dairy industries on the island, and to meet the demands of consumers for fresh products. Your Committee understands that since the introduction of this bill, the Kahua slaughterhouse has been purchased and is presently being operated by the hog industry. However, this is a short-term solution since the facility will eventually have to close due to urban encroachment and other factors.

Your Committee finds that assistance is needed from the State in finding a long-term solution to maintain the viability of the livestock industry on Oahu.

Your Committee has amended this bill by changing the appropriation to an unspecified amount, and by making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2876, S.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2876, S.D. 2.

Signed by all members of the Committee.

SCRep. 2270 Ways and Means on S.B. No. 2877

The purpose of this bill is to appropriate funds to develop the necessary infrastructure to implement low-input sustainable agriculture and organic crop production and marketing on the island of Oahu.

Your Committee finds that low-input and organic crop demonstration projects have been successful on all islands of the State except Oahu. Your Committee further finds that farmers on Oahu must adopt practices that are environmentally safe, ensure high productivity and profitability, and conserve natural resources.

Your Committee has amended this bill by changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter and by making a 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. 2877, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2877, S.D. 1.

Signed by all members of the Committee.

SCRep. 2271 Ways and Means on S.B. No. 3044

The purpose of this bill is to require the board of agriculture to conduct an independent audit of milk processing plants with federal milk marketing order specifications at least once per fiscal year when certain conditions exist, rather than once per month.

Specifically, this bill allows the board of agriculture to contract an independent audit with federal milk marketing order specifications, which examines and verifies milk utilization by the processing plants at least once per processor during the fiscal year when a class I milk only situation exists and when milk is utilized for other than class I purposes or rejected for reasons other than antibiotics, high temperature, low cryoscope, off-flavor, somatic cell count, or as determined necessary by the board.

Your Committee finds that the increased cost of conducting monthly independent audits of milk processing plants, which are paid for by the dairy industry, should be replaced by a more flexible method of verifying milk utilization.

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. 3044, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3044, S.D. 1.

Signed by all members of the Committee.

SCRep. 2272 Ways and Means on S.B. No. 2483

The purpose of this bill is to stimulate the production of ethanol by mandating the use of ethanol in motor fuel.

In particular, the bill requires the Director of Business, Economic Development, and Tourism to adopt rules to require that gasoline sold in the State for use in motor vehicles contain ten per cent ethanol by volume. The determination of the amounts of gasoline sold containing ten per cent ethanol is left to the discretion of the director. The director may also provide exemptions where compliance with this requirement would cause undue hardship.

Your Committee finds that ethanol production in the State is both appropriate and timely given recent development in the process of ethanol manufacture, the State's dependence on imported petroleum for transportation fuels, and the need to find alternative uses of agricultural lands becoming fallow as a result of the decline in sugar production. In addition, your Committee notes that ethanol is widely used on the mainland and in Brazil and has proven to be a good transportation fuel.

Although your Committee notes that ethanol made from sugarcane is available from both the Caribbean and Southeast Asia, and Hawaii faces competition in ethanol production from these and other areas, your Committee nonetheless believes that this bill will provide tremendous employment opportunities and contribute to the future viability of the State's sugar industry as a whole. Your Committee also finds that this bill will not cause significant increases in cost to consumers and will help to reduce Hawaii's dependence on imported fuels.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2483, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2273 Ways and Means on S.B. No. 1576

The purpose of this bill is to require the joint legislative budget committee, in consultation with the legislative analyst, the auditor, and the executive branch, to review and analyze the state budgetary law and process to identify areas of the law and the process that are in need of improvement, and to develop appropriate recommendations and legislation to carry out the necessary reform.

In addition to specifying the duties of the joint legislative budget committee, this bill:

- (1) Requires the committee to submit a report to the legislature containing the recommendations and legislation necessary to carry out the provisions of this measure prior to the convening of the regular session of 1995;
- (2) Requires the committee to appoint the legislative analyst and two deputies to the analyst;
- (3) Requires the analyst, within six months of appointment, to develop a budget, an organizational structure, and a plan to achieve the overall purposes of this measure and the legislative fiscal and budget analysis law; and
- (4) Appropriates \$500,000 to the office of the legislative analyst.

Your Committee finds that this bill will begin the gradual process of establishing comprehensive legislative oversight and control of the budgetary process.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated from \$500,000 to an unspecified amount; and
- (2) 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. 1576, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1576, S.D. 2.

Signed by all members of the Committee.

SCRep. 2274 Ways and Means on S.B. No. 2862

The purpose of this bill is to amend the responsibilities of the auditor.

Specifically, the bill alters the auditor's mandated functions by:

- (1) Modifying the sunset evaluation process;
- (2) Deleting the auditor's responsibility to report on the social and financial impact of proposals to mandate health insurance coverage; and
- (3) Deleting the auditor's responsibility to review state agencies' administrative rules.

Your Committee finds that the auditor and the Department of Commerce and Consumer Affairs (DCCA) support this bill.

Your Committee further finds that the sunset evaluation process originally enacted in 1977 places an undue burden on the resources of the auditor. Because the regulatory programs affected by the sunset provisions of chapter 26H, Hawaii Revised Statutes, are, for the most part, under the administrative jurisdiction of the DCCA, the auditor has spent an inordinate amount of time auditing programs under the jurisdiction of the DCCA, as opposed to any other state agency.

In the case of reporting on the social and financial impact of legislative proposals to mandate health insurance coverage, your Committee finds that this responsibility has proven fruitless over the years, due to the nebulous nature of gathering, extracting, and converting data into readily usable information.

In the case of the review of administrative rules of state agencies, your Committee finds that the sheer volume of administrative rules makes the task of reviewing each rule insurmountable and, therefore, untenable.

Your Committee believes that streamlining the responsibilities of the auditor would be a more efficient use of available resources and will enable the auditor to serve more effectively the needs of the legislature and the public.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2862, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2862, S.D. 1.

Signed by all members of the Committee.

SCRep. 2275 Ways and Means on S.B. No. 3298

The purpose of this bill is to appropriate \$500,000 for the relocation of canoe club facilities at Kahului, Maui to Hoaloha Park.

Your Committee agrees with your Committee on Tourism and Recreation that Hawaiian canoe racing teaches respect for the ocean and the surrounding beach areas. In fact, many of the canoe clubs have improved the beach areas where they launch and shelter their canoes. Canoe club facilities were located on leased land that was sold recently by the state Department of Transportation and the clubs are working to relocate the facilities to Hoaloha Park.

Your Committee agrees with the intent and purpose of this bill and has amended it by removing the dollar amount of the appropriation to encourage more discussion on the issue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3298, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3298, S.D. 1.

Signed by all members of the Committee.

SCRep. 2276 Ways and Means on S.B. No. 2749

The purpose of this bill is to provide that the Department of Business, Economic Development, and Tourism's contract with the Hawaii Visitors Bureau (HVB) require an annual report.

The report shall include:

- (1) Goals and objectives in accordance with identified needs;
- (2) Description and status of promotional projects and programs;
- (3) Target markets;
- (4) Analyses of program effectiveness; and
- (5) Program and project funding and costs.

Your Committee finds that adequate oversight on how state moneys are being expended by the HVB, and the corresponding effectiveness of the expenditures, should be a minimum condition of receiving state funds. This bill will provide for the receipt by the legislature of that information.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2749 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2277 Ways and Means on S.B. No. 2669

The purpose of this bill is to establish a convention center neighborhood advisory committee to transmit the views and concerns of the various communities surrounding the site of the convention center to the convention center authority.

Your Committee finds that although the convention center facility at the former site of Aloha Motors will provide overall benefits to the State's economy, the project, undoubtedly, will also result in the generation of concerns among the residents of the various communities surrounding the site. To ensure that the views and concerns of community residents are properly recognized and addressed by the convention center authority, your Committee finds that an advisory committee comprised of neighborhood representatives should be convened. Your Committee finds that this bill will ensure that the convention center facility is developed in a manner sensitive to community concerns.

While it agrees with the intent of this bill, your Committee finds that questions over the duties and the composition of the advisory committee have generated concerns among business and tourism industry practitioners. In this regard, your Committee has amended this bill by revising and reducing the scope of duties previously envisioned for the advisory committee. Your Committee has further amended this bill by allowing the governor to select and appoint members to the advisory committee without relying on nominee lists submitted by various, specifically designated neighborhood organizations.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2669, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2669, S.D. 2.

Signed by all members of the Committee.

SCRep. 2278 Ways and Means on S.B. No. 2661

The purpose of this bill is to appropriate funds to the Hawaii Visitors Bureau for tourism marketing and promotion; provided that the funds are matched with private sector contributions.

Your Committee finds that the visitor industry of the State needs to leverage limited dollars and resources for tourism advertising and promotion. Joint campaigns between the State and the Hawaii Visitors Bureau in the past have proven to be successful and effective. Advertising partnerships increase both the State's and the visitor industry's return on investment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2661 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2279 Ways and Means on S.B. No. 2503

The purpose of this bill is to appropriate funds for the Bud Light Ironman Triathlon.

Your Committee finds that the Ironman Triathlon is a world-renowned event that annually attracts thousands of athletes from around the world. As the internationally-acknowledged premier triathlon event, the Ironman Triathlon is a valuable promotional asset to local tourism, businesses, and the State.

Your Committee has amended this bill by clarifying that the name of the event is the "Gatorade" Ironman Triathlon, consistent with the name of the new major sponsor of the event.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2503, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2503, S.D. 1.

Signed by all members of the Committee.

SCRep. 2280 Ways and Means on S.B. No. 2596

The purpose of this bill is to require the Department of Business, Economic Development, and Tourism to develop a plan for the development of an ecotourism industry in Hawaii.

Your Committee finds that the State's visitor industry needs to expand and diversify the opportunities currently accessible to visitors throughout Hawaii to provide past visitors with an incentive to return and to ease the burden placed on existing visitor attractions and facilities. Nature-based tours are currently gaining popularity in many areas of the world. The establishment of a plan for the development of an ecotourism industry in Hawaii will enable the State to showcase its natural beauty in an environmentally-sensitive manner.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2596 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2281 Ways and Means on S.B. No. 2424

The purpose of this bill is to appropriate \$1,500,000 to the Department of Business, Economic Development, and Tourism for the promotion of existing, established televised golf events in the State of Hawaii, subject to the condition that each event shall receive not less than \$200,000.

Your Committee finds that the expenditure of public funds to support nationally and internationally televised golf events is a wise, prudent, and cost-effective means of promoting tourism -- Hawaii's most important industry.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated from \$1,500,000 to an unspecified amount;
- (2) Changing the minimum sum that each existing, established televised golf event is to receive from \$200,000 to an unspecified amount; 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. 2424, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2424, S.D. 1.

Signed by all members of the Committee.

SCRep. 2282 Ways and Means on S.B. No. 2637

The purpose of this bill is to require the board of land and natural resources to consider the relevant agricultural uses of leased land in setting rents for agricultural leases.

Your Committee finds that under current law no guidelines exist on setting lease rents for public lands used for agricultural purposes. The Department of Land and Natural Resources currently determines these lease rents by using comparable lease rents and the income approach. Your Committee is aware that farmers have expressed serious concerns with this methodology, alleging that the rentals have increased so greatly that their ability to make a profit and continue farming is being jeopardized.

Accordingly, your Committee finds that:

- (1) The method of determining lease rents presented in this bill will produce fairer results that more accurately reflect the actual productive value of the land; and
- (2) This bill will facilitate the stabilization of state agricultural lease rents, which will foster the growth and development of agriculture in the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2637 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2283 Ways and Means on S.B. No. 2975

The purpose of this bill is to repeal chapter 234, Hawaii Revised Statutes, which provides general excise and real property tax relief to certain persons who suffer damage as a result of natural disasters.

The tax relief for natural disasters law was enacted more than thirty years ago. Its purpose was to provide a mechanism that would assist victims of a natural disaster in the recovery of their losses. Originally, the relief offered was a refund or forgiveness of tax liabilities from income tax, real property tax and general excise tax, over a five-year period up to the limits of an individual's certified loss or \$500,000, whichever was less. Today, the relief is only available through real property and general excise tax liability up to the lesser of the limits of an individual's losses or \$35,000. Other legislation over the years has further limited the eligibility for relief to the point where the law operates in a discriminatory manner by providing a larger percentage of recovery for those with more assets, particularly those individuals who own both real property and a business. The application of the relief is not based on whether or not the losses are personal or business losses, which may result in unfair advantage and windfall profits to those who qualify for relief.

Your Committee finds that the theory of providing general relief from natural disasters through refunds or forgiveness of tax liabilities has never been looked upon favorably because it is not effective and limits the relief to only those who have a tax liability. Natural disasters are unpredictable events and are more appropriately handled in a case-by-case manner that can be modified to accommodate both the degree of damage suffered by the community and the economy of the State at the time of the disaster.

Your Committee has amended this bill by making conforming amendments to two sections in the tax administration law to delete references to the law being repealed.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2975, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2975, S.D. 1.

Signed by all members of the Committee.

SCRep. 2284 Ways and Means on S.B. No. 3310

The purpose of this bill is to assist the recovery of the Hamakua and Hilo coast region by enabling certain permittees on state lands to obtain long-term agricultural leases through a non-bid process. Under this bill, the State's authority to negotiate and enter into such non-bid leases expires on June 30, 1996. The expiration of the State's authority, however, will not affect the ongoing validity of the leases.

Your Committee on Ways and Means is well aware that the severity of the economic downturn in the area that has accompanied the decline in sugar production makes it imperative that decisive action be taken to revitalize the region.

Further, your Committee finds that without the enactment of this bill, the mechanism of section 171-32, Hawaii Revised Statutes, which requires, among other things, that leases of public lands be disposed of by auction, may foreclose the likelihood of these permittees making successful bids on the lands.

This bill alleviates the problem by authorizing the State to issue, through negotiation rather than auction, leases of agricultural lands that are not needed for any other public purpose to holders of revocable permits.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3310, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3310, S.D. 2.

Signed by all members of the Committee.

SCRep. 2285 Ways and Means on S.B. No. 2959

The purpose of this bill is to authorize the board of land and natural resources to issue revenue bonds to finance the development of industrial parks. This bill also authorizes the board to assess fees upon industrial park lessees to meet the debt service requirements of revenue bonds and other industrial park expenses.

Your Committee finds that the law relating to industrial parks currently authorizes the board of land and natural resources to utilize revenues paid into the industrial park special fund for the development of industrial parks. It does not, however, allow the board to issue revenue bonds to finance the development of industrial parks on state-owned lands. This bill allows for the issuance of revenue bonds similar to the airports and harbors revenue bond program.

Your Committee has amended this bill by correcting technical errors in drafting.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2959, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2959, S.D. 2.

Signed by all members of the Committee.

SCRep. 2286 Ways and Means on S.B. No. 2954

The purposes of this bill are to: (1) establish in the Department of Land and Natural Resources the positions of administrator of forestry and wildlife, and forestry and wildlife manager; (2) clarify the procedures for handling wildfires; and (3) increase fines for persons violating fire restrictions.

Your Committee finds that the loss of native habitat is severely impacted by careless and thoughtless fire risk behavior. Upon further consideration, your Committee has determined that the primary focus of this bill should be one of deterring this behavior by making the penalties simultaneously more stringent and reflective of the actual cost of the State of combatting the fires.

Accordingly, your Committee has amended this bill by deleting all provisions except those that raise fines imposed for certain violations. More specifically:

- (1) In the case of fires set during a fire danger period, the minimum fine is raised from \$25 to \$100 and the maximum fine is changed from \$5,000 to \$2,000 plus the costs of suppressing the fire and damage to public and private property; and
- (2) For obstructing a state forester or fire warden, the minimum fine is raised from \$25 to \$100.

Your Committee has also made technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2954, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2954, S.D. 1.

Signed by all members of the Committee.

SCRep. 2287 Ways and Means on S.B. No. 2695

The purpose of this bill is to allow lessees of public lands who have a lease term plus extensions totaling sixty-five years or less to extend their leases to the extent necessary to qualify for mortgage lending or guaranty purposes with lending institutions.

Your Committee finds that the problem of lessees with limited terms left on their leases and who, due to those limited terms, cannot qualify for loans is a real one. Without financing, lessees cannot make necessary improvement to the land. With financing, lessees can afford to make those changes that will enable them to utilize the land more productively.

Your Committee finds that the contents of this bill are substantially similar, but not identical, to section 171-36(b), Hawaii Revised Statutes, which also provides for extension of leases. This bill contains more restrictions and will be repealed on July 1, 1995. Your Committee finds that this bill does not duplicate existing statutory material and will provide needed relief for lessees.

Your Committee has amended this bill by reducing the maximum length of the lease plus extensions from sixty-five years to fifty-five years, and by making a technical, nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2695, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2695, S.D. 2.

Signed by all members of the Committee.

SCRep. 2288 Ways and Means on S.B. No. 2924

The purpose of this bill is to exempt the Aloha Tower fund from paying (1) the five per cent charge on special funds to defray the State's administrative expenses; and (2) its pro rata share of administrative expenses to the Department of Business, Economic Development, and Tourism.

Your Committee finds that exempting the Aloha Tower fund from the foregoing requirements is reasonable under the circumstances because requiring those payments could impair the Aloha Tower development corporation's ability to meet its contractual obligations to the developer and its statutory obligation to the Department of Transportation. Further, because many of the revenues received by the corporation are simply passed through to other agencies, the mechanical application of the statutory formulas could result in multiple exactions of these fees from the Aloha Tower development corporation as well as the agency that ultimately receives the payments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2924, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2289 Ways and Means on S.B. No. 3046

The purpose of this bill is to assist businesses adversely impacted by the construction of improvement district projects in the Kakaako community development district.

Your Committee finds that infrastructure improvements throughout the district are necessary in order for the Hawaii Community Development Authority (HCDA) to fulfill its mandate to redevelop Kakaako. Such improvements involve

massive reconstruction of major infrastructure systems which cause significant disruption daily to businesses located within the construction area. Many businesses can neither afford nor recover from the substantial loss of business that occurs during the construction period. Your Committee further finds that there is an inherent obligation on the part of the State to assist in sustaining the existing business community as Kakaako transitions to a new community.

This bill provides vital relief to businesses by authorizing the HCDA to undertake night work construction for its improvement district project. In particular, the bill allows the HCDA to adopt and enforce noise standards for night work construction, thus enabling the HCDA to balance the needs and welfare of both residents and businesses located in the project area.

This bill also authorizes HCDA to lease properties within a community development district for a period not exceeding one year to assist owners and tenants of properties adversely impacted by construction.

Your Committee has amended this bill by deleting the provision allowing the HCDA to lease properties adversely impacted by construction. Other technical changes were made without affecting the substance of this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3046, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3046, S.D. 2.

Signed by all members of the Committee.

SCRep. 2290 Ways and Means on S.B. No. 2922

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to issue improvement district bonds in the aggregate amount not exceeding \$60,000,000.

Under chapter 206E, Hawaii Revised Statutes, the HCDA must assess the cost of improvements to the property owners in the district. To help the owners pay for their share of the improvements, the HCDA may issue tax-exempt bonds as a means of financing for the owners.

The HCDA is currently authorized to issue up to \$30,000,000 in bonds for this purpose. This bill increases that limit to \$60,000,000. Your Committee finds that this increased authorization is necessary to enable the HCDA to continue to offer financial assistance to property owners, especially in view of the improvements being made in the Kakaako district.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2922 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2291 Ways and Means on S.B. No. 2398

The purpose of this bill is to appropriate \$1 to the University of Hawaii to establish the Pacific mapping center in the college of engineering.

Your Committee finds that the Pacific mapping program, by archiving the physical dimensions, resources, and characteristics of the Pacific Ocean, will aid in the future economic development of the ocean's natural resources.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated from \$1 to an unspecified amount; and
- (2) 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. 2398, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2398, S.D. 1.

Signed by all members of the Committee.

SCRep. 2292 Ways and Means on S.B. No. 3309

The purpose of this bill is to allow the Department of Agriculture and the Department of Land and Natural Resources, without having to conduct public auctions, to negotiate and enter into fixed leases of specific state lands with persons who hold revocable permits for a slaughterhouse and feedlot, or for any other agricultural purpose, in the Hamakua community development district.

Your Committee finds that:

- (1) It is in the public interest to assist qualifying permittees who depend on state land in the Hamakua community development district for their livelihood;
- (2) The purpose of this bill is consistent with the objectives of the Hawaii state plan; and
- (3) If the offer of assistance provided by this bill is accepted by qualifying permittees, the State would realize greater returns from the long-term disposition of lands now under permit and would expedite the economic recovery of the Hamakua region.

Your Committee has amended this bill by:

- (1) Requiring the payment of an annual lease rent based on fair market value and a premium, computed at twenty-five per cent of the annual lease rent, with the premium to be added to the annual lease rent for each year of the lease equal to the number of years that the lessee had occupied the land under a revocable permit prior to December 31, 1994; and
- (2) Making technical, nonsubstantive amendments for purpose of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3309, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3309, S.D. 2.

Signed by all members of the Committee.

SCRep. 2293 Ways and Means on S.B. No. 2001

The purpose of this bill is to restructure the commission on water resource management to add the chairperson of the Board of Agriculture as an ex officio voting member.

Your Committee finds that the necessity for input from the Department of Agriculture into water use planning is critical. As sugar plantations are phased out of production, the Department of Agriculture will become the recipient of the existing plantation irrigation systems statewide. Agricultural representation on the commission is necessary as the Department of Agriculture becomes responsible for the maintenance and use of this infrastructure, as well as its role as a major contributor in expanding diversified agriculture on current sugar lands. Because of these changes in agricultural production statewide, there is a need for input from the department to identify and advocate appropriate uses of water for agriculture.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2001, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2294 Ways and Means on S.B. No. 2651

The purpose of this bill is to require the governor to convene a transition team to abolish the office of state planning and transfer its functions and personnel to other existing agencies.

Your Committee finds that the functions of the office of state planning are largely duplicative of other executive agencies. Rather than functioning in a beneficial capacity to the agencies of the State, the involvement of the office in programs of these agencies merely adds another layer of bureaucracy to the governmental structure of the State. Administrative expenses of the office could be reduced significantly if the functions and personnel of the office are transferred to other appropriate agencies of the State.

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. 2651, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2651, S.D. 2.

Signed by all members of the Committee.

SCRep. 2295 Ways and Means on S.B. No. 2921

The purpose of this bill is to exempt the Hawaii community development revolving fund from the requirements that it be assessed its fair share of central service expenses and pay the Department of Business, Economic Development, and Tourism for its pro rata share of administrative expenses.

The Hawaii Community Development Authority is authorized to implement a district-wide improvement program for Kakaako and issue bonds. Under the program, property owners who specially benefit from the proposed public improvements are assessed their proportionate share of the improvement costs. The payments are placed in the Hawaii community development revolving fund, which is used solely to pay the principal and interest on the bonds and costs related to bond issuance. If additional charges, such as the central service expenses and administrative pro rata share, are assessed, the authority's obligation to the bondholders may be impaired.

Your Committee finds that the Hawaii community development revolving fund, as a revolving fund, is specifically excluded from the definition of a special fund. As these charges are supposed to be placed only on special funds, it is inappropriate to place them on the Hawaii community development revolving fund. This bill would clarify the revolving fund's entitlement to these exceptions.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2921, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2921, S.D. 2.

Signed by all members of the Committee.

SCRep. 2296 Ways and Means on S.B. No. 2885

The purpose of this bill is to place jurisdiction over all state construction projects relating to the secondary urban center at Kapolei with the Housing Finance and Development Corporation, and to appropriate an unspecified sum to the corporation.

Your Committee finds that placing jurisdiction over all state construction projects at Kapolei with the Housing Finance and Development Corporation would facilitate master planning and reduce the duplication of effort created by the various state departments, offices, and agencies, including the courts, currently administering construction projects at the secondary urban center.

Your Committee has amended this bill by:

- (1) Changing the expending agency for the appropriation from the Housing Finance and Development Corporation to the Department of Budget and Finance; 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. 2885, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2885, S.D. 2.

Signed by all members of the Committee.

SCRep. 2297 Ways and Means on S.B. No. 3026

The purpose of this bill is to allow the Hawaii Community Development Authority (HCDA) to develop a special improvement program to identify special improvement public facilities needed within community development districts and to broaden the financing capability of the HCDA to finance public improvements within these districts.

In particular, the bill provides the HCDA with an alternate means of financing infrastructure and other types of public improvements through the issuance of bonds which are payable from assessments imposed on properties generally benefiting from these improvements. This new financing mechanism is distinct from the existing district-wide improvement program under section 206E-6, Hawaii Revised Statutes.

Your Committee has made 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 S.B. No. 3026, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3026, S.D. 2.

Signed by all members of the Committee.

SCRep. 2298 Ways and Means on S.B. No. 2405

The purpose of this bill is to permit moneys in the state highway fund to be used for the implementation of traffic congestion management strategies.

Your Committee finds that traffic congestion occurs in many areas throughout the State, and that it is a consistent source of frustration and anger to those who experience it daily. Traffic congestion affects businesses, employees, parents who drive their children to school, and emergency vehicles. Without positive steps to combat traffic congestion, the situation will only get worse. Your Committee finds that use of the state highway funds for congestion management purposes is an appropriate use of the fund.

Your Committee has amended the bill by making technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2405, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2405, S.D. 1.

Signed by all members of the Committee.

SCRep. 2299 Ways and Means on S.B. No. 532

The purpose of this bill is to require the selection of contractors for airport contracts let by the Department of Transportation to be accomplished through competitive bids or requests for proposals in a manner that fairly considers all interested and qualified contractors.

Your Committee finds that this bill is necessary to ensure the fair and equitable treatment of prospective contractors for airport contracts, and that competitive bidding will provide needed efficiency and expediency in the contracting process.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 532, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 532, S.D. 2.

Signed by all members of the Committee.

SCRep. 2300 Ways and Means on S.B. No. 2793

The purpose of this bill is to clarify the judiciary's authority to use driver education as a sentencing alternative.

Your Committee finds that, although sentencing judges for district court traffic-related offenses currently use driver education as a sentencing alternative, this bill is necessary to provide clear legal authority for its continued use and for further application in appropriate traffic offense cases.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2793, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2793, S.D. 1.

Signed by all members of the Committee.

SCRep. 2301 Ways and Means on S.B. No. 2190

The purpose of this bill is to appropriate funds to the Judiciary for the provision of domestic violence education, counseling, legal representation, and technical assistance.

Your Committee finds that the funds appropriated to the Judiciary may be used to contract for the provision of these services through a private social service provider. Currently, the Domestic Violence Clearinghouse and Legal Hotline is providing telephone crisis counseling, referrals, community program and system information, legal representation, community education, professional training, advocacy for system reform and technical assistance about domestic abuse issues. Federal funding for the Domestic Violence Clearinghouse and Legal Hotline will end in May 1994.

Your Committee finds that without state funding, a large demand for the services which are presently provided by the Domestic Violence Clearinghouse and Legal Hotline will go unmet. Consequently, further demands will be placed on other state agencies like the courts, the Department of Human Services, and the police at a far greater cost.

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. 2190, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2190, S.D. 1.

Signed by all members of the Committee.

SCRep. 2302 Ways and Means on S.B. No. 2192

The purpose of this bill is to provide additional funding and permanent positions to the Hawaii civil rights commission for the purpose of expediting the handling of the caseload of its investigators.

The appropriation of funds and the establishment of additional permanent positions would greatly assist the commission in meeting its public mandate of enforcing laws barring discriminatory practices in employment, real estate transactions, public accommodations, and accessibility to state-funded services.

Your Committee has amended this bill by changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter and by making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2192, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2192, S.D. 1.

Signed by all members of the Committee.

SCRep. 2303 Ways and Means on S.B. No. 2199

The purpose of this bill is to appropriate \$30,000 to the Department of Public Safety to train security guards for the Department of Education's school campuses.

In addition to allocating these funds among specific activities, this measure specifies that the term "security guard" refers to security attendants of the Department of Education.

Your Committee finds that this bill will enhance the training program for and further develop the skills, knowledge, and abilities of school security attendants.

Your Committee has amended this bill by changing the sum appropriated from \$30,000 to an unspecified amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2199, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2199, S.D. 2.

Signed by all members of the Committee.

SCRep. 2304 Ways and Means on S.B. No. 2294

The purpose of this bill is to establish a night court in the first circuit court to handle non-jury domestic abuse cases and prostitution-related cases.

Your Committee finds that the number of domestic abuse cases has caused a tremendous backlog in the first circuit, requiring immediate action to prevent the release of perpetrators for violation of speedy trial rights. Your Committee also finds that prostitution has caused considerable concern in the community and, consequently, that prostitution-related cases need to be addressed and resolved quickly. Finally, your Committee finds that providing for a night court system will address these concerns without requiring huge expenditures for additional courtroom space.

Your Committee has amended this bill by changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter and by making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2294, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2294, S.D. 2.

Signed by all members of the Committee.

SCRep. 2305 Ways and Means on S.B. No. 2680

The purpose of this bill is to appropriate \$150,000 for a center specifically designed to provide a secure and safe environment for court-ordered visitations of children by their noncustodial parents.

Your Committee finds that the family visitation center in Hawaii is one of the most progressive in the nation. The center is designed to protect partners who have been ordered not to have contact with one another from encountering each other during child visitations.

Your Committee has amended this bill to change the appropriation from \$150,000 to a blank amount for purposes of further discussion. Your Committee has 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. 2680, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2680, S.D. 1.

Signed by all members of the Committee.

SCRep. 2306 Ways and Means on S.B. No. 2716

The purpose of this bill is to appropriate \$262,080 for ten marine police positions.

Your Committee is in accord with your Committee on Judiciary and finds that in this time of fiscal austerity it is necessary to limit requests for additional positions. Your Committee has amended this bill by leaving the dollar amount blank 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. 2716, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2716, S.D. 2.

Signed by all members of the Committee.

SCRep. 2307 Ways and Means on S.B. No. 2724

The purpose of this bill is to continue funding for the multi-agency, community-based collaboration of the gang response system established by Act 189, Session Laws of Hawaii 1990 and further continued through Act 300, Session Laws of Hawaii 1992.

Your Committee finds that the enlightened approach to the youth gang problem in Hawaii through a collaboration of government and private agencies is innovative and far-reaching and that efforts to minimize the growth and development of youth gangs and their negative consequences in Hawaii need to be continued.

Your Committee has amended this bill to change the appropriation from \$599,675 to a blank amount for purposes of further discussion, and to make technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2724, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2724, S.D. 1.

Signed by all members of the Committee.

SCRep. 2308 Ways and Means on S.B. No. 2781

The purpose of this bill is to increase the number of exempt law clerk positions assigned to the judiciary.

Specifically, the bill authorizes two additional law clerks for the civil administrative judge of the circuit court of the first circuit; one additional law clerk for the criminal administrative judge of the circuit court of the first circuit; one additional law clerk for the senior judge of the family court of the first circuit; one additional law clerk for the civil motions judge of the circuit court of the first circuit; and one additional law clerk for the criminal motions judge of the circuit court of the first circuit.

Your Committee finds that the current caseload and backlog of cases in the judiciary warrants additional staff. However, due to budget constraints, your Committee can recommend such funding only in the most deserving circumstances. Therefore, your Committee has amended this bill by providing for one additional law clerk for the criminal administrative judge of the circuit court of the first circuit.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2781, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2781, S.D. 1.

Signed by all members of the Committee.

SCRep. 2309 Ways and Means on S.B. No. 2795

The purpose of this bill is to increase the fee charged for traffic abstracts from \$2 to \$5 per abstract.

Your Committee finds that the fee for certified traffic abstracts originally was set in 1982 at \$2 per abstract. Currently, between three hundred thousand and four hundred thousand certified abstracts are prepared each year.

Your Committee finds that the fee of \$2 for processing an abstract is insufficient to cover the costs incurred by the judiciary. Increasing the fee for certified traffic abstracts from \$2 to \$5 would help to cover the processing costs.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2795, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2795, S.D. 1.

Signed by all members of the Committee.

SCRep. 2310 (Majority) Ways and Means on S.B. No. 2824

The purpose of this bill is to permit eligible citizens to register and vote on election day.

Current law requires citizens to register to vote at least thirty days prior to the election in which they wish to vote. Hawaii's percentage of registered voters who actually vote has been dropping to alarming levels. To combat this poor showing, the State now permits registration by mail, and forms to do so are even printed in the telephone book. However, this is still not bringing voters to the polls in great numbers.

Your Committee finds that by permitting citizens to register and vote on election day, a greater number of voters will turn out. Your Committee finds that the safeguards and follow-up mechanism contained in the bill are sufficient to deter fraudulent registration.

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. 2824, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2824, S.D. 2.

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

SCRep. 2311 Ways and Means on S.B. No. 2915

The purpose of this bill is to appropriate funds to satisfy claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

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. 2915, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2915, S.D. 2.

Signed by all members of the Committee.

SCRep. 2312 Ways and Means on S.B. No. 2916

The purpose of this bill is to authorize the Hawaii criminal justice data center (HCJDC) and other state and county criminal justice agencies to charge fees for services related to criminal history record information and to establish a revolving fund with the moneys generated to be used to improve the criminal history record information system.

Your Committee finds that the demand for criminal history record information rose seventy per cent in the last year, with requests coming from criminal justice agencies, private entities, and the general public.

Your Committee has amended this bill as follows:

- (1) By restating the language in paragraph (8) to clarify the intent and taking it out of paragraph form to conform to proper grammatical structure; and

(2) By making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2916, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2916, S.D. 2.

Signed by all members of the Committee.

SCRep. 2313 Ways and Means on S.B. No. 2917

The purpose of this bill is to appropriate moneys to the Department of the Attorney General to develop and establish a juvenile justice information system, including the creation of permanent staff positions.

Your Committee finds that the proposed juvenile justice information system would bring together information from across the State on juveniles. The participating juvenile justice agencies will have round-the-clock access to accurate and timely information on juveniles in the justice system. At present, no one agency has complete information relating to such juveniles. This collection of information on the current status of juveniles in the system will prove invaluable in dealing with the juveniles, in program planning, and in evaluating the outcome of programs for juveniles.

Your Committee has amended the bill by inserting a blank appropriation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2917, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2917, S.D. 1.

Signed by all members of the Committee.

SCRep. 2314 Ways and Means on S.B. No. 3015

The purpose of this bill is to authorize the Director of Public Safety to transfer an inmate to a correctional facility operated either by another state or by a private institution which are in compliance with standards established by the American Correctional Association in order to relieve prison overcrowding.

Your Committee finds that prison overcrowding in Hawaii is a serious problem. Authorizing the transfer of inmates to qualified institutions in other states represents one method of alleviating this problem.

Your Committee has 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. 3015, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3015, S.D. 2.

Signed by all members of the Committee.

SCRep. 2315 Ways and Means on S.B. No. 3021

The purpose of this bill is to appropriate \$993,249.41 for the compensation of certain persons or their providers of services pursuant to the criminal injuries compensation law.

Your Committee finds that qualified applicants were compensated for out-of-pocket medical expenses, lost earnings, funeral and burial expenses, and for their pain and suffering as a result of their victimization.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3021, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2316 Ways and Means on S.B. No. 3038

The purpose of this bill is to authorize the Department of Public Safety to implement a reporting center program that will protect the public through placement, control, supervision, and treatment of defendants and offenders commensurate with their risk to the community. It also assesses treatment needs to assist defendants and offenders in making appropriate lifestyle changes.

Your Committee finds that the prisons are filled with a variety of nonviolent offenders who can be safely monitored and who can benefit from the services of a reporting center.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3038, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3038, S.D. 2.

Signed by all members of the Committee.

SCRep. 2317 Ways and Means on S.B. No. 3197

The purpose of this bill is to abolish joint and several liability for government entities.

At present, if two or more entities are found liable to a plaintiff, the entities are liable, individually, for the whole amount of damages. The effect of this "joint and several liability" is that if one of the entities cannot pay, the others or others must pay that entity's share as well as their own. Government agencies, backed by the economy of the State or county, often end up as these "deep pocket defendants" who pay more than their just share. Your Committee finds that the disproportionate share of payments state and county agencies must make under the law as currently structured is unfair to the taxpayers as their moneys are diverted from funding legitimate state and county functions to pay for other entities' liabilities.

Your Committee has amended this bill to make technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3197, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3197, S.D. 2.

Signed by all members of the Committee.

SCRep. 2318 Ways and Means on S.B. No. 3220

The purpose of this bill is to appropriate \$160,000 for the maintenance of a statewide blood and saliva testing program and databank.

Your Committee finds that the legislature provided initial funding in 1992 for the establishment of a program to allow the collection of blood and saliva samples from convicted felons. The program requires the Honolulu police department to analyze and store blood and saliva samples and maintain a statewide databank.

Your Committee has amended this bill by changing the \$160,000 appropriation to a blank amount for purposes of further discussion. Your Committee has 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. 3220, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3220, S.D. 1.

Signed by all members of the Committee.

SCRep. 2319 Ways and Means on S.B. No. 2507

The purpose of this bill is to appropriate general funds to develop and implement a special promotions campaign focused on the honeymoon market.

Your Committee finds that our visitor industry needs to increase the tourism base by expanding existing and developing new markets. Your Committee also finds that the honeymoon market is the second highest producer of tourism dollars in Hawaii and, further, that our State is a prime location identified by many prospective honeymooners in surveys seeking information about the most popular destinations. Based upon this information, your Committee believes that we should aggressively seek to develop this market by focusing additional resources in this area.

Your Committee finds that this measure is supported by the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee has amended this bill to make technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2507, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2507, S.D. 1.

Signed by all members of the Committee.

SCRep. 2320 Ways and Means on S.B. No. 2165

The purpose of this bill is to require review and approval of costs associated with defending a workers' compensation claim.

Specifically, this bill would require fees and costs billed to an employer or an insurance carrier by an attorney, including expert witness fees and fees for independent medical examinations to be reviewed and approved by the Director of Labor and Industrial Relations, the appellate board, or the court.

The reduction of costs associated with workers' compensation litigation is a major concern of your Committee. In this regard, your Committee finds that requiring the review and approval of fees and costs by a neutral authority can be a significant deterrent to the escalation of legal fees. Upon further consideration, however, while your Committee considers it appropriate to require the review and approval of attorneys' fees and costs, it does not feel that it is necessary to specify the level of detail to be reviewed that this bill requires.

Your Committee believes that costs for workers' compensation litigation cannot always be attributed to specified sources. As such, the reviewing authority, whether the Director of Labor and Industrial Relations, the appellate board, or the court will consider all costs involved in a claim for attorneys' fees and costs, including the costs of fees for services rendered by expert witnesses, physicians performing independent medical examinations, and related services.

Accordingly, your Committee has amended this bill by deleting the provisions that specifically include in the costs to be reviewed, the cost of fees for services rendered by expert witnesses, physicians performing independent medical examinations, and other services related to the defense of a claim.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2165, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2165, S.D. 2.

Signed by all members of the Committee.

SCRep. 2321 Ways and Means on S.B. No. 2866

The purpose of this bill is to increase the tax deduction from gross income for political contributions.

This bill amends the income tax law by increasing the amount of the allowed deduction from gross income for political contributions from \$100 to \$250. The increase in the allowable deduction will encourage larger contributions to political campaigns and at the same time provide taxpayers an opportunity to decrease their income tax liability.

This bill also amends the election and campaign contributions and expenditure law by repealing the requirement that only contributions to candidates that abide by campaign spending limits are deductible. This allows a taxpayer to make tax deductible contributions up to a limit of \$250 per candidate regardless of the campaign expenditure limits.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2866, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2322 Ways and Means on S.B. No. 2085

The purpose of this bill is to provide tuition waivers at the University of Hawaii for all qualified spouses and dependents of Hawaii national guard members who were killed or permanently disabled while on active duty.

Under present law, Hawaii national guard members qualify for tuition waivers. This bill provides for a tuition waiver for a Hawaii national guard member's spouse or dependent who is a resident of Hawaii and pursues an undergraduate or graduate degree for a maximum of five regular academic years.

Your Committee has amended this bill by deleting the provision allowing for tuition waivers for spouses and dependents of national guard members who were permanently disabled on active duty. Your Committee has also made 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 S.B. No. 2085, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2085, S.D. 1.

Signed by all members of the Committee.

SCRep. 2323 Ways and Means on S.B. No. 2933

The purpose of this bill is to preserve the death benefit payable to the beneficiaries or estate of Department of Education employees who die during the transition from a year round school schedule to a traditional ten-month school year.

Schools in Hawaii are beginning to convert from a ten-month school year to a year-round schedule. A few schools have already converted and others are poised to do so soon. However, when an employee is transferred back from a year-round schedule to a ten-month schedule, that employee is considered to be on nonpaid status during the month or two before the new school year begins and is technically not in service for purposes of the death benefit under the employees' retirement system.

This bill rectifies this anomaly by specifically considering these employees to be in service during July and August before the start of the ten-month school year.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2933, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2324 Ways and Means on S.B. No. 2979

The purpose of this bill is to establish the University of Hawaii at Manoa laboratory school summer programs revolving fund to operate the laboratory school's summer programs.

The university laboratory school is one of the most respected and sought-after schools in the State. Its experimental curriculum attracts over a thousand applicants for the fifty available openings each year, with a total student population of three hundred fifty students. At present, the school offers a highly popular summer science enrichment program that reaches four hundred and eighty third through eighth graders. Your Committee finds that the operation of a financially self-sufficient summer program would provide an opportunity for more students in the community to enroll in an enriched and innovative lab school program. The creation of this revolving fund will help support this type of program.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2979 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2325 Ways and Means on S.B. No. 1634

The purpose of this bill is to transfer all aquaculture programs from the Department of Land and Natural Resources to the Department of Agriculture.

Your Committee finds that, in recent years, state government has undergone many changes in response to either a changing environment or the need to become more efficient because of dwindling resources. Many of the executive departments are looking seriously at their organizations and have proposed or already undergone restructuring.

Your Committee understands that those who want to preserve the status quo of the industry would like the aquaculture programs to remain with the Department of Land and Natural Resources. Your Committee is concerned, however, that the fate of the industry is under the control of one office which has to perform the numerous functions that several divisions within the Department of Agriculture perform to keep agriculture a viable industry.

Your Committee feels that the transfer of aquaculture programs to the Department of Agriculture would greatly enhance services available to the industry as the department already has in place various support programs and services, including: plant pest and disease control; animal quarantine; animal disease control; agricultural resource management; marketing information and distribution systems; general administration for agriculture; market development and promotion of agricultural products; and general administration of agriculture.

Your Committee has amended this bill by changing the effective date from upon approval to July 1, 1994, and by making other technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1634, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1634, S.D. 2.

Signed by all members of the Committee.

SCRep. 2326 Ways and Means on S.B. No. 2648

The purpose of this bill is to give chartered student organizations at the University of Hawaii access to legal services by authorizing expenditures of funds for such services from the University of Hawaii student activities revolving fund.

Your Committee finds that chartered student organizations are in need of legal services from time to time, often for student publications and broadcast communication governing boards requiring timely story checks to avoid violating laws relating to such issues as libel, slander, and obscenity. These organizations are also in need of legal services when they are involved in legal conflicts.

Your Committee finds, however, that the Department of the Attorney General has refused to provide legal representation or advice to members of chartered student organizations, yet state law prohibits the expenditure of state funds to hire private counsel for these organizations. Chartered student organizations are therefore placed in the position of being prohibited from receiving sound legal advice from an attorney before making an important decision, and are then unable to obtain legal counsel in the event that they are sued because of that decision. Your Committee believes that this bill will remedy that situation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2648, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2327 Ways and Means on S.B. No. 2104

The purpose of this bill is to reinstate the natural energy laboratory of Hawaii authority (NELHA) special fund scheduled for repeal on June 30, 1994.

NELHA provides infrastructure and services for research, development, and commercial projects which use the natural resources available at Keahole Point. The primary sources are the supplies of cold deep seawater, warm surface seawater, and the very high level of insolation (solar radiation). A wide variety of aquaculture and renewable energy related projects are currently active at the site.

At this time there are eight commercial and nine research projects located at NELHA's Keahole Point facility. These projects depend on the viability of NELHA to continually supply seawater, utilities, and professional services. The loss of power or failure of a pipeline requires immediate response and available funds. Thus, your Committee supports reinstating the NELHA special fund.

Your Committee has amended this bill by:

- (1) Clarifying that gifts and grants received by the authority may also be deposited into the fund;

- (2) Adding a new section 2 to specify the legislature's intent to supersede the provision of Act 280, Session Laws of Hawaii 1993, that would repeal the fund, although your Committee is aware that this should happen as a matter of law by virtue of this bill being the later enacted measure; and
- (3) Changing the effective date to June 30, 1994 to prevent the lapsing of moneys presently in the fund.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2104, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2104, S.D. 1.

Signed by all members of the Committee.

SCRep. 2328 Ways and Means on S.B. No. 2813

The purpose of this bill is to provide residential alcohol and drug treatment for pregnant mothers, women in childbearing years, and parents who are likely to regain custody of their children.

Specifically, this bill will provide for drug and alcohol treatment programs, education, job counseling, day care, support groups, and counseling for expectant mothers, parents, and their children, and for parents who have lost custody of their children but are expected to regain custody. This bill also allows the department to provide residential drug and alcohol treatment through the purchase of services as well as grants.

Your Committee finds that the effect of alcohol and drug abuse has a devastating effect on the lives of children when their mothers are addicted before and after childbirth. The problems are exacerbated due to a serious shortage of alcohol and other drug treatment resources for these women.

This bill will help combat the problems caused by alcohol and drug abuse by parents and the effects on family members and children. Treatment services which are approved by the Department of Health will help keep families together in a healthier environment.

Your Committee has amended this bill by:

- (1) Correcting a run-on sentence in section -2;
- (2) Correcting subsection (b) on page 5 to subsection (c); and
- (3) Making nonsubstantive, grammatical corrections in section -3 and the language of the severability section.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2813, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2813, S.D. 2.

Signed by all members of the Committee.

SCRep. 2329 Ways and Means on S.B. No. 2925

The purpose of this bill is to repeal the county special fund for certification and payment of county contributions to the employees' retirement system.

Your Committee finds that the auditor recommended that the legislature repeal the county special fund because the counties were making their payments directly to the employees' retirement system and the special fund had become inactive as a result of this practice. In addition to repealing the county special fund, this bill:

- (1) Repeals the requirement that the board of trustees of the employees' retirement system certify to the comptroller the amount due from a county on account of the county's employees who are members of the employees' retirement system; and
- (2) Requires a county to pay the amount due to the employees' retirement system before October 1 and April 1 of each fiscal year, rather than before April 2 of each calendar year.

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. 2925, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2925, S.D. 2.

Signed by all members of the Committee.

SCRep. 2330 Ways and Means on S.B. No. 3024

The purpose of this bill is to allow the attorney general to defend any health care provider under contract with the Department of Public Safety in civil actions brought against the provider for acts or omissions arising from work under their contracts.

Your Committee finds that, at present, these health care providers are not entitled to representation by the attorney general, as they are independent contractors, not state employees. The Department of Public Safety is required to offer medical, dental, and psychological care to inmates and apparently cannot do that through its own employees. The

department must contract with these independent contractors, but their malpractice insurance typically does not cover treatment of inmates. The department therefore encounters great difficulty in providing health care services.

Your Committee finds that this bill is necessary to ensure that the Department of Public Safety fulfills its duty to provide medical, dental, and psychological care to inmates.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3024, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2331 Ways and Means on S.B. No. 2896

The purpose of this bill is to appropriate funds to support art education in the public schools.

In particular, this bill appropriates the following amounts out of the general fund for the following purposes:

- (1) \$400,000 for strengthening arts curriculum in the public schools, including such areas as establishing arts resource centers, in-service courses for teachers, and participation in conferences and workshops;
- (2) \$140,000 for the state foundation on culture and the arts to develop a master plan for an integrated high school learning center for the Pacific arts, in consultation with the Hawaii Alliance for Arts Education and other interested arts organizations; and
- (3) \$40,000 for hiring a technician with knowledge of stage lighting, sound, acoustical engineering, staging, and computer systems to assist the music, history, and humanities learning center at Pearl City high school.

Your Committee finds that art education is essential in helping students learn to think and communicate in innovative ways.

Your Committee has amended this bill by amending section 103-8.5, Hawaii Revised Statutes, to allow moneys to be expended for art education out of the works of art special fund by the Department of Education, and by appropriating moneys in the bill out of that fund rather than the state general fund. To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has further amended this bill by replacing the sums appropriated with blank amounts. Your Committee has also amended this bill to make technical, nonsubstantive changes.

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

Signed by all members of the Committee.

SCRep. 2332 Ways and Means on S.B. No. 2623

The purpose of this bill is to establish a revolving fund for conference center programs held by the various community colleges.

Specifically, the bill requires that all moneys collected for the conference center programs of each community college be deposited in separate accounts within the revolving fund and expended by the separate provosts or their designees. The bill also specifies allowable expenditures from the fund and exempts these expenditures from existing competitive bidding requirements (section 103-22, Hawaii Revised Statutes) and the preference for Hawaii products law (section 103-42, Hawaii Revised Statutes).

Your Committee finds that this bill will help the community colleges respond in an expeditious manner to the wide variety of workshops and conferences they host as part of their broad mission.

Your Committee has amended this bill to delete the reference to section 103-22, which will be repealed on July 1, 1994, when the new procurement code takes effect. Your Committee has instead provided that the expenditures be exempt from competitive bidding requirements under the procurement code.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2623, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2623, S.D. 2.

Signed by all members of the Committee.

SCRep. 2333 Ways and Means on S.B. No. 2078

The purpose of this bill is to appropriate \$300,000 for the planning, construction, partial reconstruction, and interpretation of an open-air early twentieth century Kona coffee farm on the grounds of the Kona Historical Society.

Your Committee finds that a Kona coffee farm would offer Kona's visitors and residents an historical, cultural, and educational experience and would benefit tourism.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter;

- (2) Making the expenditure of funds contingent upon receiving matching funds;
- (3) Adding the word "partial" to page 1, line 18; and
- (4) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2078, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2078, S.D. 1.

Signed by all members of the Committee.

SCRep. 2334 Ways and Means on S.B. No. 2622

The purpose of this bill is to appropriate \$1,268,976 for improvements and programs at Honolulu Community College, University of Hawaii.

The programs specifically intended to be benefitted under this bill are the programs in automotive technology, autobody repair and painting, the marine education and training center, and the aviation technology facility.

Your Committee agrees that these improvements and programs are critical to the needs of Honolulu Community College.

Upon further consideration, your Committee has amended this bill to change the appropriations to unspecified amounts in the interest of promoting further discussion on this issue.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2622, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2622, S.D. 1.

Signed by all members of the Committee.

SCRep. 2335 Ways and Means on S.B. No. 2641

The purpose of this bill is to authorize the Director of Finance to issue general obligation bonds in the sum of \$1,024,000, and to appropriate the same sum to the University of Hawaii for the construction of agricultural sciences facilities, phase III, college of tropical agriculture and human resources (Manoa campus).

Your Committee finds that the agricultural sciences facilities project has already received some state and federal funds, and that the funds appropriated by this measure will complete the State's obligation to match those federal funds made available through the United States Department of Agriculture.

Your Committee has amended this bill by:

- (1) Changing the amount of bonds authorized and the sum appropriated from \$1,024,000 to a blank amount;
- (2) Specifying that the appropriation made for the capital improvement project authorized in this measure shall not lapse at the end of the fiscal biennium for which the appropriation is made, and requiring all appropriations which are unencumbered as of June 30, 1996, to lapse as of that date; and
- (3) 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. 2641, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2641, S.D. 2.

Signed by all members of the Committee.

SCRep. 2336 Ways and Means on S.B. No. 2755

The purpose of this bill is to appropriate \$250,000 for the establishment of a statewide information clearinghouse and electronic database for arts and cultural activities, sports events, ethnic festivals, and other special events unique to Hawaii.

Local nonprofit arts organizations have been identified in a national study to be the source of over \$84,000,000 that were expended in the city and county of Honolulu. The impact on the economy of these nonprofit organizations could be greatly enhanced by the establishment of a statewide information clearinghouse and electronic database for the arts, sports, ethnic festivals and other events of interest that are unique to Hawaii.

The clearinghouse could provide information to visitors and residents alike and be used as a promotional tool through exposure in some markets that may not have been receptive or aware of the nonprofit organization's activities. This bill provides for programs to be developed that include the development and distribution of materials, including video, CD-ROM disks, and dial-in access that would open the potential audiences to global opportunities.

Requiring the program to be developed by the Department of Business, Economic Development, and Tourism in partnership with the state foundation on culture and the arts, Hawaii Inc., local arts organizations and county agencies ensures that the program will provide for a diverse group of organizations. The bill requires the Department of Business, Economic Development, and Tourism to report to the legislature on the status of the project including projected costs for maintenance of the electronic database, and other ongoing media production and distribution costs.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to encourage further discussion.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2755, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2755, S.D. 2.

Signed by all members of the Committee.

SCRep. 2337 (Majority) Ways and Means on S.B. No. 2981

The purpose of this bill is to allow, on a permanent basis, the University of Hawaii to display outdoor advertising on any stadium structure owned by the University.

Your Committee finds that allowing the university to display temporary outdoor advertising devices on the structure of any university-owned stadium may be a potential resource for additional revenues.

Your Committee has amended this bill to make technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2981, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2981, S.D. 1.

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

SCRep. 2338 Ways and Means on S.B. No. 2980

The purpose of this bill is to permanently re-establish the University of Hawaii at Manoa and Hilo intercollegiate athletic revolving funds scheduled for repeal on June 30, 1994 under Act 280, Session Laws of Hawaii 1993.

Your Committee finds that section 41 of Act 280, Session Laws of Hawaii 1993, repeals the intercollegiate athletic revolving funds of the University of Hawaii's Manoa and Hilo campuses on June 30, 1994. These funds provide the university's athletic programs with ongoing support of various activities. The funds are essential to provide funding for unanticipated post season events which often require considerable appropriations.

In addition, your Committee would like to express its concern over the issue of gender equity in university athletics. Your Committee agrees with university claims that this bill provides a means of resolving this issue. This bill will provide the university with the opportunity to expand its women's athletic programs through the use of the proceeds of these revolving funds.

While it agrees with the intent of this bill, your Committee finds that a period of two years would be sufficient for the university to demonstrate the need to keep these funds in operation. Rather than allowing these funds to be permanently re-established, your Committee finds that the scheduled repeal date of these funds under Act 280, Session Laws of Hawaii 1993, should simply be postponed for a period of two years. Your Committee has amended this bill by extending the repeal date of these funds from June 30, 1994 to June 30, 1996. Your Committee looks forward to reviewing the university's progress in expanding its women's athletic programs at the end of this two-year period.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2980, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2980, S.D. 1.

Signed by all members of the Committee.

SCRep. 2339 Ways and Means on S.B. No. 3088

The purpose of this bill is to provide funds for the documentation and preservation of the traditional Hawaiian methods of fishpond operation.

Your Committee finds that although efforts are currently underway to physically restore and preserve Hawaiian fishponds throughout the State, the knowledge held by the practitioners of this tradition has never been documented. Your Committee finds that the knowledge held by fishpond operators is an important part of Hawaiian history and should be recorded for the benefit of the people of the State.

While it agrees with the intent of this measure, your Committee finds that further discussion is necessary to determine the level of funding necessary to carry out the purposes of this bill. In this regard, your Committee has substituted the sum to be appropriated with a blank amount.

Your Committee has further amended this bill by deleting language in section 2 which identifies the consultant to be retained to carry out the documentation required in this measure.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3088, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3088, S.D. 1.

Signed by all members of the Committee.

SCRep. 2340 Ways and Means on S.B. No. 3105

The purpose of this bill is to appropriate \$150,000 to enable the state foundation on culture and the arts (foundation) to develop a program to foster ethnic pluralism in Hawaii in conjunction with the National Endowment for the Humanities.

The foundation is already engaged in projects with different ethnic groups to perpetuate traditional art, identify historical records, and record oral histories and storytelling. With this track record, the foundation is well placed to participate in the National Endowment's initiative of "national conversion."

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. 3105, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3105, S.D. 2.

Signed by all members of the Committee.

SCRep. 2341 Ways and Means on S.B. No. 3145

The purpose of this bill is to appropriate funds to purchase a publication entitled "Onipa'a: Five Days in the History of the Hawaiian Nation" for use in Hawaii's public schools and libraries.

In January, 1993, several important events were held to commemorate the illegal overthrow of the Hawaiian monarchy one hundred years earlier. Details of events leading to the overthrow and the essence of last year's commemoration have been captured in a new centennial book entitled "Onipa'a: Five Days in the History of the Hawaiian Nation."

Your Committee finds that this book is a valuable educational tool and encapsulates a significant event in modern Hawaiian history that should be shared with present and future generations. Your Committee believes that the distribution of this important centennial book is a significant act and, as such, merits a more direct involvement by the office of Hawaiian affairs.

Accordingly, your Committee has amended this bill to have the office of Hawaiian affairs directly fund the purchase and distribution of "Onipa'a" from its special funds.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3145, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3145, S.D. 2.

Signed by all members of the Committee.

SCRep. 2342 Ways and Means on S.B. No. 3254

The purpose of this bill is to appropriate \$5,000 for the celebration of the 1994 Samoan Flag Day.

Your Committee finds that the celebration of Samoan Flag Day will incorporate many different cultural exhibitions and presentation including dance, historical interpretation, craft workshops, and games of Samoa.

Your Committee has amended this bill by changing the appropriation to a blank amount for purposes of further discussion. Your Committee has 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. 3254, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3254, S.D. 1.

Signed by all members of the Committee.

SCRep. 2343 Ways and Means on S.B. No. 3274

The purpose of this bill is to appropriate funds to establish a shuttle service to transport students at the University of Hawaii at Manoa to and from the park-and-ride site.

The funds appropriated are intended to be matched by the Associated Students of the University of Hawaii.

Your Committee finds that the increasing demand for parking for university students requires instituting a shuttle service from the park-and-ride site. Your Committee further finds that establishing a shuttle service will help alleviate the on-campus parking shortage and traffic congestion in the lower Manoa area.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3274 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2344 Ways and Means on S.B. No. 2929

The purpose of this bill is to exempt the housing loan program revenue bond fund and the housing project bond special fund from the deduction authorized for central services expenses.

Your Committee finds that the housing loan program revenue bond fund and the housing project bond special fund are used to pay the operating expenses and the obligations of the "Hula Mae" single-family and the multi-family rental programs of the housing finance and development corporation. The five per cent central services surcharge results in

significant deductions from the earnings of these funds. In this regard, the surcharge severely hampers the ability of the corporation to achieve the objectives intended for these programs.

Your Committee has amended this bill to make technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2929, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2929, S.D. 2.

Signed by all members of the Committee.

SCRep. 2345 Ways and Means on S.B. No. 3293

The purpose of this bill is to expand the responsibilities of the housing finance and development corporation and require the corporation to focus its efforts on meeting certain housing needs.

Your Committee finds that although affordable housing projects have been initiated in many areas of the State, the pace at which affordable units are being created falls far short of rate of development that would actually be necessary to satisfy the demands of the market for such units. This bill will enable the housing finance and development corporation to focus its effort on developing low-income rental, mixed-use, and high density housing. This bill also enables the corporation to undertake other programs to enhance its ability to determine statewide housing needs and to educate the public.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3293, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2346 Ways and Means on S.B. No. 2109

The purpose of this bill is to increase the percentage of royalties paid to the counties from geothermal resource mining, from thirty per cent to forty per cent.

Although your Committee recognizes that the State, through the departments of land and natural resources and health, bears the costs of managing and regulating the State's geothermal resources, your Committee nevertheless believes that this increase in the counties' share of geothermal royalties is justified.

In particular, your Committee finds that county resources have been negatively impacted due to additional expenses incurred in handling problems associated with geothermal development, including the services of the departments of police, fire, civil service, and planning. Your Committee finds that future geothermal development will likely see more activity by these county agencies, justifying the increase in royalties to cover these contingencies.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2109, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2347 Ways and Means on S.B. No. 1620

The purpose of this bill is to appropriate funds for administrative support for the 1995 conference of the Division of Planetary Sciences, American Astronomical Society.

Your Committee finds that the University of Hawaii Institute for Astronomy (UHIA) is known worldwide for its high quality of astronomical research and its international observatory complex on Mauna Kea. Your Committee further finds that the UHIA hosted a 1993 conference that brought senior government officials and research scientists from all over the world to Hawaii to implement the "Toward Other Planetary Systems" program. The UHIA has been selected to host the 1995 conference of the Division of Planetary Sciences of the American Astronomical Society, which will also focus on robotic technologies for missions to the planet Mars. Your Committee finds that it is important to continue to support the UHIA in its astronomical and related space technology programs that offer numerous economic benefits to Hawaii.

Your Committee has amended this bill by inserting a blank appropriation to promote further discussion and by making a technical, nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1620, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1620, S.D. 2.

Signed by all members of the Committee.

SCRep. 2348 Ways and Means on S.B. No. 2394

The purpose of this bill is to require the chairperson of the public utilities commission (PUC) to create and staff a telecommunications branch within the PUC and to request funds to operate it. This bill also adds telecommunications to the list of fields in which commissioners appointed by the governor may have experience.

Your Committee finds that telecommunications is becoming increasingly important to economic development in Hawaii. In light of the rapid and significant changes occurring on an almost daily basis in the telecommunications industry, the PUC itself needs to be more knowledgeable in dealing with the industry. One way to increase its proficiency in handling the mushrooming number of complex telecommunications issues in the State is to include telecommunications among the

spheres of experience that candidates for PUC commissioners may have. Another method is to support the PUC with staff having the necessary technological expertise.

This bill would implement these needs by:

- (1) Including telecommunications among the spheres of experience that a candidate for PUC commissioner may have; and
- (2) Requiring the PUC chairperson to create and staff a telecommunications branch within the PUC -- exempt from the civil service -- and to request funding for its operation.

Your Committee has amended this bill to require the PUC chairperson to adopt rules to implement the creation of the telecommunications branch and to clarify that it is not required that at least one PUC commissioner must have a telecommunications background. 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. 2394, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2394, S.D. 2.

Signed by all members of the Committee.

SCRep. 2349 Ways and Means on S.B. No. 2632

The purpose of this bill is to appropriate state matching funds for the manufacture of a prototype electric bus in Hawaii.

Your Committee finds that this project meets the State's goal of encouraging alternative industries for the diversification of our economy. Your Committee further finds that alternative energy projects, such as the electric bus, are clean industries in which our State should encourage further development.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter; and
- (2) Making 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. 2632, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2632, S.D. 2.

Signed by all members of the Committee.

SCRep. 2350 Ways and Means on S.B. No. 2909

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for the construction of a demonstration fuel-grade ethanol production plant in Hamakua, Hawaii.

Your Committee finds that the construction of an ethanol production plant will assist in the economic redevelopment of the Hamakua coast as well as contribute to the reduction of Hawaii's dependence on imported fossil fuel. Your Committee further finds that the issuance of tax exempt special purpose revenue bonds is an extremely useful means of giving project developers access to needed financing, and that special purpose revenue bonds are obligations of the industrial enterprise and, as such, are repaid with company revenues and not considered obligations of the State.

Your Committee finds that this measure is supported by the Department of Business, Economic Development, and Tourism, and Energy Associates of Hawaii, Inc.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2909, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2909, S.D. 2.

Signed by all members of the Committee.

SCRep. 2351 Ways and Means on S.B. No. 3027

The purpose of this bill is to establish the public utilities commission special fund to support the operations of the public utilities commission and the consumer advocate. The special fund would be funded by an increase in the current public utility fee.

Your Committee finds that, although the utility fee imposed upon public utilities has remained unchanged for almost forty years, the volume of utility cases has increased dramatically, particularly since 1989, with the public utilities commission handling four times more cases than it has in recent years. Furthermore, today's cases involve increasingly complex issues, such as: environmental protection, pollution control, and conservation; the effect of utilities on health, safety, and welfare; the implementation of alternative energy source usage; and communications infrastructure.

Your Committee is aware that the public utilities commission and the consumer advocate cannot tackle the backlog of existing cases and handle the increasingly sophisticated and technical issues involved in public utility regulation without adequate funding and staff. Your Committee finds that this measure would allow for sufficient funding of the public utilities commission and the consumer advocate to provide the resources and expertise necessary to meet the regulatory challenges posed.

Your Committee has amended this bill by:

- (1) Adding a reference to chapter 486I at page 1, line 10;
- (2) Deleting subsection (c) on pages 3 and 4, which would have allowed public utilities to recover the fee increase by imposing a surcharge; and
- (3) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3027, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3027, S.D. 2.

Signed by all members of the Committee.

SCRep. 2352 Ways and Means on S.B. No. 2093

The purpose of this bill is to establish the adult and community education commission to act as the principal state entity responsible for developing a long-range programmatic and facilities plan for the statewide implementation of adult and community education programs, and to appropriate an unspecified sum to the Department of Education for the commission.

In addition to specifying the membership and duties of the commission, this bill requires every state and county agency providing adult and community education programs and facilities to actively participate in the development of the plan. This bill sunsets the commission on June 30, 1995, and is repealed on July 1, 1995.

Your Committee believes that the establishment of such a commission is an appropriate vehicle through which the Department of Education may develop a statewide vision to give guidance to its present adult and community education program.

Your Committee has amended this bill by:

- (1) Requiring the commission to submit a final report containing its findings and recommendation to the governor and the legislature not later than June 30, 1995;
- (2) Clarifying that the purpose of the appropriation is to enable the Department of Education to carry out the purposes of this measure rather than for the commission; 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. 2093, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2093, S.D. 2.

Signed by all members of the Committee.

SCRep. 2353 Ways and Means on S.B. No. 2715

The purpose of this bill is to appropriate funds to establish twenty-eight additional, permanent, full-time athletic trainer positions in the public high schools.

Your Committee finds that athletic trainer positions are important for the safety and well-being of students who choose to participate in school athletic programs and events. Your Committee further finds that full-time athletic trainers are more readily able to identify, treat, and rehabilitate injuries, resulting in safer athletic programs and healthier athletes.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2715, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2715, S.D. 1.

Signed by all members of the Committee.

SCRep. 2354 Ways and Means on S.B. No. 2414

The purpose of this bill is to establish the classroom improvement special fund to enable teachers to purchase equipment, supplies, texts, and materials for instructional needs, and to allow individuals to designate \$10 of their state income tax liability to the classroom improvement special fund.

This bill also:

- (1) Requires the Department of Education to establish a credit card system with a credit union to enable teachers to purchase not more than \$500 worth of equipment, supplies, texts, and materials for instructional needs each school year; and
- (2) Appropriates \$50,000 to the Department of Education for the administrative costs of implementing the credit card system.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated from \$50,000 to an unspecified amount; and
- (2) 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. 2414, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2414, S.D. 2.

Signed by all members of the Committee.

SCRep. 2355 Ways and Means on S.B. No. 2095

The purpose of this bill is to appropriate \$661,250 to the Department of Education to expand the parent-community networking center program to include an additional fifty schools.

Your Committee finds that the expansion of the parent-community networking center program to include an additional fifty schools over the fiscal biennium will significantly enhance the level of parental participation in public education, as well as expand the provision of quality services to students and school staff.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated from \$661,250 to an unspecified amount; 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. 2095, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2095, S.D. 1.

Signed by all members of the Committee.

SCRep. 2356 Ways and Means on S.B. No. 2187

The purpose of this bill is to support the development and expansion of community-based adult day health centers.

This bill would provide a viable alternative to long-term care that has grown prohibitively expensive and out of the reach of many of our citizens. Your Committee finds that the older adult population in Hawaii is increasing at a rate that will soon require three times the resources for long-term care. Thus, the need for alternative community-based long-term care services must be encouraged and developed.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2187, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2357 Ways and Means on S.B. No. 2841

The purpose of this bill is to authorize travel compensation in excess of thirty miles for persons who provide services as interpreters for the deaf, hard-of-hearing, or deaf-blind.

Your Committee finds that certified sign language interpreters are in limited supply in outlying areas. This bill would encourage more interpreters to accept assignments in these areas. The payment would only apply to travel in excess of thirty miles (round trip).

Your Committee has made technical 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. 2841, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2841, S.D. 2.

Signed by all members of the Committee.

SCRep. 2358 Ways and Means on S.B. No. 2141

The purpose of this bill is to establish a special account to fund programs engaging in spouse or child abuse prevention.

Your Committee finds that, while the need for and the effective impact of programs targeted at spouse and child abuse prevention have become clear, the resources for supporting these programs have become scarce. Your Committee also finds that government sometimes has been too quick to cut appropriations to nonprofit agencies when savings are needed, rather than taking a hard look at improving internal operations.

Your Committee further finds that the mechanism of a special account can be used to assert legislative priorities and preserve legislative prerogatives in the area of spouse and child abuse intervention and prevention. Finally, your Committee finds that the increases in marriage licenses and fees for certified copies of birth, death, and marriage certificates proposed in the original draft of this bill, although not strictly user fees and not likely to generate sufficient income to fund fully the demand for spouse and child abuse intervention programs, nevertheless bear a reasonable nexus to the purpose of the proposed special account and will provide a significant base amount upon which full funding of program services could be built.

Your Committee has amended this bill by:

- (1) Reinserting the specific funding sources for the account, as contained in the original draft of the bill;
- (2) Including "intervention" type programs in the bill; and
- (3) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2141, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2141, S.D. 2.

Signed by all members of the Committee.

SCRep. 2359 Ways and Means on S.B. No. 2013

The purpose of this bill is to appropriate \$150,000 to provide for the expansion of services of the crisis intervention project for the elderly on Oahu, and \$100,000 to fund a demonstration phase of the crisis intervention project for the elderly on one or more of the neighbor islands.

Your Committee finds that the crisis intervention project for the elderly has proven its value in relieving stress in homes where caregivers are suffering from "burnout" or an elderly person is living without the assistance of another person.

Your Committee has amended this bill by:

- (1) Changing the amounts of the appropriations from \$150,000 and \$100,000 to unspecified amounts;
- (2) Changing the expending agency from the executive office on aging to the office of the governor; and
- (3) 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. 2013, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2013, S.D. 2.

Signed by all members of the Committee.

SCRep. 2360 Ways and Means on S.B. No. 3288

The purpose of this bill is to provide funds to implement the concept of gap budgeting which allows recipients of public assistance to receive larger incomes through gainful employment without compromising their eligibility for financial assistance.

To ensure eventual self-sufficiency among recipients of public assistance, your Committee finds that incentives should be established to encourage recipients to secure and maintain employment. The gap budgeting concept will enable families to seek to achieve a measure of financial security before exiting the welfare rolls.

To encourage further discussion on the funding necessary to carry out the programs identified in this bill, your Committee has replaced the appropriation designated in section 1 of this bill with a blank amount. Your Committee has also deleted section 2 of the bill relating to general assistance families with dependent children.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3288, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3288, S.D. 2.

Signed by all members of the Committee.

SCRep. 2361 Ways and Means on S.B. No. 2734

The purpose of this bill is to assist in Medicaid estate recovery. The bill:

- (1) Clarifies that the Department of Human Services (DHS) will be required to file a lien against the real property of certain recipients receiving medical assistance;
- (2) Requires the DHS to consider, in determining the needs of an applicant for public assistance, any transfers of the applicant's assets to another for the sole purpose of achieving eligibility for Medicaid up to thirty-six months before the application for care in a long-term care institution;
- (3) Clarifies and expands on the exemption of home property from the lien when lived on by the assistance household;

- (4) Authorizes the Director of Human Services to consider issuing conditional certificates of release from any lien against a recipient's property due to extreme hardship;
- (5) Prohibits, and makes a misdemeanor, intentional transfers for the purpose of becoming eligible for public assistance and makes any transfers for less than market value within thirty-six months of an application for public assistance prima facie evidence of such a transfer; and
- (6) Allows the DHS to file a lien against the estate of a deceased recipient of Medicaid only if that recipient received aid after the age of fifty-five, rather than sixty-five, and limits the range of survivors of deceased recipients in the absence of which the DHS may file the lien.

Your Committee finds that the number of public and medical assistance payments to persons who have intentionally divested themselves of property in order to become eligible for public assistance programs needs to be reduced.

Your Committee has amended this bill by deleting section 5 which is now superfluous and by renumbering the remaining sections.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2734, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2734, S.D. 2.

Signed by all members of the Committee.

SCRep. 2362 Ways and Means on S.B. No. 2905

The purpose of the bill is to establish a demonstration project for a state clearinghouse and resource center to coordinate local, state, and federal efforts to locate and recover missing children and promote community awareness of the problem.

Your Committee finds that forty-two states and the District of Columbia have established clearinghouses to: coordinate efforts of law enforcement, social services, education and prevention programs; engage in legislative advocacy; disseminate photographs of missing children; and assist in efforts to secure the return of missing children. The efforts of such clearing-houses have resulted in the location and return of thousands of children. Your Committee notes that this bill has considerable support in the community.

Your Committee has amended this bill by changing the effective date for section 4 from "upon approval" to "July 1, 1994" and by making a number of 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. 2905, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2905, S.D. 2.

Signed by all members of the Committee.

SCRep. 2363 Ways and Means on S.B. No. 2479

The purpose of this bill is to provide for the recovery of unauthorized public assistance payments.

This bill allows the Department of Human Services to recover unauthorized benefits paid to persons over age fifty-five and to require the department to seek recovery if it can reasonably determine that a recipient in a facility has no spouse or dependent children and cannot return home.

Your Committee finds that a number of upper-class individuals are taking advantage of loopholes in the welfare system by claiming benefits, including Medicaid, originally intended for the poor. Your Committee believes that this bill will enhance the effectiveness of the State's recovery law for all public assistance programs.

Your Committee has amended this bill to:

- (1) Clarify that the determinations of the ability of the recipient to return home be made according to the notice and hearing requirements of the Administrative Procedure Act rather than the law on the state foundation on culture and the arts; and
- (2) Make other 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. 2479, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2479, S.D. 2.

Signed by all members of the Committee.

SCRep. 2364 Ways and Means on S.B. No. 2900

The purpose of this bill is, in awarding concession shops in facilities constructed with special purpose revenue bond funds, to provide a ten per cent bid advantage to nonprofit corporations that are experienced in operating, and will operate, with a work force consisting substantially of persons with disabilities.

Your Committee finds that employment opportunities for persons with disabilities are limited, and that an effective means for training and employment of these persons is through the operation of concession shops in public facilities.

Your Committee has amended this bill to correct the reference to the requirement for public advertising in chapter 102, Hawaii Revised Statutes, from section 102-2 to section 102-4, and to make other technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2900, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2900, S.D. 2.

Signed by all members of the Committee.

SCRep. 2365 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 2162

The purpose of this bill is to include certain classifications of microorganisms into the definition of "hazardous material" or "hazardous substance" in Chapter 128E, Hawaii Revised Statutes.

Inasmuch as similar proposals have been reported from other committees in the Legislature, your Committee finds that it is not necessary to advance this measure. Your Committee finds, additionally, that rather than attempt to include certain classifications of microorganisms into the definition of hazardous substances or hazardous materials, it is more critical for the Department of Health to be able to regulate microorganisms such as bacteria spores and viruses which can be circulated throughout the ventilation systems in buildings which may result in the causation or exacerbation of respiratory illnesses in human beings. Current law concerning the regulation of ventilation systems is vague, and while it is clear that the Department has the authority to inspect and permit ventilation systems, it is not clear that the Department has the authority to require the proper maintenance of ventilation systems. Further, inasmuch as indoor air pollution has been shown to rank high on the list of human health risks, it is essential that the Department be able to regulate items which may likely be contributing causes.

Therefore, your Committee has amended the bill to clarify that the Department has the authority to monitor existing ventilation systems for proper maintenance, educate the public about indoor air quality, and coordinate a government-wide indoor air quality assessment network, which will serve to analyze the degree to which indoor air pollution poses a health risk to the people of the State of Hawaii.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2162, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2366 Government Operations, Environmental Protection and Hawaiian Programs on S.B. No. 3133

The purpose of this bill is to require that public hearing notices for liquor license applications be sent to at least two-thirds of the residential rental units situated within five hundred feet from the prospective licensee.

Your Committee finds that the public has a right to know what types of establishments that serve liquor are to be situated within their community. However, your Committee believes the bill as written would be impractical to implement because many occupants of residential rental units are not renters of record, thus making it difficult to ascertain the actual number of residents in the area.

Your Committee has amended the bill by removing the requirement to notify occupants of rental units and instead requires any applicant other than a hotel to notify registered voters and small businesses situated within five hundred feet of the prospective licensee.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 3133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3133, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2367 Labor and Employment on S.B. No. 2556

The purpose of the bill is to require the Director of Labor and Industrial Relations to submit an annual report on activities of the Department including evaluations and recommendations relating to the quality and appropriateness of apprentice education available in the State.

Your Committee finds the need for annual reports relative to apprenticeship programs in order to evaluate the necessity for modification of existing law and funding requirements.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2556 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2368 (Majority) Labor and Employment on S.B. No. 2558

The purpose of this bill is to determine if employment agencies' fees are reasonable and appropriate.

Specifically, this bill amends section 373-10, Hawaii Revised Statutes, to require the Director of Commerce and Consumer Affairs to review fees charged by an employment agency, to determine if those fees are reasonable in

comparison to other employment agencies, and to ascertain if any fee revision is appropriate in light of the periodic review.

Your Committee finds that currently, there is little regulation on the fees charged by employment agencies and that periodic review of employment agency fees will ensure that individuals seeking employment are not overcharged.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2558 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 2369 Labor and Employment on S.B. No. 2560

The purpose of this bill is to increase job-related educational opportunities for persons employed in the visitor industry.

The Tourism Training Council will develop innovative means of enabling visitor industry employees to take temporary leaves from their jobs to pursue additional job-related education, training, or retraining, and report each year to the Legislature on its efforts in this regard.

Your Committee finds that job-related education or training is essential to the maintenance of a competent, motivated work force. The task assigned to the Tourism Training Council by this measure is consonant with the Council's mission.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2560 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2370 (Majority) Labor and Employment on S.B. No. 2861

The purpose of this bill is to eliminate delays in the timely payment of workers' compensation claims when such are under appeal.

Specifically, the bill requires the imposition of a fine on an employer who takes an appeal from the decision of the Director of Labor and Industrial Relations but does not prevail with a request for a stay of payment within thirty days and does not make payments within ten days after the appeal period. The bill also requires the employer to show a likelihood of success on the merits and irreparable harm before a stay of payment may be granted by the appellate board or court.

Your Committee finds that if an employer appeals a workers' compensation decision, the employer may withhold payment until the dispute is resolved, which can often take one year or longer. Your Committee further finds that this measure will provide a legal standard under which motions for supersedeas or stay of payments must be granted or denied by the Labor and Industrial Relations Appeals Board.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2861 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 2371 (Joint) Transportation and Ways and Means on S.B. No. 905

The purpose of this bill is to authorize the Department of Transportation to utilize moneys from the airport revenue fund for contracting with the Department of Business, Economic Development, and Tourism, as a means to promote air travel to the State and between the islands.

In considering the problems regarding insufficient airport revenues, your Committees reviewed several bills offering different remedies, including this bill and S.B. No. 2040, Relating to Airport Landing Fees. After reviewing those bills and engaging in discussions with interested parties, your Committees find a need to establish a mechanism in the event the Department fails to reach negotiated agreements with the carriers and other users. Accordingly, your Committees decided that the best approach at this time would be to better articulate in statutes the Department's authority with respect to the setting of all airport fees, to establish parameters within which such fees may be set, and to provide legislative oversight in the fee setting process. Accordingly, your Committees have taken concepts generated from the information received in S.B. No. 2040, and incorporated them into this bill since the title of this bill is broader in scope.

Your Committees find that legislative review will ensure that there are sufficient amounts in the airport revenue fund and provide a means by which the Legislature can evaluate the necessity of expenditures for capital improvement projects.

Your Committees on Transportation and Ways and Means are in accord with the intent and purpose of S.B. No. 905, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 905, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator Tanaka.

SCRep. 2372 (Joint) Transportation and Ways and Means on S.B. No. 3292

The purpose of this bill is to establish a procedure for taxicab operations at the airports.

Specifically, this bill adds a new part to chapter 261, Hawaii Revised Statutes, establishing a permit system for all taxicabs which serve airports in this State. Each taxicab driver must have a permit with requirements established by the Department of Transportation. The permit fees are calculated for each airport and operating a taxicab without a permit is a misdemeanor.

Your Committees find that clean, reasonably priced, efficient taxi service to and from the airport is an essential part of creating a good impression to tourists, demonstrating Aloha Spirit, and promoting return visits to the islands. However, high permit fees, poor dispatch systems, and high taxi fares have created the need for a fair and equitable policy for the management and administration of airport taxi service.

Consequently, your Committees have amended this bill by deleting the text of the bill and, in its place, making an appropriation to develop a master plan to improve the management of airport taxicab service. The bill, as amended, requires the Department of Transportation, in consultation with members of the taxicab industry and experts in the field, to review airport taxicab service and calculate reasonable airport taxicab permit fees based on a rational analysis of the costs to operate and administer the airport taxi system.

Your Committees on Transportation and Ways and Means are in accord with the intent and purpose of S.B. No. 3292, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3292, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator Tanaka.

SCRep. 2373 (Majority) Labor and Employment on S.B. No. 2613

The purpose of this bill is to require employers who withhold the regularly earned tips of their employees for tax and other purposes to pay their employees their tips, less any withholdings, within seven days after the end of each pay period.

This bill also allows a court to assess twelve percent interest on unpaid wages, including tips.

Your Committee finds that this bill will help ensure that employees are paid their earned wages and tips in a timely manner. The prospect of an award of interest in the event that such payment is delayed should further stimulate compliance.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 2613 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 2374 (Joint) Agriculture and Higher Education, Culture and Arts and Historic Preservation on S.B. No. 2337

The purpose of this bill is to establish a registry for bonsai plants to record ownership and control the export of bonsai plants. Specifically, this bill requires the Department of Agriculture to establish and maintain a registry of all bonsai plants in the State and to prohibit shipment of bonsai plants without proper authentication from a bona fide association of bonsai owners.

Your Committees find that the art of bonsai has a special historical and cultural significance to Hawaii. Bonsai artists in this State are known around the world for their creative skill. The rash of thefts of these highly prized plants threatens Hawaii's international reputation and the livelihood of many local artists.

Your Committees find that if the record includes a photograph of each plant and its owner, along with authentication by a bona fide association of bonsai owners, then ownership can be established in the event that a plant is stolen.

In the course of its deliberations, your Committees have been informed that the Department of Agriculture lacks the resources to control the export of bonsai plants. Consequently, your Committees have amended this bill by deleting the involvement of the Department of Agriculture and the restriction on out-of-state shipment and have required the State Foundation on Culture and the Arts to establish and maintain the bonsai registry. This bill, as amended, will deter theft of the bonsai by documenting ownership of the plant.

Your Committees have amended this bill further by clarifying the definition of "bonsai plants", and making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committees on Agriculture and Higher Education, Culture and Arts and Historic Preservation are in accord with the intent and purpose of S.B. No. 2337, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2337, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator Kanno.

SCRep. 2375 Science, Technology and Economic Development on S.B. No. 3180

The purpose of this bill is to allow nonfossil fuel producers to continue to receive reimbursement for the difference between the higher cost of alternative fuels and the cost of heavy fuel oil during any sustained absence of heavy fuel oil.

The bill also removes the qualifying requirements for a nonfossil fuel producer when nonfossil fuel sources are not available.

Your Committee finds that there often is a shortage of heavy fuel oil available for use in generating energy, especially on the neighbor islands. Your Committee further finds that current state policy supports the development and use of alternative energy sources to reduce our dependence on imported fossil fuels. Thus, your Committee believes that until alternative fuels are available at competitive prices and in sufficient quantities, this measure is necessary to compensate for the difference in the cost of using alternative fuels versus fossil fuel.

Testimony regarding this measure was submitted by the Public Utilities Commission, the Consumer Advocate, the Hawaii County Council, Hilo Coast Processing Company, and the Hawaiian Electric Company. Your Committee has noted the concerns expressed by some of the testifiers regarding the continuance of this reimbursement mechanism because this added cost is ultimately passed on to the consumers.

Due to confusion over the provision that removes qualifying requirements when nonfossil fuels are not available, your Committee has amended this measure to limit the applicability of that provision to nonfossil fuel producers who use bagasse and other agricultural crop biomass by-products and continue production of electrical energy at normal levels.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 3180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3180, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2376 Judiciary on S.B. No. 2792

The purpose of the bill is to amend the penalties provision for traffic offenses in light of the decriminalization of traffic offenses under Act 214, 1993.

Testimony in support of the bill was submitted by the Judiciary.

Your Committee finds that language should be added to reflect the entry of judgments under the decriminalization of traffic offenses under Act 214, 1993.

Your Committee further finds that given the requirement to establish uniform fines under Act 214, 1993, and the requirement for the issuing agency to write the fine amount of the moving citation, it will not be possible at this time to record enhanced fines or penalties on the citation as the issuing officer does not have immediate access to the motorist's driving history.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2792 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2377 Judiciary on S.B. No. 3018

The purpose of the bill is to amend the statutory provisions concerning revocation of the release of pretrial detainees by the Director of Public Safety.

Testimony in support of the bill was submitted by Department of Public Safety, and the office of the public defender. Testimony in opposition to the bill was given by the Honolulu Police Department.

Your Committee finds that currently, the Director of Public Safety may release pretrial detainees to prevent overcrowding. The director also has the authority to release pretrial detainees who have not been charged with or convicted of or on probation or parole for a serious crime, as defined in section 804-3, Hawaii Revised Statutes.

Your Committee amended the bill to specify that either a petition or application should be submitted to the director or his designee alleging a violation of the release condition. It further requires that the specific term or condition which was violated must be stated on the petition or application.

Your Committee further amended the bill to provide an administrative hearing for an alleged violation of the conditions of release for detainees temporarily returned to custody.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3018, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2378 Judiciary on S.B. No. 2353

The purpose of the bill is to amend §707-712.5, Hawaii Revised Statutes to include deputy sheriffs of the Department of Public Safety within its purview.

Testimony in support of the bill was submitted by the Judiciary, the Office of the Public Defender, and the Department of Public Safety.

Your Committee finds that the duties of the law enforcement officers under the Department of Public Safety are comparable to that of a police officer and should therefore be protected as such.

Upon recommendation from the Department of Public Safety, your Committee amended the bill to change the term "deputy sheriff" to "state law enforcement officer" and a section was added defining "state law enforcement officer" as those being under the Department of Public Safety.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2353, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2379 Judiciary on S.B. No. 2899

The purpose of the bill is to exempt from liability those health care providers licensed to practice under the laws of our State, who provide volunteer medical and health services to indigent patients in our State.

Testimony in strong support of the bill was submitted by the Hawaii Medical Association, the Aloha Medical Mission, the University of Hawaii School of Medicine, Care-A-Van, Homeless Solutions, and others. Testimony in opposition to the bill was submitted by the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee finds that a large number of health care providers are deterred from providing free medical and dental services because of concern over civil liability. Your Committee believes that it is indeed a shame for our physicians, dentists, and nurses, to go to far off places to volunteer their services, when the health needs of our most vulnerable residents go unattended. Removing the risk of civil liability greatly increases the availability of health care providers to treat those unable to gain access to our health care system for one reason or another.

Your Committee amended the bill to include the provision that these health care providers would be exempt from civil liability, provided that written approval was given by the Director of the Department of Health to the volunteer project. The bill was also amended to provide that the State in turn can seek recovery from those health care providers involved who commit acts of gross negligence.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2899, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2380 Judiciary on S.B. No. 2519

The purpose of the bill is to enact the Uniform Statute and Rule Construction Act, which was approved by the National Conference of Commissioners on Uniform State Laws in 1993.

Testimony in support of the bill was submitted by the Commission to Promote Uniform Legislation.

Your Committee finds that the Uniform Statute and Rule Construction Act (USRCA) serves to facilitate drafting and interpretation of laws.

Upon further consideration your Committee amended the bill by repealing §1-18, of the Hawaii Revised Statutes.

Your Committee further amended the bill to change "purpose" to "intent" in paragraph (8) subsection (a) on page 11 lines 12-14.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2519, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2381 Judiciary on S.B. No. 2134

The purpose of the bill is to specify procedures the state must follow to enforce the forfeiture statute, to codify the holding of the United States Supreme Court in United States v. Good that real property cannot be seized without a pre-seizure hearing, and to codify due process requirements for real estate forfeitures pursuant to the Good decision.

Your Committee received testimony in support of the bill from the Law Enforcement Coalition: the Attorney General, Prosecutors, and the Police Chiefs of the City and County of Honolulu, Hawaii, Kauai and Maui.

At the suggestion of the public defender, your Committee amended the bill by adding "and owners" to subsection (2), page three, line ten, under §712A-6 (Seizure of property) of the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2134, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2382 Judiciary on S.B. No. 2137

The purpose of the bill is to enlarge the conduct which would constitute the offense of Burglary in the Second Degree, §708-811, Hawaii Revised Statutes. The bill also adds "knowingly" as an alternate state of mind to "intentionally" in defining this offense.

Currently, burglary in the second degree only involves the unlawful entry into a building. This bill includes the unlawful entry of a house trailer, watercraft, aircraft, and motor vehicle.

Your Committee received testimony in strong support of the bill from the Attorney General, Prosecutors, Police Chiefs of Honolulu, Hawaii, Kauai, and Maui. Testimony in opposition was received from the public defender.

Your Committee finds that the criminal intent to enter a building is no different from the criminal intent to enter a vehicle. Under existing law, a felony prosecution for the unlawful entry of a vehicle must be pursued as Criminal Property Damage when the damage exceeds \$500 and as Theft where the value of the property stolen exceeds \$300.

Your Committee believes that distinctions made on the basis of the amount of damage done or value of the property taken are both artificial and arbitrary.

Your Committee further finds that automobile break-ins are a major crime problem in our State with approximately 200 automobile break-ins per month reported by the car rental companies and an alarming average of 980 thefts from vehicles for the past twelve months. The unlawful entry and theft of property from these vehicles has a devastating effect on both visitors and residents and merits the prosecution of this type of offense as a felony.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2137 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2383 Judiciary on S.B. No. 2358

The purpose of the bill is to provide attorneys with the option of either using a fee schedule to recover attorney's fees for their clients, or to proceed by way of an affidavit filed with the court to recover the attorney's fees.

Currently, the court assesses reasonable attorney's fees upon approval of an affidavit filed by the attorney stating the amount time spent on the action and the agreed upon hourly rate. This bill would return the fee schedule provided for under prior law and give attorneys in assumpsit cases the option of seeking fees under the fee schedule or by affidavit. In either event, attorney's fees must not exceed twenty-five per cent of the amount of the judgment.

Your Committee believes that this bill will provide attorneys with flexibility and will save attorney's fees for the client by precluding the additional work necessary to prepare an affidavit for submission to the court where appropriate.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2358 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2384 Labor and Employment on S.B. No. 3159

The purpose of this bill is to prohibit employers from discriminating in employment against any individual because the person engages in a legal lifestyle off premises during nonworking hours.

In most employment situations, the balance of power is weighted in favor of the employer. This bill will help protect employees or prospective employees from arbitrary or capricious behavior on the part of employers or prospective employers who would use their power to enforce personal prejudices against behavior or activities that are otherwise legal or free from proscription in this society.

Your Committee favors legislation that would protect and affirm the rights of the citizens of this State to be gainfully employed if they meet legitimate job requirements and perform their duties satisfactorily.

Upon further consideration, your Committee has amended this bill by stating the above principle as an affirmative right of an employee to engage in a legal lifestyle activity during nonworking hours and off premises, as long as the activity does not affect the employee's ability to reasonably perform the services for which the person is employed. Exceptions are made for a lifestyle activity that creates an apparent or actual conflict of interest with the employer, may be prohibited under sections 378-3(2) or (3), Hawaii Revised Statutes, is incompatible with a collective bargaining agreement, or, in the case of an employee of a religious association or nonprofit organization, is contrary to an employer policy to discourage such behavior.

The affirmative right provided by this measure is not extended to county police officers who are responsible for a code of conduct twenty-four hours a day, whether or not on active duty.

In this bill as amended, an employee who is aggrieved by an employer's action with regard to a legal lifestyle activity has recourse through the civil courts and can obtain an injunction against the employer and an order for affirmative

remedial action in the form of reinstatement, hiring, or employment upgrading, with or without back pay. In addition, a losing employer-defendant will have to pay the plaintiff's costs, including attorney's fees, but if the suit is found to be without merit, the plaintiff will have to pay the employer's costs of defending the action.

Your Committee believes that this bill, as amended, appropriately reflects the policy that this State should adopt relating to this issue.

Your Committee on Labor and Employment is in accord with the intent and purpose of S.B. No. 3159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3159, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2385 Ways and Means on S.B. No. 2547

The purpose of this bill is to make the Hawaii state compensation mutual insurance fund operational on July 1, 1994, and to appropriate \$1 to the Department of Budget and Finance to enable the administrator of the fund to study other workers' compensation state funds and report to the legislature regarding the full implementation of and funding for the Hawaii fund.

In addition to repealing the law making the Hawaii state compensation mutual insurance fund operational upon funding by special appropriation by the legislature, this bill requires the governor to forthwith make the initial appointments to the board of directors of the fund, and requires the board of directors, as soon as practicable, to appoint the administrator of the fund.

Your Committee received testimony in support of this measure from the Hawaii State AFL-CIO and the International Longshoremen's & Warehousemen's Union Local 142, and testimony in opposition to the same from the Hawaii Insurers Council and the Hawaii Independent Insurance Agents Association.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated from \$1 to an unspecified amount; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2547, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2547, S.D. 2.

Signed by all members of the Committee.

SCRep. 2386 Ways and Means on S.B. No. 2973

The purpose of this bill is to repeal the general excise tax exemption on an employee benefit plan's real estate investment income received after June 30, 1994.

Your Committee is in accord with your Committee on Labor and Employment and believes that when this exemption was enacted, it was not envisioned that employee benefit plans would be exempt on income that represents pure profit as opposed to income that enables the plan to operate.

The repeal of the exemption applies only to investment income received after June 30, 1994, and provides that investment income contracts entered into prior to July 1, 1994 will not be taxed until they are renegotiated or until after December 31, 1998, whichever is earlier.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2973 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2387 Ways and Means on S.B. No. 3012

The purpose of this bill is to establish a rehabilitation trust fund for Kaho'olawe.

The bill also:

- (1) Allows the commission to adopt rules directly, rather than through the Department of Land and Natural Resources;
- (2) Permits the commission to hire employees without regard to chapters 76 and 77;
- (3) Transfers the powers and duties otherwise conferred on the board of land and natural resources with regard to all dispositions and approvals, rather than just land dispositions and land use approvals; and
- (4) Appropriates moneys for operation of the commission and to complete conveyance and cleanup negotiations with federal agencies.

Your Committee finds that the island of Kaho'olawe is of significant cultural and historic importance to the native people of Hawaii. In 1993, legislation was passed establishing the Kaho'olawe island reserve commission and giving the commission policy and management oversight of the Kaho'olawe island reserve. The State will receive approximately \$45,000,000 from the federal government over a ten-year period for rehabilitation efforts on Kaho'olawe. Your Committee finds that the trust fund is needed for the deposit of the federal funds.

Your Committee has amended this bill by changing the amounts appropriated to an unspecified amount to facilitate continuing discussion on this matter and by removing the language exempting amounts in the trust fund from the provisions of chapter 10, Hawaii Revised Statutes, relating to the office of Hawaiian affairs. Your Committee has also made technical nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3012, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3012, S.D. 2.

Signed by all members of the Committee.

SCRep. 2388 Ways and Means on S.B. No. 3175

The purpose of this bill is to give policyholders the right to have a contested case hearing to contest the cancellation or non-renewal of their no-fault insurance policies.

Generally, a person cannot drive a motor vehicle in this State unless that vehicle is covered by a no-fault insurance policy. Your Committee finds that cancellation or nonrenewal of no-fault policies poses severe hardship to motorists. At present, insurers are allowed to cancel policies only if the license of the principal operator is suspended or revoked or if premium payments are not made after reasonable demand. But nonrenewal can be made for those reasons or others, including a determination that the renewal would impair the financial soundness of the insurer. An insurer can refuse to renew up to two per cent of its outstanding no-fault policies, as long as the reason for the nonrenewal is not discriminatory or otherwise prohibited by law. An insurer can refuse to renew an even higher percentage if it voluntarily writes new policies, at the rate of one policy conditionally renewed or nonrenewed for every two that it writes.

Your Committee finds that since the need for no-fault insurance is so great, the contested case hearing requirement of this bill is necessary to ensure that this drastic action is not taken without due process. This bill requires insurers to provide thirty days' notice of intended cancellation or non-renewal and allows for a formal hearing if the policyholder objects. Policyholders should have the right to inquire into the circumstances behind the cancellation or nonrenewal of their policy to determine whether the cancellation or nonrenewal is legitimate.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3175, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3175, S.D. 1.

Signed by all members of the Committee.

SCRep. 2389 Ways and Means on S.B. No. 3190

The purpose of this bill is to require all members of the employees' retirement system who retire with less than twenty-five years of service to bear part of the cost of their health benefit plans.

Currently, public employees who had less than ten years of service at retirement pay half of their monthly premiums while the State or county pays the other half. Employees who retire with ten or more years of service receive health coverage for themselves, their spouses, and their dependents free of charge.

Under this bill, effective July 1, 1994 anyone who retires with less than fifteen years of service will pay half of the monthly premiums, while those who retire with at least fifteen but less than twenty-five years of service will pay twenty-five per cent. The State or county will pay one hundred per cent of the premiums of any employee who retires with at least twenty-five years in the public service.

Your Committee finds that while the benefits provided by the State of Hawaii and the counties are among the most generous anywhere, if the costs of providing those benefits increase faster than the ability of the employer to provide them, an adjustment must be made. Such is the case today. Hawaii's government cannot afford to continue bearing the entire cost of covering the growing number of employees who retire with substantially less than the number of years of service generally associated with a career in the public service.

Your Committee has amended this bill by making a nonsubstantive, technical change for the purpose of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3190, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3190, S.D. 2.

Signed by all members of the Committee.

SCRep. 2390 Ways and Means on S.B. No. 2620

The purpose of this bill is to regulate the manufacture and importation of fireworks, including aerial fireworks, in this State.

Specifically, this bill:

- (1) Makes it unlawful for any person to act as an importer or manufacturer of fireworks unless the person has obtained an appropriate license from the Department of Labor and Industrial Relations (DLIR);
- (2) Allows the DLIR to confer upon any of its employees the powers of police officers in all matters relating to the enforcement of this measure;
- (3) Requires every application for a license to manufacture or import fireworks to be submitted to the DLIR, and specifies the minimum information to be provided by an applicant for a license;
- (4) Establishes a nonproratable license fee of \$100 per year for the period beginning on July 1 and ending on June 30;
- (5) Requires the DLIR to establish recordkeeping and reporting requirements for licensees in order to track the quantities and types of fireworks manufactured or imported by each licensee, and all sale and transfers of these fireworks;
- (6) Makes it unlawful for a licensee to transfer fireworks to:
 - (A) Any person not licensed or otherwise permitted by the county to store and sell fireworks; or
 - (B) Any consumer or user who does not have a permit to use fireworks, in a county that requires a permit, or who is less than eighteen years of age;
- (7) Makes it unlawful for any person to manufacture, sell, barter, trade, gift, transfer, or import aerial fireworks except when allowed by county permit;
- (8) Allows the Director of the DLIR to examine the books and records of any licensee, and to visit and inspect the premises of any licensee to enforce this measure;
- (9) Makes violations of this measure a misdemeanor, and subjects illegal fireworks to seizure and forfeiture under the forfeiture law; and
- (10) Prohibits a license from being issued to a person convicted of violating this measure for two years following the conviction.

Your Committee finds that this bill is in the public interest and for the public health, safety, and general welfare of 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. 2620, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2620, S.D. 2.

Signed by all members of the Committee.

SCRep. 2391 Ways and Means on S.B. No. 2753

The purpose of this bill is to clarify the insurance tax due for real property title insurers by defining taxable title premiums as only the amount of the risk premium actually received for provision of the title insurance coverage.

In 1990 and 1991 the insurance division of the Department of Commerce and Consumer Affairs conducted an extensive examination of title agencies and found that there was no consistency in the reporting or payment of taxes throughout the industry. The Department of Taxation and the Attorney General attempted to rectify the irregular reporting by issuing general memoranda in 1992 and 1993. The memoranda required insurers to report the entire amount of the premium received which was contrary to the industry practice which had been to report only the premium received from the underwritten title companies.

Your Committee finds that although real property title insurance is classified as a property/casualty line, there is a principal difference in its operation from other types of property/casualty insurance. In title insurance, the process is to identify the risk and eliminate it from coverage through escrow mechanisms. By law, title insurers are required to conduct title searches which are actually performed by the underwritten title company. The consumer pays the gross premium to the underwritten title company who retains between sixty to ninety per cent of the premium to cover the cost of the title search and other administrative matters. The underwritten title company then pays the title insurer the balance as the premium for the title insurance policy.

Your Committee is in accord with your Committee on Consumer Protection and finds that the insurance premium tax should be applied to only the portion of the gross premium paid by the consumer that is actually received by the underwriter. This approach is similar to the division between travel agents and tour providers that operates to ensure that each party pays their respective tax only on the gross income that actually accrues to them.

Your Committee has amended this bill by making conforming amendments to a section of the insurance law to correct references to the law being amended.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2753, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2753, S.D. 1.

Signed by all members of the Committee.

SCRep. 2392 Ways and Means on S.B. No. 2594

The purpose of this bill is to require licensure of physical therapist assistants ("PTA's").

Under this bill, PTA's must meet established educational and training standards, pass a national certifying examination, and practice under the supervision of a licensed physical therapist.

Your Committee has amended this bill by clarifying that: (1) PTA's must be licensed and cannot practice physical therapy except under the supervision of a licensed physical therapist; and (2) persons need not be licensed as PTA's who do not represent themselves as PTA's and who perform the services ordinarily performed by aides, assistants, and technicians. Your Committee has also amended this bill by deleting in its entirety the provision establishing a PTA advisory committee.

Your Committee has also made technical, nonsubstantive amendments for clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2594, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2594, S.D. 2.

Signed by all members of the Committee.

SCRep. 2393 Ways and Means on S.B. No. 2377

The purpose of this bill is to establish licensing requirements for social workers and to regulate the practice of social work in Hawaii.

Your Committee finds that the practice of social work entails application of formal knowledge, theoretical concepts, specific skills, and essential values to bring about change in human behavior, emotional responses, and social conditions. Under this bill, responsibility for licensing social workers, enforcing regulatory standards and requirements, and imposing discipline are placed with the Director of Commerce and Consumer Affairs who may appoint an advisory committee to help with the task.

Your Committee has amended this bill by:

- (1) Deleting "education" as an area in the professional application of social work values, principles, and techniques with reference to the definition of "practice of social work";
- (2) Requiring that members of the advisory committee to be appointed by the director be licensed social workers; and
- (3) Clarifying that a candidate for a social worker license must have a doctoral degree or a master's degree and eliminates candidates with only a baccalaureate degree in social work plus one year of professional work experience.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2377, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2377, S.D. 2.

Signed by all members of the Committee.

SCRep. 2394 Ways and Means on S.B. No. 3324

The purpose of this bill is to allow the Department of Budget and Finance to use the \$8,500,000 appropriated by Act 335, Session Laws of Hawaii 1993, to reimburse the county of Kauai for real property taxes remitted, refunded, or forgiven under chapter 234, Hawaii Revised Statutes (tax relief for natural disaster losses), for specified activities.

Specifically, this bill allows the Department of Budget and Finance to expend the abovementioned funds to:

- (1) Fulfill the State's contractual agreement with the Federal Emergency Management Agency for disaster assistance (debris removal and protective measures) disbursed to the county of Kauai by designating \$436,000 to meet the required twenty-five per cent in state matching funds to the county;
- (2) Restore, replace, or repair all hurricane damaged county park and recreational facilities and appurtenances by designating \$1,700,000;
- (3) Restore, replace, or repair all hurricane damaged facilities designated as civil defense emergency shelters by designating \$1,800,000, subject to the condition that not more than \$1,000,000 shall be used for a joint civil defense emergency operating center/police headquarters facility, including land acquisition;
- (4) Fund a systematic intervention effort for school-based psychological support in public schools on the island of Kauai, including an assessment program to identify students at risk for continuing hurricane-related distress, an intervention program to address the needs of these students, and contractual services for consultant and training support for administrators, teachers, and counselors to assist in dealing with psychological problems generated by Hurricane Iniki, by designating \$800,000; and
- (5) Fund the continuing efforts to address the post traumatic distress of children and youth by designating \$110,000.

Your Committee finds that this bill will enable the Department of Budget and Finance to better assist the county of Kauai in recovering from the devastation of Hurricane Iniki.

Your Committee has amended this bill 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. 3324, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3324, S.D. 1.

Signed by all members of the Committee.

SCRep. 2395 Ways and Means on S.B. No. 2125

The purpose of this bill is to create a new class of liquor license for microbreweries encompassing two categories: one for the manufacture and sale of malt beverages, the other for the manufacture, sale, and on-premises consumption of malt beverages.

Your Committee finds that amending the liquor laws to allow microbreweries and brew pubs would benefit the State and each county by adding new businesses requiring additional employees, create new Hawaii products and product sales, and generate additional tax revenues for the State. With a microbrewery license, a licensee will be able to manufacture, sell to wholesalers, allow consumption on the premises, and sell at retail directly to consumers.

Your Committee further finds that creation of a microbrewery license will promote local businesses as well as the tourism industry. The bill would allow for the local production of freshly-made, affordable products that may be enjoyed by both residents and visitors alike. Your Committee further finds that Hawaii is one of only four states that currently do not allow brew pubs, and that nearly four hundred brew pubs have opened in the United States and Canada in the last ten years, with an average of one opening each week in 1993, the majority located in California. Brew pubs have long been popular in Europe and Australia. Since the West Coast is one of Hawaii's major tourist markets, and the State seeks to encourage visitors from European nations and Australia, the development of brew pubs in this State may attract that portion of the tourist market that is attracted to visiting brew pubs and microbreweries.

Your Committee has made technical, nonsubstantive amendments for purposes of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2125, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2125, S.D. 2.

Signed by all members of the Committee.

SCRep. 2396 Ways and Means on S.B. No. 2161

The purpose of this bill is to appropriate funds to conduct a statewide household hazardous waste collection project.

Your Committee finds that households throughout the State generate small quantities of hazardous waste on a continuous basis. To avoid possible impacts to the environment and to prevent further contamination of Hawaii's groundwater resources, household wastes exhibiting hazardous properties should be segregated from those wastes that are generally collected by the counties for disposal in the landfills of the State. This bill provides the Department of Health with the funds to collect and discard household hazardous wastes in the proper manner.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2161, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2397 Ways and Means on S.B. No. 2170

The purpose of this bill is to promote the recycling of glass in the State by requiring glass container importers to pay the Department of Health an advance disposal fee which is to be used to fund county glass recovery programs.

The bill also requires:

- (1) The funds to be deposited into a special account in the environmental management special fund;
- (2) State agencies and urges county agencies to purchase materials with a minimum recycled glass content; and
- (3) The use of glassphalt and crushed glass in roadway construction.

Your Committee finds that glass recycling, although popular on the mainland, is difficult to carry out in Hawaii. Glass recyclers are located on the mainland, and as the raw ingredients for glass, sand and limestone, are relatively inexpensive and abundant, the cost of shipping Hawaii's postconsumer glass to the mainland for recycling is frequently not economical. Yet if glass is not recycled, it will continue to be disposed of in our rapidly filling landfills.

Your Committee finds that this bill will provide a solid framework in which to recycle glass in Hawaii, and as such will be an important step in promoting the commercial use of recycled materials.

Your Committee has amended this bill by:

- (1) Deleting references to the special account and instead requiring all revenues to be deposited in the general fund;
- (2) Moving the definitions of "basecourse" and "nonstructural backfill" to the new section being added to the procurement code. This was done because the terms are used in that section, but not in the part on glass container recovery in which they are set forth; and
- (3) Making technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2170, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2170, S.D. 2.

Signed by all members of the Committee.

SCRep. 2398 Ways and Means on S.B. No. 2171

The purpose of this bill is to promote the use of recycled products by the State.

Your Committee finds that the State's energy resources and physical environment must be managed and protected to ensure the health, safety, and welfare of the citizens of Hawaii and to preserve limited natural resources for future generations. Your Committee further finds that promoting the use of recycled content products will help to achieve this goal by resulting in more responsible use of resources.

Your Committee has amended this bill by merging the two definitions of "postconsumer material" together for purposes of style and clarity and making a number of 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. 2171, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2171, S.D. 2.

Signed by all members of the Committee.

SCRep. 2399 Ways and Means on S.B. No. 2172

The purpose of this bill is to establish a clean Hawaii center to provide a separate mechanism for the promotion and development of local processing and manufacturing industries that use solid waste or convert solid waste into usable products.

It is critical that Hawaii's energy and physical environment be managed and protected in a manner that ensures the health, safety, and welfare of its citizens and preserves its limited natural resources for future generations.

Your Committee finds, however, that, although state and county agencies and private industry have worked earnestly to encourage recycling, the current infrastructure for collecting, processing, and transporting post-consumer recyclable material is inadequate. Part of this problem is that, because local markets for recycled goods are almost nonexistent, most of Hawaii's recycled materials currently are exported.

Consequently, your Committee finds that if there is to be significant progress made in the diversion of a greater portion of solid waste from landfills, local markets for recycled products must be developed or expanded immediately. Moreover, your Committee finds that local markets would benefit the State by: reducing its reliance on export markets requiring overseas shipment; creating business and employment opportunities for residents; reducing dependency on imported goods with recycled content; and reducing dependency on landfills.

Your Committee further finds that establishing a clean Hawaii center will provide a permanent structure, with a stable source of revenue, to ensure that markets for recycled products will be continuously stimulated, expanded, and sustained within the State.

Your Committee has amended this bill by:

- (1) Deleting, on page 4 at line 18, the reference to a specific amount by which the solid waste disposal surcharge is to be increased, to be consistent with the deletion of similar references in the bill made by the previous committee and in this instance inadvertently overlooked; and
- (2) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2172, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2172, S.D. 2.

Signed by all members of the Committee.

SCRep. 2400 Ways and Means on S.B. No. 2262

The purpose of this bill is to allow the circuit court to render decisions on certain matters in which the independent representative of Hawaiian home lands trust beneficiaries and the state task force on Department of Hawaiian Home Lands title and related claims (task force) are at an impasse.

Your Committee finds that Act 352, Session Laws of Hawaii 1993, authorized the appointment of an independent representative to act as sole counsel to Hawaiian home lands beneficiaries for claims against the State for breaches of the Hawaiian home lands trust. The independent representative and the task force were to resolve these claims in a nonjudicial forum. However, in the course of resolving these claims, impasses between the independent representative and the task force have occurred and the law does not provide any recourse to final determinations.

Your Committee believes that providing a means for circuit court intervention to resolve impasses in these proceedings will facilitate the eventual resolution of all Hawaiian home lands trust claims against the State.

Your Committee has amended this bill by removing the appropriation sections, renumbering the remaining sections, and making other technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2262, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2262, S.D. 2.

Signed by all members of the Committee.

SCRep. 2401 Ways and Means on S.B. No. 2729

The purpose of this bill is to establish a Department of Environmental Protection.

Specifically, this bill:

(1) Transfers the functions and authority of:

(A) The Department of Health with respect to environmental protection, including asbestos, used oil, lead acid batteries, used motor vehicle tires, special wastes, integrated waste management, drinking water treatment, air quality, water quality, nonpoint source (water) pollution, groundwater protection, underground injection control, underground storage tanks, solid waste, hazardous and radioactive waste, wastewater treatment facilities and construction grants, individual wastewater systems, drinking water, environmental risk assessment, environmental response, emergency planning and community right-to-know, ozone layer protection, litter control, and the laboratory analysis functions associated with the foregoing environmental protection programs; and

(B) The office of environmental quality control;

to the Department of Environmental Protection; and

(2) Appropriates an unspecified sum to the office of the governor for the establishment of the Department of Environmental Protection.

Your Committee finds that the organizational structure of the Department of Health is strained beyond capacity. With pressing public health concerns, as well as growing environmental regulatory functions, the Department of Health cannot effectively administer all the programs under its jurisdiction. Consequently, your Committee believes that establishing a Department of Environmental Protection is in the best interest of 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. 2729, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2729, S.D. 2.

Signed by all members of the Committee.

SCRep. 2402 Ways and Means on S.B. No. 2851

The purpose of this bill is to establish an impact fee system to augment public school system funding in the State.

Your Committee finds that an impact fee system will provide a supplemental source of income for the public school system of the State. Under such a program, the State would not be relieved of its obligation to provide general funding. Instead, the fees generated under the program would be used to provide assistance where appropriations are insufficient. The fees contributed by private developers would be used to provide better facilities in areas where developments create impacts.

Your Committee has amended this bill by correcting a technical error in drafting.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2851, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2851, S.D. 2.

Signed by all members of the Committee.

SCRep. 2403 (Majority) Ways and Means on S.B. No. 2863

The purpose of this bill is to authorize the Department of Health to extend the use of its environmental response revolving fund to address problems associated with the contamination of drinking water.

Your Committee finds that the environmental response revolving fund is funded, from among other possible sources, with moneys generated from the environmental response tax on petroleum products established by Act 300, Session Laws of Hawaii 1993. This tax was meant to help fund programs to prevent oil spills, releases from underground storage tanks, and remediation of contaminated soil caused by, among other things, contamination by unrecycled used motor oil.

In justification of the tax and the use of the revolving fund, a logical nexus is deemed to exist between the hazards which can occur from the spillage of oil, the leaking of underground storage tanks, and unrecycled used oil contamination, and the measures to be funded to prevent and remediate the problems of oil contamination. Your Committee believes that this logical nexus also exists between these hazards and measures to prevent and remediate the problems of contamination of drinking water.

This bill would specifically authorize the use of the environmental response revolving fund to address the contamination of drinking water.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2863, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 2404 Ways and Means on S.B. No. 2889

The purpose of this bill is to create a state counterpart to the federal Soldiers' and Sailors' Relief Act, which provides temporary relief from civil obligations to members of the Hawaii national guard and other components of the state military forces when placed on state active duty.

Your Committee finds that members of the active military services at all times, and the federal reserves when placed on any active duty, are provided with relief from their civil obligations under the federal law, and that this relief is an essential ingredient in the quality of life for these military men and women and their families. These protections mitigate the disruption that active federal military service brings to their personal and business affairs.

These protections are extended to the members of the Hawaii national guard only when they are mobilized for federal active duty such as the mobilization for Vietnam in 1968. The federal law does not extend protection to national guard members mobilized by the State to serve in missions of direct benefit to the State.

Your Committee finds that this bill would not provide special privileges for state military forces members, but would just allow the same temporary relief from civil obligations now available under the federal law during times of state emergency, such as when the Hawaii national guard was ordered to state active duty to aid the residents of Kauai after Hurricane Iniki. The relief provided by this bill will allow state military forces personnel to focus on their mission, free from worry about the welfare of their families and their personal and business affairs.

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. 2889, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2889, S.D. 1.

Signed by all members of the Committee.

SCRep. 2405 Ways and Means on S.B. No. 3211

The purpose of this bill is to allow a county central coordinating agency, when requested by an applicant, to schedule and coordinate, to the extent practicable, a single joint public hearing when multiple permits from commissions or agencies of the State or county, or both, require a public hearing.

In addition, this bill:

- (1) Allows all state and county departments, divisions, agencies, and commissions, with control or regulatory or advisory powers over land development projects in any county of the State, to enter into memoranda of understanding for the purpose of promoting concurrent processing and joint public hearings; and
- (2) Requires county departments and agencies, subject to ordinances enacted by the county councils, to consult with the designated central coordinating agency of each county and to adopt rules establishing the order in which multiple permits take precedence, and setting the conditions under which the joint public hearing is to be held and the time periods within which the hearing and action for multiple permit processing is to occur.

Your Committee has amended this bill by:

- (1) Requiring each county to adopt the ordinances required by this measure by September 1, 1994, rather than September 1, 1977;
- (2) Requiring each designated central coordinating agency to adopt the necessary rules to implement this measure by September 1, 1994, rather than September 1, 1977; 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. 3211, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3211, S.D. 2.

Signed by all members of the Committee.

SCRep. 2406 Ways and Means on S.B. No. 3303

The purpose of this bill is to expand the authority of the Department of Health under the solid waste pollution law by including provisions relating to the liability of parties involved in illegal dumping; the delegation of state enforcement powers vested in the department to the counties; and the disposition of fines collected as the result of joint state and county enforcement actions.

Your Committee finds that despite the threat of fines and penalties under the solid waste pollution law, solid waste generators throughout the State continue to discard wastes in an improper manner. This bill clarifies issues relating to land ownership and the ownership of wastes generated. This bill also allows the Department of Health to work with the counties in enforcing the solid waste pollution law.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3303, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2407 Ways and Means on S.B. No. 3307

The purpose of this bill is to provide for governmental assistance to the residents of the Hamakua region affected by the closure of the Hamakua Sugar Company and the Hilo Coast Processing Company.

This bill appropriates \$24,810,000 to be expended by the Hawaii community development authority for needs relating to the Hamakua community development district, including such areas as family and community support, health and assistance, diversified agriculture programs and projects, and other projects. The bill would allow the authority to expend all or a portion of this appropriation for areas within or adjacent to the Hamakua community development district prior to completion of a Hamakua community development plan.

Your Committee recognizes the hardships faced by residents of the Hamakua coast, as well as the urgent need to stabilize the economic and social conditions of the region, and believes that additional resources are needed to assist the Hamakua community in its effort to restructure its economy and support its social structure.

Your Committee has amended the bill to reflect the intent of the original bill prior to its amendment by your Committee on Government Operations, Environmental Protection, and Hawaiian Programs. In particular, your Committee has appropriated funds to assist the Hamakua community in its effort to restructure its economy and support its social structure, to be expended by the governor's agriculture coordinating committee.

Your Committee has also amended section 6 of Act 311, Session Laws of Hawaii 1993, to appropriate unexpended funds for fiscal year 1994-1995, to be expended by the Department of Business, Economic Development, and Tourism, to assist the Hamakua community development district in such areas as development funds for small businesses, agriculture park development, primary health care supplies, and transitional support employment and training for dislocated workers.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has left all appropriations blank.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3307, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3307, S.D. 2.

Signed by all members of the Committee.

SCRep. 2408 Judiciary on S.B. No. 3096

The purpose of the bill is to amend HRS 431:10C-111 which provides that automobile insurance policies may not be cancelled except for non-payment of premiums or in cases where the principal operator is unlicensed. This bill would prohibit non-renewals on the basis of a person's race, creed, ethnicity, age, sex, length of driving experience, marital status, residence, physical handicap, or because an insured has elected to obtain any required or optional coverage or deductible required by law.

Your Committee received testimony in favor of the bill from Hawaii Academy of Plaintiffs' Attorneys ("HAPA"), the Insurance Division of the Department of Commerce and Consumer Affairs, and the American Association of Retired Persons. Your Committee also received testimony from State Farm Insurance Companies.

Act 4, Special Session Laws of Hawaii 1993, repealed the "take all comers provision" to allow insurers to refuse to renew up to 2 per cent of the insurers' covered policies of the past year.

Your Committee finds that the bill ensures protection to consumers against improper non-renewal of a no-fault policy based upon legally prohibited classifications.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3096, S.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2409 Judiciary on S.B. No. 3078

The purpose of the bill is to amend sections 84-31, 84-32, and 84-33, Hawaii Revised Statutes. Under this bill, the Commission's hearings and any disciplinary action taken against any state official or employee will be a matter of public record.

Testimony in support of the bill was submitted by the Hawaii State Ethics Commission and the Office of Information Practices, Department of the Attorney General.

Your Committee believes that this bill will improve and enhance the enforcement process of the State Ethics Commission.

Your Committee finds that the public disclosure of the Commission's proceedings will make government more accountable to the public, thereby fostering public confidence in government.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3078 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2410 Judiciary on S.B. No. 2950

The purpose of the bill is to amend section 489-3, Hawaii Revised Statutes, to include marital status as a protected class within the public accommodations law.

Testimony in support of the bill was submitted by the Hawaii Civil Rights Commission, the ILWU Local 142, and others.

Your Committee finds that presently marital status is a protected class in employment and housing, and that this protection should be accorded with public accommodations as well. The public accommodations law encompasses all business enterprises which offer goods or services to the public including the rental or leasing of commercial properties. Testimony received by the Committee indicated that single females are often discriminated upon in commercial real estate transactions.

Your Committee finds that the addition of "marital status" to the statute would protect this class from further unfair discrimination.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2950 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2411 Judiciary on S.B. No. 2787

The purpose of the bill is to streamline the evaluation of a person's driving history.

The bill eliminates points for decriminalized traffic offenses and eliminates credit points for violation free driving during a 24-month period. Points for serious traffic offenses will still be recorded by the courts however, both as court records and to assist insurers' underwriting and rating departments.

Testimony in support of the bill was submitted by the Judiciary and the State Farm Insurance Companies.

Your Committee finds the streamlined evaluation or point system will still identify problem drivers and provide judges with the necessary information to assist in sentencing.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2787 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2412 Judiciary on S.B. No. 2309

The purpose of this bill is to extend immunity from tort liability to organizations that provide shelter or subsistence to needy persons.

Your Committee received testimony in support of the bill from the Department of Housing and Human Concerns in Maui County, the Maui Hotel Association and the Harvest Chapel Church of God. The Hawaii Academy of Plaintiff's Attorneys presented testimony opposed to the bill on the grounds that the bill removes all protection from a segment of our community which arguably needs the most protection: those who are in need.

Your Committee finds that the resolution of homelessness is a community responsibility and that those who provide emergency shelter for the homeless deserve some protection from civil liability.

Your Committee amended the bill by deleting the provisions of S.B. No. 2309 as introduced which amends Chapter 663, Hawaii Revised Statutes, relating to tort actions and by amending Section 6 of the Homeless Families Assistance Act contained in Chapter 358D, Hawaii Revised Statutes. This section establishes exceptions to liability for donors in certain circumstances. The amendment specifies that any donor who provides emergency or transitional shelter under a program for the homeless authorized by this chapter shall be liable for civil damages resulting from the donor's gross negligence.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2309, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2413 Judiciary on S.B. No. 2949

The purposes of this bill are to:

(1) Allow the Hawaii Civil Rights Commission to disclose non-privileged records at the request of parties before the Commission without the necessity of obtaining a court order; and

(2) Require the Commission to adopt rules under Chapter 91, Hawaii Revised Statutes, regarding the disclosure of nonprivileged records which effectuate the purposes of this chapter.

Your Committee heard testimony in support of the bill from the Hawaii Civil Rights Commission and ILWU Local 142. Your Committee also heard testimony in support of the bill with amendments from Common Cause Hawaii and the Office of Information Practices. Both provided testimony opposed to the second purpose of the bill which would permit the commission to adopt its own rules governing disclosure of nonprivileged records. Your Committee agrees with these concerns.

Your Committee therefore amended the bill by deleting the language permitting the commission to set its own disclosure rules. Your Committee also amended the bill to provide explicit distinctions between factual records and non-factual records. Factual records may be disclosed to the parties before the commission in limited circumstances, while non-factual records shall be considered confidential except as otherwise provided by law. Your Committee finds that this amendment eliminates the dichotomy between privileged and non-privileged documents and believes that the distinction between non-factual and factual records is more easily understood and more appropriate.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2949, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2949, S.D. 1.

Signed by all members of the Committee.

SCRep. 2414 Judiciary on S.B. No. 2663

The purpose of the bill is to clarify that the liability of hotels with regard to the risk and dangers involved in certain beach and ocean activities is limited to the hotelkeeper's guests and not to the public at large.

Testimony in strong support of the bill was submitted by the Hawaii Hotel Association, the Hilton Hawaiian Village, the Hilton Hotels Corporation, the Maui Hotel Association, the Outrigger Hotels Hawaii, the Royal Hawaiian Waikiki, the Sheraton Waikiki Hotel, the Maui Intercontinental Resort, the Whaler Association of Apartment Owners, and the New Otani Kaimana Beach Hotel. Testimony in opposition to the bill was submitted by the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee believes that while hotelkeepers clearly owe a duty of care to their guests, they do not owe such duty to the public who may be engaged in certain activities in the public beach and ocean fronting the hotel.

Based on testimony by the Hawaii Hotel Association, your Committee amended the bill to change the gross negligence ("willful or malicious failure to warn") standard to a simple negligence ("failure to warn") standard with regard to the hotel's duty to its guests. Thus, an injured hotel guest needs to prove negligence, not gross negligence, by the hotelkeeper in order to recover.

Your Committee further amended the bill to make technical and nonsubstantive changes to clarify the intent of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2663, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2663, S.D. 2.

Signed by all members of the Committee.

SCRep. 2415 Consumer Protection on S.B. No. 2931

The purpose of this bill is to make technical corrections to the Code of Financial Institutions enacted by Act 305, Session Laws of Hawaii 1993. Specifically the bill amends the Code to:

- (1) Authorize the Commissioner of Financial Institutions to grant extensions of time to file unaudited financial statements;
- (2) Broaden the application of the Code of Financial Institutions to cover the voluntary dissolution of a Hawaii financial institution;

- (3) Establish the procedure for a financial services loan company licensed under Chapter 412, Hawaii Revised Statutes, to cease operations; and
- (4) Clarify the lending limit exemptions of savings banks to one borrower.

Your Committee finds that the bill is essentially a housekeeping measure to correct technical errors and to include provisions in the Code of Financial Institutions that were inadvertently omitted.

Your Committee had amended the bill by deleting Sections 4, 5, and 16 and parts of Section 2 as the technical changes proposed in those sections are no longer necessary since they were made by the Revisor of Statutes in the 1993 Compilation of the Hawaii Revised Statutes, and has made other amendments 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. 2931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2931, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2416 Consumer Protection on S.B. No. 2947

The purpose of the bill is to clarify that inpatient services can be exchanged for outpatient services for substance abuse treatment where those outpatient services would prevent hospitalization, and to redefine services and staff in connection with substance abuse treatment so that flexibility of insurance benefits is ensured. The bill also extends repeal of the original enactment of the program from July 1, 1994 to July 1, 1998.

Your Committee finds that the number of people requiring treatment for mental health and substance abuse continues on an upward spiral, but that funds for adequate treatment have not kept pace. By allowing the flexibility provided for in the bill, those in need will receive effective treatment by the most cost efficient means.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2947, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2417 Consumer Protection on S.B. No. 2987

The purpose of this bill is to strengthen and clarify the requirements and procedures for obtaining a license to practice as an osteopathic physician and surgeon in Hawaii.

Specifically, the bill authorizes the Board of Osteopathic Examiners to issue limited and temporary licenses to osteopathic graduates, allows the Board to recognize another national qualifying examination, and further clarifies licensing requirements for foreign graduates.

Under current law, osteopathic graduates are allowed to serve internships in the State but cannot do so unless they are licensed. The limited and temporary license provided by this bill will enable graduates to practice under supervision while fulfilling requisite internship qualifications for licensure.

Regarding licensure examinations, the Board currently accepts either the National Board of Osteopathic Medical Examiners examination or the Federal Licensing Examiners Examination (FLEX); however, the FLEX examination will be phased out in June of this year. This bill authorizes substitution of the United States Medical Licensing Examination, while retaining recognition of the FLEX exam for applicants who took it.

As for foreign applicants, this bill clarifies that the Board requires evidence of having passed the requisite examinations.

Your Committee finds that this bill will ensure that licensed osteopathic physicians and surgeons possess the education needed to appropriately practice the profession in Hawaii.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2987 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2418 Consumer Protection on S.B. No. 2988

The purpose of this bill is to strengthen and clarify the statutes providing for the licensing of detectives and guards in Hawaii pursuant to Chapter 463, Hawaii Revised Statutes.

Specifically, the bill:

- (1) Expands the definition of a detective agency or guard agency to include a joint venture or sole proprietor that hires resident employees;
- (2) Clarifies the definitions of "guard," "principal detective," and "principal guard;" and

- (3) Requires detective and guard agencies to have licensed principals who are responsible for direct management and control of employees and who are residents of the State.

Your Committee finds that these provisions are necessary to ensure clarity and uniform application of rules and procedures by the Board of Private Detectives and Guards, to appropriately distinguish between detective and guard agencies, and to ensure that they hire qualified personnel.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2988 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2419 Consumer Protection on S.B. No. 2889

The purpose of this bill is to strengthen the application and examination requirements for licensure as an optometrist.

Specifically, the bill:

- (1) Deletes the Hawaii Optometry Laws and Rules examination as a requirement for licensure, which your Committee finds appropriate in that the examination does not assess a candidate's ability, but assesses only knowledge of licensing requirements;
- (2) Deletes the requirement that an applicant submit a personal photograph, which your Committee finds is no longer needed to ensure appropriate enforcement of laws and rules governing optometry;
- (3) Clarifies the requirement that applicants pass an examination designated by the Board of Examiners in Optometry, should the Board decide to cease recognizing the examinations of the National Board of Examiners in Optometry (NBEO);
- (4) Replaces references to the NBEO Clinical Skills Examination with reference to the Practical (Patient Care) Examination; and
- (5) Establishes that the NBEO written examinations will be accepted by the Board only if passed in their entirety after December 31, 1986, and that the Patient Care examination will be accepted only if passed within five years of the licensure application date.

Your Committee finds that this bill will strengthen and clarify the licensing process in optometry.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2989 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2420 Consumer Protection on S.B. No. 2990

The purpose of this bill is to clarify the permitted use of terminology identifying an individual as a licensed acupuncturist, and the Board of Acupuncture's role in determining the educational qualification of applicants for licensure.

Under current law, an acupuncturist may use the title "Doctor" or the abbreviations "Dr." or "D.Ac" under two circumstances: the person must have either earned a doctoral degree from an institution accredited by an entity recognized by the U.S. Department of Education, or the person must have earned a doctoral degree from a university or college approved by the Board of Acupuncture.

Your Committee finds that as the law is currently written, applicants for licensure cannot satisfy either educational condition because the U.S. Department of Education will not be accrediting schools awarding doctoral degrees for another two years, and the second qualification would require the Board to review the entire degree-granting institution rather than its acupuncture curriculum, a task for which the Board should not be held accountable.

This bill clarifies that the role of the Board is to approve the acupuncture program.

This bill also forestalls confusion between a doctor of medicine and a doctor of acupuncture by requiring licensees to specifically identify themselves as acupuncturists when using the term "Doctor" or the abbreviation "Dr."

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2990 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2421 Consumer Protection on S.B. No. 2991

The purpose of this bill is to repeal the requirement in the Uniform Professional and Vocational Licensing Act (Chapter 436B, Hawaii Revised Statutes), and the statutes regulating the practices of barbering (Chapter 438), chiropractic (Chapter 442), and dentistry (Chapter 448), that applicants for licensure furnish photographs of themselves.

Your Committee finds that licensing and regulation of the activities of barbers, chiropractors, dentists, and other professionals under Title 25 of the Hawaii Revised Statutes can be effectively carried out so as to ensure protection of the consuming public, without requiring applicants for licensure to provide photographic evidence of their identities.

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

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2991, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2422 Consumer Protection on S.B. No. 1731

The purpose of this bill is make permanent the continuing education requirement for the renewal of a real estate broker or salesman license.

Section 467-11.5, Hawaii Revised Statutes, requires a real estate broker or salesman to have attended ten hours of continuing education or its equivalent during the two year period prior to the person's application for a license renewal. That law, enacted pursuant to Act 95, Session Laws of Hawaii 1987, is scheduled to be repealed effective July 1, 1995. This bill would eliminate the repeal date and make the continuing education requirement permanent.

Your Committee finds that the complexity of the real estate market in Hawaii warrants additional, mandatory efforts by brokers and salesmen to keep abreast with changes through continuing education. It would be imprudent at this point in time to allow undereducated individuals to compete for real estate business when a mistake could be costly. However, your Committee is not convinced that this complexity will continue to escalate indefinitely; eventually the situation will stabilize and a licensee's education will remain meaningful and appropriate without mandatory refresher courses.

Therefore, your Committee has amended this bill by retaining the continuing education requirement until July 1, 1999. If a future Legislature determines that the requirement continues to be necessary to protect consumers after that date, it may once again assess this provision; however, your Committee believes that when the market normalizes, real estate brokers and salesmen who desire to be successful will voluntarily pursue the kind of additional education they need to remain competitive.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1731, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2423 Consumer Protection on S.B. No. 2374

The purpose of this bill is to enable dermatologists, effective January 1, 1995, to be primary health care providers under health insurance policies sold in this State.

Under current law, an insured has to initially go through a "gateway" or primary care physician such as an internist, pediatrician, or family care practitioner, to get to a specialist such as a dermatologist, cardiologist, neurologist, or orthopedic surgeon. This bill would allow direct access to a dermatologist as the primary care physician for conditions affecting the skin, hair, and nails and related ailments.

Your Committee finds that the wide range of medical services offered by dermatologists qualifies them as primary care physicians to whom policyholders should have direct access.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2374 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2424 Consumer Protection on S.B. No. 2406

The purpose of this bill is to allow incorporated underwriters of reinsurance to form groups to maintain the qualified trust fund of an assuming insurer.

To qualify, incorporated members must not be engaged in any business other than underwriting as a member of the group and must be subject to the same level of solvency regulation as unincorporated members.

This provision arises out of changes by Lloyd's of London, the world's largest provider of reinsurance. In the past, Lloyd's only allowed natural persons, referred to in Hawaii law as unincorporated individuals, to assume insurance risks. However, recent natural disasters has convinced Lloyd's to bolster its financial strength by seeking support from corporate capital markets and allowing corporations to become underwriting members.

Under current Hawaii reinsurance laws, a Hawaii domiciled company may take financial statement credit for risks ceded to a group of individual unincorporated underwriters, the former definition of Lloyd's, if certain conditions are satisfied. This bill would amend this provision to embrace a group that includes incorporated as well as individual unincorporated underwriters, the new definition of Lloyd's, thus enabling Hawaii to maintain an appropriate relationship

with Lloyd's and protecting the reinsurance market in Hawaii. No solvency or other requirement is amended by this measure, nor does it change the scope of business that Lloyd's may write in Hawaii.

Your Committee finds that this bill will conform Hawaii's law to the provisions adopted by the National Association of Insurance Commissioners which are incorporated into the Credit for Reinsurance Model Law.

Your Committee has amended this bill by changing the word "unincorporated" found on page 5, line 2 to read "incorporated," in order to accurately reflect the intent of this measure. Your Committee has also made nonsubstantive technical changes for the purpose of style.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2406, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2425 Consumer Protection on S.B. No. 2411

The purpose of this bill is to allow financial services loan companies to invest up to twenty percent of their assets in diversified mutual funds.

Under current law, these companies may invest directly in certain stocks and bonds. This bill would allow them to invest indirectly in a broader range of options in transactions regulated and protected by the Investment Company Act of 1940 and the Securities and Exchange Commission.

Your Committee finds that this bill will allow smaller depository financial services loan companies to have a more diverse portfolio under professional management, with lower transaction costs and significantly reduced investment risks.

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

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2411, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2426 Consumer Protection on S.B. No. 2833

The purpose of this bill is to provide that no person may sell a list of charitable donors without having in place a procedure to expunge the names of persons who do not want to be on the list.

Current law, scheduled to go into effect on January 1, 1995, requires the list seller to obtain the consent of each individual donor on the list before selling the list to someone else.

Your Committee finds that the current requirement is unmanageable and unduly restrictive, and that Hawaii is the only state that has it. This measure will ensure that individuals whose names are slated for inclusion on a list will be afforded privacy, if they choose, and enable businesses such as the Disabled American Veterans, the Easter Seal Society of Hawaii, and the American Red Cross, that already have expurgation procedures in place, to continue their legitimate business activities.

Your Committee has amended this bill by making a nonsubstantive technical change for the purpose of conformance with recommended drafting technique.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2833, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2427 Consumer Protection on S.B. No. 2864

The purpose of this bill is to increase the availability of mammogram screening.

Under this bill, effective January 1, 1995, all employer-provided group health plans that cover mammography would also have to offer the employer an option to cover female employees for mobile mammography services, and allow the recipients to make a copayment to the provider to cover the additional costs involved in mobile service provision.

Your Committee generally favors any proposal that increases availability of essential medical services, and accordingly finds this measure consistent with its policy.

Your Committee has amended section 2 of the bill to indicate that the new section is to be added to Article 1, not Article 10A, of Chapter 432, Hawaii Revised Statutes.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2864, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2864, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2428 Ways and Means on S.B. No. 2164

The purpose of this bill is to remove the restriction that workers' compensation medical fee schedule rates be adjusted in accordance with the Consumer Price Index.

Your Committee finds that the medical fee rates are not in line with the prevailing community reimbursement rate. The present method of calculating the medical fee schedules is tied to only one factor, the Consumer Price Index. Your Committee finds that basing these rates on a single parameter makes the fees more vulnerable to being distorted.

Your Committee agrees with the approach contained in this bill, which gives the Department of Labor and Industrial Relations full discretion in setting the rates, with the understanding that this discretion shall not be used to permit fees to rise above prevailing standards.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2164, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2429 Ways and Means on S.B. No. 3068

The purpose of this bill is to enable the Department of Land and Natural Resources to designate native Hawaiian subsistence fishing areas, and to implement fishery management strategies for native Hawaiians in the exercise of their customary and traditional rights of subsistence, cultural, and religious practices.

Your Committee believes that this bill is an important step for native Hawaiians who want to learn and live their cultural history. This bill provides native Hawaiians with an area on the island of Molokai to live in the ways of their ancestors by relying on ocean life for subsistence. Your Committee hopes that this project will prove successful in restoring the northwest portion of Molokai to the way it was many years ago.

It is your Committee's understanding that this area will be used by native Hawaiians as a way to practice ancient Hawaiian methods and not as a means and place to engage in commercial fishing activity.

Your Committee has amended this bill by:

- (1) Deleting language which would authorize Hui Malama O Mo'omomi to enforce the Department of Land and Natural Resources' rules pertaining to the restricted area;
- (2) Changing the distance from the shoreline from two miles to one mile; and
- (3) Providing for the automatic repeal of this demonstration project and law after two years.

It is your Committee's intent not to interfere with state laws already in effect which deal with Kalawao county, including Kalaupapa, and in no way does this bill provide any type of authorization or jurisdiction into those areas. Your Committee hopes that Hui Malama O Mo'omomi will allow Kalaupapa residents, including non-native Hawaiians, to enter and harvest in the restricted areas that are adjacent to Kalawao county.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3068, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3068, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 2430 Ways and Means on S.B. No. 3104

The purpose of this bill is to assist in the development of digital imaging and related technology in the State through the Research Corporation of the University of Hawaii.

Your Committee finds that the State's economy needs to be diversified. One way of achieving this diversification is to attract innovative industries to the State such as high technology industries with a promise of significant commercial applications. Your Committee further finds that such industries offer higher-paying jobs and will support the academic community to which they are inherently linked. This bill will help to begin the process of developing the high technology digital imaging industry here in Hawaii.

Your Committee has 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. 3104, S.D. 1, as amended, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3104, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 2431 Ways and Means on S.B. No. 3205

The purpose of this bill is to enable the counties to issue bonds to cover the costs of environmental clean-up and remediation, and satisfy the financial responsibility requirements of federal and state agencies.

Your Committee finds that the sudden and often unpredictable costs of addressing toxic or hazardous material releases may place a tremendous burden on the counties of the State. Without a reliable source of funds to address these potential liabilities, the fiscal integrity of a county may be compromised. This bill enables the counties to utilize their credit capacity to address unforeseen environmental expenses.

While it agrees with the intent of this bill, your Committee finds the scope of this measure to be unnecessarily broad. To clarify its focus, your Committee has amended this bill by specifically authorizing the use of any bond funds generated for the costs that may be incurred by a county under the liability provisions of the environmental response laws of the state and the federal governments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3205, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3205, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 2432 Ways and Means on S.B. No. 3009

The purpose of this bill is to create a separate agency for community hospitals with more control over its operations to ensure competitiveness and viability.

The bill:

- (1) Establishes an agency for community hospitals within the Department of Health;
- (2) Requires the governor, before the convening of the regular session of 1995, to prepare an organizational and functional plan for the agency for community hospitals and appoint a task force to assist in the effort;
- (3) Requires the governor, before the convening of the regular session of 1996, to appoint a management team to develop transition plans for the agency for community hospitals;
- (4) Requires the task force to consider, evaluate, and recommend a certain scope of authority to be granted to the agency for community hospitals and to consider and evaluate the establishment of a board of directors and local boards to oversee agency operations;
- (5) Allows the task force to hire a consultant; and
- (6) Preserves the position, benefits, and privileges of task force members returning to their original positions.

Your Committee finds that the current organization of the community hospitals system needs to be reorganized more efficiently to control its operations in order to be more competitive. This bill allows the system to do that.

Your Committee has amended this bill by deleting section 2 that provides for the actual establishment of the agency. It is the intent of your Committee to only allow the preliminary work of the task force and the management team to proceed. The remaining sections of the bill are therefore renumbered. Your Committee has 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. 3009, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3009, S.D. 2.

Signed by all members of the Committee.

SCRep. 2433 Ways and Means on S.B. No. 2701

The purpose of this bill is to establish by statute a public access room at the State Capitol, and to make appropriations to operate the access room, to provide cable television broadcasts of the 1995 legislature, and to install cameras and telecommunications equipment as a part of the State Capitol renovation project.

Your Committee finds that without adequate public access, citizens will not be able to adequately participate in the legislative process. Public access is a vital need that will enrich, inform, and enhance the legislature and its functions.

In order to promote operational flexibility and the optimum use of public funds, your Committee has amended this bill by deleting the mandate that the access room be operated year round.

Your Committee has also amended the bill by changing the amounts appropriated to unspecified amounts to facilitate continuing discussion on this matter, and by making technical nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2701, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2701, S.D. 2.

Signed by all members of the Committee.

SCRep. 2434 Ways and Means on S.B. No. 2176

The purpose of this bill is to exempt from the general excise tax law amounts received by nonprofit associations and other school associations chartered by the Hawaii State Parent-Teacher-Student Association (PTSA). The bill requires both the principals of the schools and the Hawaii State PTSA to certify to the Department of Taxation that the associations are eligible to receive the exemption.

This bill exempts from the general excise tax law the amounts received by school organizations that are chartered by the Hawaii State PTSA. Some of these organizations may already be eligible for an exemption under other provisions of the law but some may not. The current exemptions under the law may not exempt all amounts received by the nonprofit associations. This bill provides a blanket exemption for all amounts received by school organizations and clubs that are organized to assist or benefit the public school and chartered by the Hawaii State PTSA.

Your Committee has amended this bill by:

- (1) Adding new language to section 237-24, Hawaii Revised Statutes, instead of adding a new section to Chapter 237, Hawaii Revised Statutes;
- (2) Deleting language which would have allowed school clubs and associations chartered by the Hawaii state parent-teacher association to qualify for the general excise tax exemption; and
- (3) Clarifying that a nonprofit association has to both benefit and assist public elementary, intermediate, and high school students within the State.

Your Committee realizes that there are many other associations that may benefit from tax exemptions, and would like to emphasize that this bill provides a very narrow exemption for situations where volunteers and students raise funds to both directly benefit and assist students of public schools.

Your Committee believes that if moneys raised are not directly expended to both benefit and assist public school students, those amounts should not qualify for this tax exemption.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2176, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2176, S.D. 2.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 2435 Ways and Means on S.B. No. 3259

The overall purpose of this omnibus bill is to provide the constitutional and statutory bases for creating a self-governing public school system that would be the near functional equivalent of the executive and judicial branches of state government.

Conceptually, this bill is designed to diffuse educational decision making to involve those persons directly affected at the school level, and to encourage school-initiated methods for achieving the statewide educational goals established by the board of education. Operationally, this bill repeals those directives that tend to centralize decision making and alienate persons at the school level, and discourage school-initiated methods for achieving the goals established by the board.

Specifically, this bill:

- (1) Amends the State Constitution to require the legislature to appropriate an unspecified minimum percentage of each fiscal year's general fund revenues for the public school system, beginning July 1, 1997;
- (2) Amends the State Constitution to limit the board of education's powers, which presently include the control, organization, and management of the public school system, to formulating policy, setting goals, and establishing standards for the same;
- (3) Establishes the office of education as a body corporate and a separate entity independent of the executive branch of government, to serve as the administrative agency for the public school system;
- (4) Repeals chapters 296 (Department of Education), 296C (school/community-based management), 296D (school priority fund), 297 (personnel of public and private schools), 298 (schools and attendance, generally), 299 (driver education), 300 (technical and vocational training), 301 (other special training), 312 (libraries), and 317 (secondary school students conference), Hawaii Revised Statutes, as part of the repeal and recodification of selected education laws into new chapter entitled "public school system";
- (5) Makes school/community based management, including the authority to implement alternative programs and administration with regard to curriculum, facilities, instructional approach, and personnel management (i.e., "school choice"), the guiding principle for education;
- (6) Provides audit and accounting flexibility to the office of education;
- (7) Makes the superintendent of education responsible for the internal organization, operations, and management of the public school system;
- (8) Requires teacher certification to include the consideration of alternative certification such as national teacher examinations and other competencies in subject areas or programs taught in the public schools;

- (9) Creates a public schools student foundation for the purpose of creating opportunities to supplement public school programs;
- (10) Creates a reapportionment commission to reconfigure the board of education electoral districts for approval by the legislature during the regular session of 1996 and for the 1996 elections;
- (11) Transfers to the office of education the personnel functions previously assigned to the Department of Personnel Services;
- (12) Requires the adoption of performance standards based upon the recommended performance standards developed by the performance standards commission pursuant to Act 334, Session Laws of Hawaii 1991, as amended by Act 295, Session Laws of Hawaii 1992;
- (13) Establishes the center for teacher education for the purposes of developing a reconceptualized teacher education program as part of systemic education reform, and appropriates an unspecified sum to the University of Hawaii for the purposes of establishing the center;
- (14) Establishes the Hawaii education restructuring commission for the purposes of implementing the provisions of this measure, and appropriates an unspecified sum to the Department of Education for the purposes of establishing the commission;
- (15) Requires the Hawaii education restructuring commission to develop an implementation plan to facilitate the transition of the necessary powers to the board of education, the office of education, and the superintendent of education as specified in this measure; and
- (16) Requires the office of the auditor to conduct a financial and management audit of the Department of Education, and appropriates an unspecified sum to the auditor for the same.

Your Committee has amended this bill by:

- (1) Deleting the constitutional amendment requiring the legislature to appropriate an unspecified minimum percentage of each fiscal year's general fund revenues for the public school system, beginning July 1, 1997, and deleting all conforming statutory amendments intended to implement the same;
- (2) Clarifying that the constitutional amendment allowing the board of education to formulate policy, set goals, and establish standards for the public school system will also repeal the board's other authorities, which include the control, organization, and management of the same;
- (3) Changing the effective date of the provision requiring the auditor to conduct a financial and management audit of the Department of Education from July 1, 1994 to the approval date of this measure, and changing the effective date of the provision appropriating an unspecified sum to the auditor for the same from the approval date of this measure to July 1, 1994; and
- (4) Making numerous 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. 3259, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3259, S.D. 2.

Signed by all members of the Committee.

SCRep. 2436 Consumer Protection on S.B. No. 2850

The purpose of this bill is to provide for the continued regulation of travel agencies in Hawaii pursuant to Chapter 468L, Hawaii Revised Statutes.

Currently, Chapter 468L is scheduled to be repealed on December 31, 1994. This bill extends the life of the Chapter for an additional six years, until December 31, 2000, in accordance with recommendations made by the Auditor in "Sunset Evaluation Update: Travel Agencies" (Report No. 93-5).

Your Committee agrees with the Auditor and finds that continued regulation of travel agencies is needed to protect consumers.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2850 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2437 Consumer Protection on S.B. No. 3055

The purpose of this bill is to allow the Public Utilities Commission to extend the nine-month period in which it must issue decisions in utility ratemaking cases.

Your Committee finds that the workload of the Commission and the Consumer Advocate have greatly increased due to the concomitant increase in the demand for regulated utility and transportation services. Your Committee further finds that in addition to the increase in workload, the complexity of the cases requires the hiring of consultants with specialized knowledge of public utility issues.

Testimony presented to your Committee indicated that beginning July 1, 1994, the Consumer Advocate will be required to hire any consultant that may be necessary pursuant to the new procurement code, creating a disadvantage in preparing for representation of the public interest within the nine-month period. Therefore, to ensure the ability of the Consumer Advocate to appropriately carry out functions relating to representation of the general public in ratemaking and other matters, your Committee has amended this bill by expressly granting to the Consumer Advocate the power to contract for consultant services without regard to Chapter 103D.

Your Committee has also amended this bill by making technical non-substantive changes for the purposes of clarity and style.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 3055, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3055, S.D. 2.

Signed by all members of the Committee except Senators Kobayashi, B. and Koki.

SCRep. 2438 (Joint) Consumer Protection and Ways and Means on S.B. No. 3193

The purpose of this bill is to require all newspapers in Hawaii to file annual and supplemental reports with the Attorney General and publish annual financial statements.

Failure to submit a required report would be punished by fines of \$100 per day until the report is submitted.

Reports to the Attorney General would include the newspaper's assets and liabilities, profits, losses, expenses, dividends, and similar information usually contained in annual reports. This information would also have to be published at least twice, in English, in a newspaper of general circulation in the State.

Your Committees find that newspapers serve a public purpose and as such should be responsible to the public they serve. However, your Committees are not convinced that newspapers should be required to report this information under penalty of law, or that smaller organs should be required to formally report this information at all.

Therefore, your Committees have amended this bill by limiting its application to the two newspapers that operate under a joint operating agreement pursuant to P.L. 91-353, the federal Newspaper Preservation Act, and by making the reporting strictly voluntary on a year by year basis. In doing so, it is the intent of your Committees to stimulate the Honolulu Advertiser and the Honolulu Star Bulletin to be forthcoming with their readers, as well as their shareholders, regarding the true status of their assets, liabilities, and liquidity.

Your Committees have further amended this bill by adding a new section to Chapter 235 requiring the newspapers operating under a joint agreement to pay an accumulated income tax equivalent to 39.6 percent of their accumulated taxable income.

Your Committees also received testimony which seriously questioned the legality of the joint operating arrangement between the State's two major dailies as authorized by the federal Newspaper Preservation Act, 15 U.S.C., Sec. 1801, et. seq. (NPA). Generally, the purpose of the NPA is to allow for a limited exemption from federal antitrust laws for two or more newspapers, one of which is in probable danger of financial failure, to legally operate common production facilities under a joint operating agreement. The intent of this Act is to provide an economic incentive for at least two newspapers with separate editorial and news reporting policies within a particular geographic region. The NPA however, preserves the antitrust exemption without regard to the subsequent financial recovery of the "failing newspaper". In these instances, the NPA essentially provides a legal loophole to engage in what would otherwise be classified as illegal antitrust activities.

Your Committees find that the State's two major dailies are currently operating under this loophole for purely economic reasons. The testimony also shows that the loophole in the NPA has allowed these two dailies to reap extraordinary profits. Your Committees, therefore, have further amended the bill to provide for an additional tax on the accumulated earnings of newspapers operating under a joint operating arrangement as authorized under the NPA. Your Committees believe that this tax is consistent with the purpose of federal legislation which imposes a surtax upon corporate accumulation of earnings beyond reasonable business needs to compel a corporation to distribute profits not needed for its business and to promote such accumulation from being used as a shield against income tax liability. In so doing, your Committees believe that this action is consistent with the Legislature's responsibility to limit or control excessive "windfall" profits created by unintentional loopholes in legislation intended to provide financial assistance or relief.

Your Committees further believe that the proposed legislation is consistent with the NPA. The proposed legislation follows the intent of the NPA by not allowing those operating under the NPA to engage in otherwise unlawful activity.

The Supreme Court has held that inherent in the power to tax is the power to discriminate in taxation and Legislatures have broad latitude in creating classifications and distinctions in tax statutes. This presumption on constitutionality can be overcome only by the most explicit demonstration that a classification is a hostile and oppressive discrimination against particular persons and classes. The cases finding such discrimination stand for the proposition that a tax scheme that discriminated among speakers does not implicate the First Amendment unless it discriminates on the basis of ideas.

Your Committees believe that the proposed legislation is justified by a "special characteristic" of a business engaged in operations under the NPA. There are currently 1,570 daily newspapers operating in the nation. (596 A.M.'s and 996 P.M.'s). Out of these approximately 1,600 newspapers, there are only eighteen joint operating agreements currently in place. It follows then that only thirty-six newspapers out of nearly 1,600 are operating under this "special" exemption. This "special" exemption from the federal anti-trust law was granted to these very few entities on the reasoning that unless such an exemption were granted one of the papers would surely die. The purpose was to preserve the free exchange of ideas through the nature of two independent competing voices, which would dissolve if one of those papers were to

discontinue operations. The NPA was intended to "preserve" the paper, not to provide those few companies with an unfair position. This is acknowledged by the drafters of the Act by placing under section 4(c) the language, "nothing contained in this Act shall be construed to exempt...any other conduct in the otherwise lawful operations of a joint newspaper operating arrangement which would be unlawful under any [anti-trust] law if engaged in by a single entity." Your Committees believe that the NPA was not enacted to allow such companies to escape the income tax laws. The Act does not give the papers an exemption from the income tax laws. These companies have been given "special status" per the federal government exemption, they should not be allowed to abuse this privilege. Your Committees believe that this bill will prevent those granted such a privilege from avoiding income tax liability and is justified based on the "special characteristic" of the arrangement.

Your Committees on Consumer Protection and Ways and Means are in accord with the intent and purpose of S.B. No. 3193, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3193, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Kobayashi, B., McCartney, Koki, Levin, Solomon, Tanaka and George..

SCRep. 2439 (Majority/Joint) Consumer Protection and Ways and Means on S.B. No. 1122

The purpose of this bill is to amend the laws of the State relating to taxation.

Your Committees have amended this short form bill by inserting a new section to be added to Chapter 249, Hawaii Revised Statutes, establishing a vehicle transfer tax on used motor vehicle sales.

Under this proposal, any person purchasing a used car from a private citizen other than a retailer or wholesaler will be required to pay a tax of four percent of either the gross sales price, if documented, or the established Blue Book value, to the county upon registering the vehicle. The County will then transmit the tax to the State for deposit into the General Fund. The State will reimburse the County for tax overpayment refunds and costs incurred in collecting, administering, and enforcing the transfer tax.

Any assessment may be appealed in the manner prescribed for income tax appeals, but a false return will cost the taxpayer an additional ten percent of the amount of tax owed.

The tax will not apply to motor vehicles acquired by gift or inheritance, through repossession, upon release of a mortgage or lien or payoff of a loan, or by any government or governmental instrumentality.

Your Committees on Consumer Protection and Ways and Means are in accord with the intent and purpose of S.B. No. 1122, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1122, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Kobayashi, B., Levin, Solomon and Tanaka.
Senator Koki did not concur.

SCRep. 2440 (Joint) Consumer Protection and Ways and Means on S.B. No. 2607

The purpose of this bill is to allow banks to loan up to thirty percent of their assets to one borrower as long as the loan is secured by real property.

Your Committees have amended this bill by deleting its contents and inserting substantive provisions the purpose of which are to strengthen and expand the ability of Hawaii banks and bank holding companies to compete effectively with larger financial institutions.

As amended, foreign bank holding companies will be authorized to acquire a Hawaii bank or bank holding company, use them as subsidiaries, and merge or consolidate with any Hawaii bank holding company. Hawaii banks will also be authorized to engage in insurance and securities business, both in-state and out-of-state. Insurance business would be limited to the sale of insurance and annuities and other related or incidental activities.

All provisions would take effect on July 1, 1995.

Your Committees find that this kind of authority will enable Hawaii banks and holding companies to more effectively compete with larger, more flexible financial institutions and provide their customers and potential customers with the kinds of services they require and request and have come to expect from other banks in the United States and abroad.

Your Committees are satisfied that these new provisions appropriately address the public interest, are consistent with current economic needs within the State, and provide adequate safeguards and controls relating to these activities, both in-state and in relation to federal laws and regulations.

Your Committees on Consumer Protection and Ways and Means are in accord with the intent and purpose of S.B. No. 2607, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2607, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Kobayashi, B., Levin, Solomon and Tanaka.

SCRep. 2441 Consumer Protection on S.B. No. 2334

The purpose of the bill is to regulate the promotional advertising of prizes.

Your Committee has amended the bill by deleting its entire contents and inserting provisions to create a restitution fund to compensate victims of Hurricane Iniki who are also victims of insolvent or unlocatable licensed contractors who failed to perform or complete construction contracts.

Your Committee finds an overwhelming and compelling need to assist homeowners who, as a result of Hurricane Iniki, had to begin the process of rebuilding their residences, only to suffer out of pocket expenses at the hands of licensed contractors who have become insolvent or left the State before completing their contractual obligations.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2334, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kobayashi, B..

SCRep. 2442 Consumer Protection on S.B. No. 2722

The purpose of this bill is to prohibit the use of time share booths to attract persons to time share presentations through the advertisement of a product other than the time share.

Complaints of violations of the time share laws continue to mount up, with fifty-two being filed in 1993. Typically, these complaints involve potential consumers who attend time share presentations after being offered some type of remuneration to attend such as opportunities to purchase other activities at discount rates.

Your Committee finds that this kind of behavior has a pejorative effect on the image of Hawaii as the number one sunshine tourist destination in the world. Although selling time shares is a legitimate enterprise, it should be conducted in a straightforward manner without recourse to chicanery or misleading techniques. This bill will help to forestall improper behavior.

However, your Committee does not believe that this bill goes far enough, and prefers the approach suggested by the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs. Therefore, your Committee has amended the bill as follows:

- (1) Deleted the proposed amendment to Section 514E-11(14), Hawaii Revised Statutes, and inserted an amendment to Section 514E-11(11) stating in plain English the exact specifications to which time share signs must conform to be lawful, and the manner in which they must be posted;
- (2) Increased the penalties for violations of the time share laws or rules from the current range of \$500 to \$10,000 to a minimum of \$5,000 and a maximum of \$25,000;
- (3) Required plan manager registrations and developer registrations to be renewed on December 31 of every even-numbered year, and acquisition agent, sales agent, or exchange agent registrations to be renewed on December 31 of each odd-numbered year. Concomitant with this amendment, your Committee has provided that plan manager or developer registrations that are valid for the 1994-1995 biennium shall be extended to December 31, 1996; and
- (4) Authorized the Director of Commerce and Consumer Affairs to contract with consultants to review filings of plan managers, acquisition agents, sales agents, and exchange agents as well as time share developers.

Your Committee is firm in its resolve to protect our visitors from unscrupulous time share practices. Should complaints of such practices persist, even in the face of this legislation, your Committee will not hesitate to recommend further regulation. However, your Committee believes that the changes recommended herein will encourage better behavior in the time share community, and enable more effective regulation of time share activities and enforcement of violations of Chapter 514E.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2722, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2722, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kobayashi, B.

SCRep. 2443 Consumer Protection on S.B. No. 2992

The purpose of this bill is to revise the scope of practice of psychology by adding and clarifying various definitions regarding the licensure and training of psychologists.

Your Committee finds that the changes proposed by this bill reflect guidelines contained in the Model Act adopted by the Association of State and Provincial Psychology Boards. Your Committee further finds that these modifications will improve Hawaii's ability to attract highly experienced and well-respected senior psychologists who received licensure prior to the creation of national examinations and will also recognize psychology training programs in Canadian institutions which are commensurate with the United States.

Testimony in support of this measure was submitted by the Department of Health, the Board of Psychology, and the Hawaii Psychological Association.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2992 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2444 Consumer Protection on S.B. No. 2994

The purpose of this bill is to classify a violation of Section 437D-17.5, Hawaii Revised Statutes, as an unfair trade practice under Section 437D-15, thus subjecting violators to the penalties provided in Chapter 480.

Chapter 437D regulates the motor vehicle rental business in Hawaii. Section 437D-17.5, enacted in 1993, provides that a lessor (rental company) may be liable for parking citations incurred while a motor vehicle is out on lease unless the lessor adopts a policy for charging the lessee the actual cost of the parking ticket plus an administrative fee not to exceed \$20 and discloses such policy to its lessees. In actual practice, however, consumers have complained that certain rental companies are attempting to collect large sums without presenting the citations, in clear contradiction of the intent and purpose of Section 437D-17.5

Your Committee finds that this bill provides an appropriate penalty for such violations of law.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2994 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2445 Consumer Protection on S.B. No. 2995

The purpose of this bill is to clarify and strengthen the prohibition on automatic telephone solicitation.

Currently, telephone solicitations are regulated through Part VIII of Chapter 445, Hawaii Revised Statutes (County Licenses - Solicitors), and Chapter 468 (Solicitors; Business of Taking Orders). Each prohibit use of automatic dialing but, according to expert testimony provided by the Department of Commerce and Consumer Affairs, are never used.

This bill enables appropriate enforcement and remedy by including automatic telephone solicitation in Chapter 481A, the Uniform Deceptive Trade Practice Act, and repealing Chapter 468 and the ineffective provisions of Chapter 445.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 2995 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2446 Consumer Protection on S.B. No. 3247

The purpose of this bill is to provide for continued regulation of the nursing profession in Hawaii.

The statutes regulating nursing through the Board of Nursing are scheduled to be repealed effective December 31, 1994. However, the Auditor has found a continuing need to regulate this profession, and your Committee agrees.

This bill extends the life of the Board, and its regulatory powers, until December 31, 2000. It also deletes "gross immorality" as a basis for discipline, another recommendation of the Auditor which your Committee finds to be appropriate and consistent with current regulatory practice.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 3247 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 Kobayashi, B.

SCRep. 2447 Consumer Protection on S.B. No. 3302

The purpose of this bill is to require licensed electricians to demonstrate continued proficiency through continuing education approved by the Board of Electricians and Plumbers.

Your Committee finds that the concept of requiring electricians to demonstrate continued proficiency assures the protection of the consumer. Your Committee further finds that this also ensures that electricians practicing in Hawaii are proficient in the National Electrical Code and any updates to the code.

Testimony supporting the intent of this measure was submitted by the Board of Electricians and Plumbers, the Department of Commerce and Consumer Affairs, the International Brotherhood of Electrical Workers, and the Electrical Contractor's Association of Hawaii. Upon consideration of the testimony, your Committee has amended this bill by:

1. Requiring that all electricians pass an examination prescribed by the Board on updates to the National Electrical Code as part of their licensure renewal;
2. Providing for triennial renewal of electricians licenses, beginning with the July 1, 1996 renewal period; and
3. Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 3302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3302, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2448 Consumer Protection on S.B. No. 3327

The purpose of this bill is to make housekeeping amendments to clarify and conform various sections of real estate law in the Hawaii Revised Statutes.

Your Committee finds that the bill clarifies the authority of the Real Estate Commission so that it will be better able to carry out its regulatory mandate over the real estate community and conforms existing real estate law to existing, statutorily-defined language.

Your Committee has amended the bill by making additional nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 3327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3327, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2449 Consumer Protection on S.B. No. 1249

The purpose of this bill is to prohibit mutual benefit societies from also operating clinics or other medical facilities.

Your Committee has amended this bill by deleting its substance and inserting an amendment to Section 26-9, Hawaii Revised Statutes, requiring the Director of Commerce and Consumer Affairs to establish the Health Professionals Formulary Council to determine lists of drugs that are appropriate to be prescribed by various classes of licensed health care professionals.

The Council will consist of representatives from the Department of Health and the University of Hawaii, physicians, pharmacists, and other licensed health care professionals, and upon installation, shall study the various classes of health care professionals currently allowed to prescribe drugs and recommend to the legislature which of them should be entitled to prescribe from which specific formularies.

Your Committee understands the dilemma arising from the need to protect the public health and safety and the need to reduce the escalating cost of health care in Hawaii. The Council proposed in this measure will have a beneficial impact in that it will settle current controversies regarding who should be entitled to prescribe what, and will provide uniform, cost-saving criteria for prescribing medications.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 1249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1249, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kobayashi, B., McCartney and Koki.

SCRep. 2450 Consumer Protection on S.B. No. 3249

The purpose of this bill is to establish the Degree Granting Institution Commission in the Department of Commerce and Consumer Affairs to register and regulate all degree granting institutions in the State.

Ten years ago there were ten diploma-granting institutions having Hawaii addresses. Now there are sixty-four, most of which do not have a faculty, library, or any of the accoutrements generally associated with an institution of higher learning. This dramatic rise in the number of unaccredited degree-granting institutions in the State, coupled with recent reform in the higher education legislation of other states and countries and the passage of the 1992 federal Higher Education Amendments encouraging states to strengthen their oversight of institutions participating in Title IV student aid programs, all convince your Committee of its duty to help ensure the quality of programs offered by degree-granting institutions in this State and to prevent misuse of state laws to circumvent the laws of other states or countries.

Chapter 446E, Hawaii Revised Statutes, currently requires unaccredited degree-granting businesses to disclose the fact of their lack of accreditation, but evidence strongly indicates that it has been generally ineffective.

This bill would require all degree-granting institutions to register with the Commission and at a minimum offer instruction and formally grade or evaluate students in terms of a curriculum or learning contract before granting a degree; retain regular, qualified faculty and offices open to the general public; submit detailed annual reports; and pay \$500 registration fees. Your Committee notes that this measure is in addition to Chapter 446E.

Your Committee agrees that regulation of the degree-granting industry is needed to protect consumers of higher education, but prefers the approach adopted in H.B. No. 2474, H.D. 1, with some changes. Accordingly, your Committee has amended this bill by deleting its contents and inserting the contents of H.B. No. 2474, H.D. 1, except for the material on exemptions and with the addition of material preserving the fundamental rights of individuals relating to discrimination, free speech, privacy, and due process.

As amended, this bill places regulation of degree-granting institutions with the State Post-Secondary Education Commission established pursuant to Chapter 305H, Hawaii Revised Statutes, and provides for:

- (1) Establishment of standards to protect against substandard, transient, unethical, deceptive, or fraudulent institutions and practices;
- (2) Prohibitions against false or misleading educational credentialing;
- (3) Regulation of the use of academic terminology in naming or otherwise designating educational institutions;
- (4) Prohibitions against misleading literature, advertising, or solicitation;
- (5) Preservation of essential academic records; and
- (6) Rights and remedies of the consuming public and the Commission to enforce violations.

Your Committee believes that as amended, this bill appropriately provides for the protection, education, and welfare of the citizens of this State, its legitimate degree-granting institutions, and their students.

Your Committee on Consumer Protection is in accord with the intent and purpose of S.B. No. 3249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3249, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kobayashi, B., McCartney and Koki.

SCRep. 2451 Ways and Means on S.B. No. 2020

The purpose of this bill is to establish special university development zones in Kapolei on the island of Oahu and West Hawaii on the island of Hawaii.

In order to address and accommodate the higher education needs of leeward Oahu's rapidly expanding population, your Committee finds that a university campus in the area of Oahu's second city should be established. This bill creates a special university development zone in the area known as Kapolei to fully expedite process of development. The zone will exempt the project from state land use requirements and will provide the board of regents with exclusive authority to develop the university campus.

Your Committee has amended this bill by making a technical amendment.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2020, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2020, S.D. 2.

Signed by all members of the Committee.

SCRep. 2452 Ways and Means on S.B. No. 2098

The purpose of this bill is to restore educational officers' rights to due process relating to appeals of the Department of Education's actions on classification and repricing matters.

Your Committee finds that section 18 of Act 364, Session Laws of Hawaii 1993 repealed sections 297-31.2, 297-31.3, and 297-31.5, Hawaii Revised Statutes, effective July 1, 1995 (unless these sections are reenacted or amended during the 1994 or 1995 regular sessions). The sections repealed relate to the classification of educational officers, the establishment, operation, and policies and procedures of the classification/compensation appeals board, and the salaries of assistant, district, and deputy district superintendents.

Your Committee finds that all other government employees in other bargaining units and in the excluded managerial compensation plan presently have appeal rights. Accordingly, educational officers should not be denied the same appeal rights. This bill would restore these appeal rights by repealing section 18 of Act 364 which removed these rights.

Your Committee has amended this bill by deleting section 2, which redesignated sections 19 to 31 of Session Laws of Hawaii 1993 as sections 18 to 30. Your Committee took this action because as a general rule, sections of an Act should not be renumbered in the wake of repealing a particular section. This convention applies to both codified statutes and uncodified session laws. Renumbering sections simply for the purpose of "closing up the gap" accomplishes no substantive result, but may have a number of unintended consequences caused by making cross references, reference tables, and source note materials inaccurate.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2098, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2098, S. D. 1.

Signed by all members of the Committee.

SCRep. 2453 Ways and Means on S.B. No. 2367

The purpose of this bill is to authorize acupuncturists to act as the primary physician under the workers' compensation law.

Your Committee finds that, currently, only those licensed as M.D.'s, dentists, chiropractors, osteopaths, naturopaths, psychologists, optometrists, or podiatrists have the authority to act as the primary physician under the workers' compensation law. However, acupuncture is not only a proven and time-honored traditional healing discipline, but modern acupuncture also requires licensing and regulation like other health treatment professions. As the benefits of acupuncture, which utilizes a broad range of effective health treatment procedures, are becoming more widely recognized, licensed acupuncturists are beginning to serve as primary physicians of choice for more and more of Hawaii's residents.

Accordingly, your Committee finds that it is appropriate to allow injured workers to consult an acupuncturist as their primary physician if they so choose.

This bill would place acupuncturists among this highly professional class of health care providers, enabling them to assume overall responsibility for an injured worker's medical treatment under chapter 386, Hawaii Revised Statutes, including referrals, concurrent treatment, consultation, and surgery.

Your Committee has amended this bill by moving the effective date up one year to July 1, 1994.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2367, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2367, S.D. 2.

Signed by all members of the Committee.

SCRep. 2454 (Majority) Ways and Means on S.B. No. 2382

The purpose of this bill is to authorize the development of a medicaid waiver program commonly referred to as the Hawaii Health QUEST program.

Your Committee finds that in 1993, the state administration applied for and received federal permission to begin a five-year demonstration program that would establish a private managed-care program for certain groups of low-income individuals and families in Hawaii. Administrators claim that the program will cut down on abuses and will ensure even greater health care coverage than the law currently requires.

Despite these assurances, state administrators have thus far been unable to clearly and accurately articulate the actual needs and requirements of the program. Your Committee, on repeated occasions, has been frustrated by the inability and apparent unwillingness of health care administrators to clearly delineate the details of the program. Clearly, without the information necessary to evaluate the arguments in favor of, and the criticisms against, the Hawaii Health QUEST program, it would be impossible for your Committee to develop informed judgments and clear conclusions about the merits and drawbacks of the program.

Without the full and willing cooperation of state administrators, your Committee finds that it would be irresponsible to blindly submit to the approval of such a program. Your Committee has amended this bill to provide that without legislative approval of the program, the Hawaii Health QUEST program shall not be implemented.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2382, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2382, S.D. 2.

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

SCRep. 2455 Ways and Means on S.B. No. 2509

The purpose of this bill is to extend to minors the protection of reproductive rights provided by law to incapacitated persons under article V, part 6 (Uniform Probate Code) of chapter 560, Hawaii Revised Statutes, and to provide outreach services, education, and training concerning reproductive rights and options of wards and minors.

Under current law, all petitions for sterilization of incapacitated adults are filed with the family court, which refers the petitions to the reproductive rights protection committee (RRPC) for review, investigation, and recommendation. In making its recommendation, the RRPC determines, under established guidelines, whether the ward is capable of giving informed assent, whether the ward wants sterilization, and, if the ward is not capable of giving informed assent, whether sterilization is in the ward's best interest.

The RRPC is a volunteer committee, with members appointed by the governor and comprised of a person with a developmental disability or the parent or guardian of such a person and persons from at least the following disciplines: law, medicine, theological or philosophical ethics, social work, and psychology or psychiatry. Your Committee understands that the RRPC, out of concern over a loophole in the statute that allows minors to be sterilized, requested the state planning council on developmental disabilities to conduct a study on the sterilization of minors. The survey was disseminated to one hundred seventy-four members of the American College of Obstetrics and Gynecology in Hawaii. Eighty-six of the physicians responded. The survey found that:

- (1) Fifty-six physicians reported that rules or regulations did not exist within their office or hospital concerning sterilization of minors;
- (2) Physicians reported fifty-three inquiries or requests for sterilization of minors were received within the period of a year; and
- (3) Physicians reported that as many as eight sterilizations were performed on minors within the period of a year.

Your Committee finds that minors are being sterilized with parental authorization, but without the due process safeguards afforded to incapacitated adults. Your Committee further finds that this bill will ensure that no minor is sterilized without first petitioning the family court, undergoing the RRPC process, and receiving approval of the family court.

Finally, your Committee finds that there is considerable need for outreach services, education, and training for physicians, attorneys, social workers, parents, guardians, incapacitated adults, and minors about the reproductive rights of wards and minors and all options related to reproduction. Your Committee finds that this bill will ensure the provision of such services, education, and training.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter;
- (2) Changing the effective date of section 2 from "on approval" to "on July 1, 1994"; and
- (3) Making a number of technical, nonsubstantive changes to reflect correct Ramseyer format requirements and 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. 2509, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2509, S.D. 2.

Signed by all members of the Committee.

SCRep. 2456 Ways and Means on S.B. No. 2756

The purpose of this bill is to define "ho'oponopono" and "haku" in sections 9-1, 571-2, 576-1, 576D-1, 576E-1, 586-1, and 587-2, Hawaii Revised Statutes, and specify that cases involving native Hawaiians may be referred to a haku utilizing the practice of ho'oponopono.

Your Committee finds that the ancient practice of ho'oponopono is of definite value to our society. Currently, there are forty-five trained practitioners of ho'oponopono who practice this form of dispute resolution with great success. This success should be shared and made available to others, thus your Committee has amended the bill to delete the restriction limiting the use of ho'oponopono to native Hawaiians.

Your Committee also finds that ho'oponopono may prove invaluable in settling child custody disputes a process that is often drawn-out, leaving litigants bitter and frustrated.

Your Committee has also amended the bill by:

- (1) Deleting section 4 of the bill, which added the definitions of "haku" and "ho'oponopono" to section 576D-1, Hawaii Revised Statutes, since neither of these words appear in chapter 576D;
- (2) Adding the definition of "ho'oponopono" to section 321-241.5, Hawaii Revised Statutes, which currently allows the Department of Health, in cooperation with the Department of Education, to incorporate ho'oponopono techniques in group discussions in a statewide teenage health program; and
- (3) Making minor technical, nonsubstantive changes for purposes of consistency and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2756, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2756, S.D. 2.

Signed by all members of the Committee.

SCRep. 2457 Ways and Means on S.B. No. 2828

The purpose of this bill is to permit the chief election officer to contract with community organizations and other nonprofit entities to provide precinct officials and other election related personnel. This bill also:

- (1) Exempts from the income tax law the compensation received by:
 - (A) All persons for services performed as an election day official; or
 - (B) Nonprofit entities for providing precinct officials or other election related personnel, services, or activities for the chief election officer;
- (2) Changes the deadline for political parties to submit names of precinct officials from ninety to sixty days before the close of the filing for an election;
- (3) Allows the chief election officer to recruit precinct officials without regard to party affiliation and to waive precinct official recruitment and placement requirements in special needs circumstances; and
- (4) Allows the payment schedule for precinct officials and other election day employees to be set by rule instead of by law.

A key element in encouraging voter participation is having precincts that function smoothly and efficiently on election day. This is impossible unless the chief election officer is able to recruit a pool of capable election day officials. In order to obtain enough capable employees for these temporary jobs, the chief election officer must have a variety of tools and incentives available. Your Committee finds that this bill provides needed powers and incentives to facilitate these efforts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2828, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2458 Ways and Means on S.B. No. 2958

The purpose of this bill is to allow the board of land and natural resources to modify or eliminate any statutory restrictions on, extend or modify the fixed rental period of, or extend the term of, any intensive industrial lease of public lands.

Your Committee finds that industrial leases have been heretofore excluded from the law allowing the board of land and natural resources to lease public lands because of an attorney general's opinion that an industrial lease does not constitute a commercial lease. This bill corrects this problem allowing the board of land and natural resources to lease public lands for industrial purposes by making specific accommodations for industrial leases.

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. 2958, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2958, S.D. 2.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 2459 Ways and Means on S.B. No. 3010

The purpose of this bill is to provide emergency funding for Maui memorial hospital and Hilo hospital for fiscal year 1993-1994.

Your Committee finds that the division of community hospitals were appropriated special nongeneral funds for public health facilities for the fiscal period beginning July 1, 1993 and ending June 30, 1995. Included in this funding for Maui memorial hospital and Hilo hospital were laboratory, radiology, emergency, and anesthesiology services.

However, the provider contracts providing these services require the hospitals to directly bill all payers for all inpatient and registered outpatients receiving services, rather than just billing medicare and medicaid patients, which was the previous practice. As a result, contract costs will increase. Your Committee finds, however, that increased net revenues due to increased billings will be used to offset the increased cost. Nevertheless, in order to facilitate the provision of the services contracted for, the two hospitals require emergency appropriations of special nongeneral funds for the fiscal year ending June 30, 1994. This bill will provide that funding.

Your Committee has amended this bill by changing the amounts to be funded as follows:

- (1) Hilo hospital: from \$1,795,090 to \$1,428,972; and
- (2) Maui memorial hospital: from \$5,722,402 to \$1,669,895.

Your Committee has 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. 3010, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3010, S.D. 2.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 2460 (Majority) Ways and Means on S.B. No. 3031

The purpose of this bill is to establish the Hawaii long-term care trust fund to administer a comprehensive, actuarially sound long-term care financing program.

Your Committee notes that Hawaii has one of the best longevity records in the world, and recognizes the urgent need for affordable long-term care for Hawaii's growing aging population. Although the Prepaid Health Care Act of 1974 provided most of the State's residents with health care benefits, it does not offer them long-term care benefits. The cost of long-term care cannot currently be covered by the majority of Hawaii's families, by private long-term care insurance, or by the State. Thus, nearly eighty per cent of all nursing home beds are reliant upon Medicaid reimbursement.

However, although your Committee agrees with the need for a long-term care program so that families in the State need not deplete their financial and other resources, as well as to ensure the growth and quality of services provided by the State's long-term care industries, your Committee nevertheless believes that additional review and study is needed to ensure that the mechanism by which Hawaii offers a comprehensive long-term care program is comprehensive, actuarially sound, and coordinated with a national health care program in the event of passage of federal health care reform legislation.

Your Committee has therefore amended this bill to provide for the creation of a temporary long-term care advisory commission, to be placed within the office of the governor for administrative purposes, and to consist of seven members, including the senior executive representatives of the long-term care service provider industry, the long-term care insurance industry, the executive office on aging, Medicaid, and Hawaii's business community. The commission is charged with developing a comprehensive, actuarially sound long-term care financing program, which may be administered by a long-term care trust fund, in order to secure the futures of families in the State. The program to be developed by the commission should recognize the desire of families to have a choice in the selection of their care providers and support public-private partnerships which can ensure the availability of an array of essential services and full protection for long-term care, regardless of a participant's health status.

As amended by your Committee, the bill further provides that the long-term care advisory commission is to submit a report of its findings and recommendations to the legislature twenty days prior to the convening of the 1995 regular session, and that the commission shall cease to operate after the adjournment sine die of the 1995 regular session.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3031, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3031, S.D. 2.

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

SCRep. 2461 Ways and Means on S.B. No. 3179

This bill establishes criteria for the process of identifying communities in which satellite offices should be located and authorizes the conversion of state satellite employees status from temporary to permanent civil service status.

The state satellite program is an outreach program of the state information office within the office of the governor and has been operational since November 1990. There are currently six state satellite offices throughout the State. The program has met with great success in making government accessible in the neighborhood environments.

This bill establishes the criteria that should be used to evaluate where the state satellite offices should be permanently established. The employees currently working in the state satellite offices are categorized as temporary workers and this bill authorizes the conversion of those employees to civil service status without loss of time worked as temporary employees.

Your Committee has made technical amendments that have no substantive effect.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3179, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3179, S.D. 2.

Signed by all members of the Committee except Senator Tanaka.

SCRep. 2462 Ways and Means on S.B. No. 3181

The purpose of this bill is to give an original landowner the right of first refusal to repurchase land that has been condemned or acquired by the State or a county.

Under this bill, this requirement would apply where: (1) the purpose for which the property was condemned or acquired has not commenced within eight years from the condemnation; (2) the original public purpose for which the property was condemned no longer exists; or (3) the property is no longer being actively used for that public purpose and no foreseeable future use under that purpose by the State or county exists. The bill also requires that the land be offered for sale to the public if the original landowner of the person's heirs have died.

Your Committee finds that the state and county governments often acquire land through eminent domain for a public purpose, but subsequently do not use the condemned land for that purpose or the original public purpose no longer exists. Your Committee believes that this bill is necessary to remedy this situation, by allowing the original landowner, or the original landowner's heirs, residual beneficiaries, successors, or assigns, if any exist, to reacquire the property at a price equal to the compensation paid the landowner at the time the property was acquired by the State or county, or by sale to the public at a price to be determined by the State or county if the landowner, or the landowner's heirs and assigns, are dead or dissolved.

Your Committee has amended this bill by:

- (1) Specifying that publication of a notice in a newspaper of general circulation to notify the original landowner's heirs, residual beneficiaries, successors, or assigns who cannot be located shall be in the county in which the land is situated; and
- (2) By making a technical, nonsubstantive change 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. 3181, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3181, S.D. 2.

Signed by all members of the Committee.

SCRep. 2463 Ways and Means on S.B. No. 3203

The purpose of this bill is to appropriate funds to house persons who have been convicted of prostitution and sentenced therefor.

Your Committee finds that prostitution is a self-destructive activity that robs individuals of their self-worth and self-esteem. Offenders who have been convicted of prostitution should serve time to understand the consequences of their actions. Incarceration also provides a deterrent to other prostitutes and the loss of potential revenue undermines their livelihood.

However, your Committee finds that because of the nature of the offense, high or medium security incarceration is not necessary. Instead, providing for separate housing for persons convicted of prostitution and sentenced therefor would be the most economical and efficient means of incarcerating these persons. In addition, providing separate housing would help to alleviate the Department of Public Safety's severe bed space shortage. As the State's population continues to grow, the offender population has also increased. The population growth is exacerbated by the fact that the State's largest prison facility, and the only women's facility, is under a consent decree with court ordered population capacities. This bill helps to alleviate the lack of bed space and also addresses the problems of housing and programs that apply very disproportionately to female offenders.

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 further amended this bill to make technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3203, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3203, S.D. 2.

Signed by all members of the Committee.

SCRep. 2464 Ways and Means on S.B. No. 3267

The purpose of this bill is to enable Filipino veterans of World War II and their families to qualify for discretionary preference under the low-income rental housing program of the Hawaii housing authority.

Your Committee finds that although they performed with valor alongside American forces during World War II, Filipino veterans have never received the benefits accorded to veterans of the United States. Enabling Filipino veterans to qualify for discretionary preference under the Hawaii housing authority's low-income rental housing program will provide these individuals with a small allotment of the recognition they deserve.

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. 3267, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3267, S.D. 2.

Signed by all members of the Committee.

SCRep. 2465 Ways and Means on S.B. No. 2413

The purpose of this bill is to require the Department of Transportation to provide for underground utilities on state highways which utilize federal funds.

Specifically, once it is determined that federal highway funds are available, the Department of Transportation must provide for underground utility facilities in the design and construction of all new highways, and in the redesign and reconstruction of existing highways, when a determination is made that federal highway funds are available for that purpose. This bill also provides an exception for underground facilities on federal-aid highways if after a public hearing, it is determined that safety, environmental, federal funding, and other concerns are appropriate.

Your Committee has amended the bill to make 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. 2413, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2413, S.D. 2.

Signed by all members of the Committee.

SCRep. 2466 Judiciary on S.B. No. 2733

The purpose of the bill is to require disclosure of campaign contributions by persons doing business with the State and to require that all advertisement in support of a candidate include a statement of personal approval by the candidate of the advertisement's content.

Testimony in support of the bill was submitted by the Campaign Spending Commission and Common Cause Hawaii.

Your Committee amended the bill by deleting section 2, relates to campaign contributions by state contractors because a similar section is contained in H.B. No. 150, H.D. 2, S.D. 1, proposed C.D. 1. the conference draft is the Committee's vehicle for enactment of comprehensive legislation dealing with campaign financing reform.

Your Committee believes that requiring a statement of personal approval will go a long way towards eliminating the mud-slinging seen in recent campaigns, particularly by so-called "independent" committees.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2733, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2733 S.D. 1.

Signed by all members of the Committee.

SCRep. 2467 Judiciary on S.B. No. 2041

The purpose of the bill is to permit psychologists to initiate an application to have individuals involuntarily admitted into a licensed psychiatric facility.

Your Committee received testimony in strong support of the bill from the Hawaii Psychological Association, Hawaii Psychiatric Society, Hawaii Medical Association, and several psychiatrists. Your Committee commends the psychologists and psychiatrists for working together on this bill, which will benefit many individuals in need of care and treatment.

Your Committee finds that licensed clinical psychologists are qualified to perform the assessments and interventions necessary in mental health treatment. Your Committee also believes that this practice will increase the availability of quality health care services to the community and improve access to care, particularly on the Neighbor Islands. Your Committee further finds that this measure will facilitate timely and effective help for persons whose mental illness, substance abuse, or imminent dangerousness necessitates: 1) emergency examination and hospitalization for up to 48 hours; or 2) when necessary authorization to hold such persons over for involuntary hospitalization for up to 90 days.

The Department of Health expressed concern about its exposure to liability arising out of the necessity of physical exams when the patient has multiple psychiatric, medical, and substance abuse problems. Your Committee believes that these concerns are unfounded as the protocols established by the psychological association clearly require that in these cases the patient be referred to a physician.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2041, S.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2468 Judiciary on S.B. No. 2542

The purpose of this bill is to amend Hawaii Revised Statutes and create a new chapter entitled "Sexual Harassment".

The new chapter provides a uniform definition of sexual harassment and creates a policy prohibiting sexual harassment by public employees and those who contract with them. The bill further defines and prohibits third party sexual harassment by citizens against public employees.

Your Committee received testimony in support of the bill from the Judiciary, Governor's Office of Affirmative Action, the Chamber of Commerce of Hawaii, National Employment Lawyers Association, Hawaii Women's Political Caucus, Hawaii Civil Rights Commission, Hawaii State Commission on the Status of Women, ILWU Local 142, Hawaii Nurses' Association and others.

The bill provides for uniform procedures and definitions for sexual harassment; requires investigation of complaints be completed within 10 days; inclusion of men and women on the investigative panels; allowing sexual harassment allegations be assessed using a reasonable person of the same gender standard; and requiring all employees to receive education on sexual harassment policy.

Your Committee finds these provisions will put the State in the forefront in addressing the issue of sexual harassment. The bill is an important step in addressing the serious problem of sexual harassment in the work place. Sexual harassment in the work place is a significant problem both nationally and locally.

Your Committee further finds that sexual harassment is an expensive problem due to lost productivity and turnover costs and adversely affecting morale. The timely and fair resolution of sexual harassment complaints will help to reduce the incidence of sexual harassment in the work force and in doing so will increase worker productivity and reduce cost of litigation.

Your Committee made extensive amendments based on the recommendations made by the various organizations that provided testimony. The amendments are as follows:

1. A new subsection was added to § -1, designated subsection (5), which added to the definition of sexual harassment an explanation of quid pro quo and hostile environment.
2. On page 7 line 7 "judicial" was deleted to comply with the separation of powers clause. The Department of Education and the University were added as recommended by the Governor's Office of Affirmative Action.
3. On page 13 line 8 a sentence was added to specifically permit enforcement agencies to inspect and copy the written report if a complaint is filed with the agency. This amendment was recommended by the Hawaii Civil Rights Commission.
4. On page 25, line 1-23, the amendments were made to change the mandatory language "shall" to "are encouraged to". These amendments were recommended by the Department of Personnel Services.
5. On page 26 line 1, the amendment transfers responsibility for selecting videos and training programs from state Department of Personnel Service to coordinator or county equal employment opportunity officer, as appropriate. This

amendment was recommended by the Department of Personnel Services; county equivalent was added for consistency with the rest of the section.

6. On page 26 line 2-10 mandatory language "shall" was changed to " to encourage". These amendments were recommended by the Department of Personnel Services.

7. On page 27 line 6, subsection (b) was added to state that (1) remedies provided in civil rights statutes and ordinances and collective bargaining agreements are supplemental to those contained in this bill; and (2) findings made in an internal investigation are not binding on other proceedings. This amendment was recommended by the Hawaii Civil Rights Commission.

8. On page 31 line 6, deleted "the administrative director of the courts for the judiciary" to comply with the separation of powers clause.

9. On page 32 line 11, deleted "judicial" to comply with the separation of powers clause.

10. On page 38 line 7 to page 39 line 7, deleted section 28 requiring annual reports by contractors. This amendment was recommended by the Chamber of Commerce of Hawaii.

11. One page 39 line 8 to page 40 to line 3, deleted section 31 pertaining to civil remedies and penalties. This amendment was recommended by the judiciary.

12. On page 40 to line 4-16, deleted section 32 pertaining to conflicting statutes, ordinances and contracts.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2542, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2542, S.D.2.

Signed by all members of the Committee.

SCRep. 2469 Judiciary on S.B. No. 2630

The purpose of the bill is to make state law consistent with the Americans with Disabilities Act.

The bill provides protection to qualified non-disabled persons from discrimination in employment and public accommodations because of their association or relationship to a person with a disability.

Your Committee received testimony in support of the bill from Hawaii Civil Rights Commission, ILWU Local 142, Hawaii Nurses' Association, Commission on Persons with Disabilities, and others. Testimony raising concerns was received from the Chamber of Commerce of Hawaii. Some of the concerns were addressed in the amendments to the bill.

Your Committee finds that the added protection provided by this bill is significant because persons with disabilities are ultimately impacted by such discrimination.

Your Committee amended the bill in the following manner: 1) deleted "work injury" as one of the conditions protected from discrimination because persons suffering discrimination as a result of a work injury are protected under H.R.S. §378-32(1); 2) replaced "or" with "and" on page 3, line 8 to avoid confusion as recommended by the Civil Rights Commission; 3) deleted "fringe benefits" on page 1, line 11 because the title of the bill is not broad enough to include employee benefits; and 4) subsection b) on page 4, lines 3-8 was amended for clarity.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2630, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2630, S.D.2.

Signed by all members of the Committee except Senators Matsunaga and Kobayashi, A..

SCRep. 2470 Judiciary on S.B. No. 3222

The purpose of the bill is to prohibit the possession, manufacture, sale, distribution or use of any reproduction, imitation, facsimile of a driver's license or any identification appearing to be a driver's license. The bill proposes to penalize such violations with a misdemeanor conviction.

Your Committee received testimony in support of the bill from the Department of Transportation, Honolulu Police Department, Department of Finance, and Mothers Against Drunk Driving. Your Committee also received testimony from the public defender.

Your Committee finds that there is a current problem of merchants manufacturing and selling identification cards that are similar in appearance to the State of Hawaii driver's license. The police department testified that these ID cards are being used by those who forge checks and that the most prevalent use is being made by underage minors who want to purchase liquor from liquor stores or bars.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3222, S.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2471 Judiciary on S.B. No. 811

The purpose of the bill is to exempt first time offenders from providing proof of financial responsibility (SR-22).

Presently, convicted first time offenders are burdened with the onerous collateral penalty of having to file an SR-22 in addition to their criminal sentence. The filing of an SR-22 is onerous because the offender must post \$25,000 in cash deposit, bond, or by insurance certification which usually costs several thousand dollars in additional premiums.

According to Judiciary records, the total number of SR-22s ordered by the courts for traffic offenses in 1992 was 10,711 and 2,991 drivers, or 30%, filed SR-22s. For 1993, 9,152 SR-22s were required for traffic offenses and only in 2,056, or 20%, were SR-22s filed. The high cost of obtaining no-fault insurance, compounded with the cost of filing an SR-22, has forced a significant number of drivers to forego driving or more likely, drive illegally as uninsured motorists.

Your Committee believes that the exemption for first time offenders from filing an SR-22 is consistent with the argument that DUI offenses for first time offenders do not warrant a jury trial. Furthermore, notable public good is achieved when more people are covered by insurance, rather than punishing people for their financial inability to obtain insurance.

Your Committee finds that requiring the filing of an SR-22 is a serious collateral penalty and should only be required upon a criminal conviction and not upon an administrative adjudication.

Your Committee amended the bill to keep the amount of property damage at the current level of \$1,000 based upon the testimony of the city and county Department of Finance that many other provisions of law need to be amended for consistency's sake. Since those provisions are beyond the scope of the bill, your Committee declined to increase the property damage amount as originally provided for in this bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 811, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 811, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 2472 Judiciary on S.B. No. 2985

The purpose of the bill is to provide for a new legal remedy for buyers of used cars that turn out to be "lemons" by establishing the used motor vehicle sales and warranties law.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs. The Hawaii Automobile Dealers' Association testified in opposition to the bill pending certain amendments to the draft.

Your Committee finds that the provisions of the bill are necessary to protect Hawaii consumers from being sold improperly equipped or defective vehicles. Your Committee is concerned that many Hawaii residents buy used motor vehicles without the time, facilities or expertise to determine if the motor vehicle is mechanically sound. Your Committee finds that these circumstances compromise the safety of our citizens by increasing the possibility of defective vehicles being sold for operation on public streets and highways. DCCA testified that during a six-month period from May to October 1993, their RICO office averaged 55 calls per month from consumers who had problems with the purchase of a used car from motor vehicle dealers.

Your Committee amended the bill to address one of the concerns of the Hawaii Automobile Dealers' Association (HADA) to exclude from the provisions of the bill vehicles that have been custom-built or modified for show purposes or racing; or classic, collectible or high performance vehicles.

Your Committee also amended the bill by raising the floor amount from \$1500 to \$1750, as suggested by HADA, so that the provisions of this bill will not apply to used cars sold by a dealer for less than \$1750.

Your Committee also accepted language suggested by HADA that if the actual cash value (ACV) established by the seller in the appraisal and purchase completion documents is lower or higher than Kelly Blue Book, the ACV amount will be the amount used to determine the purchase price to be refunded.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2985, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2985, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 2473 Judiciary on S.B. No. 3301

The purpose of the bill is to exempt native Hawaiian organizations from the prohibitions relating to discrimination based on race or religion in the awarding of grants, subsidies and purchases of services by the State.

Your Committee received testimony in support of the bill from the Office of Hawaiian Affairs.

Your Committee finds that although there are laws prohibiting discrimination on the basis of race and religion, the Hawaii State Constitution reserves a special place for native Hawaiians by reaffirming and protecting all rights customarily and traditionally exercised by native Hawaiians for subsistence, cultural and religious purposes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3301, S.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Levin.

SCRep. 2474 Judiciary on S.B. No. 2290

The purpose of the bill is to require uniform reporting of missing children by Hawaii's law enforcement agencies.

Specifically, the bill requires police departments to immediately: inform all on-duty law enforcement officers of the existence of a missing child report; communicate the report to any other law enforcement agency having jurisdiction in the county; and transmit the report for inclusion within the state juvenile justice system and the National Crime Information Center system.

Your Committee received testimony in support of the bill from the attorney general, the office of children and youth, the Hawaii State Commission on the Status of Women, the Honolulu Police Department and several private citizens. During oral testimony, the Honolulu Police Department affirmed that once filed, police reports involving missing children are already expedited to all law enforcement officers and other appropriate agencies having jurisdiction in the county because of their incipient nature.

Your Committee finds that the needs of missing children necessitate the codifying of provisions governing the procedures and transmission of police reports involving them to facilitate their discovery and return to their families.

Upon further consideration, your Committee amended the bill to comply more accurately with the National Child Search Assistance Act of 1990 by requiring law enforcement agencies to immediately transmit the report for inclusion within the state juvenile justice information system and to the National Crime Information Center system, if it appears that the child has left the State. Your Committee finds that law enforcement agencies proceed with an appropriate sense of priority in the sharing of its information on missing children internally and throughout their jurisdiction as a matter of routine.

Your Committee on Judiciary is in accord with the intent and purpose of S. B. No. 2290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S. B. No. 2290, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2475 Judiciary on S.B. No. 2879

The purpose of this bill is to implement in the workplace the right of privacy under Article I, Section 6 and right of the people to be free from unreasonable searches, seizures, and invasion of privacy under Article I, Section 7 of the State Constitution. The bill creates a new chapter under Title 21, Hawaii Revised Statutes, applicable to private and public work places in Hawaii.

Section 1 of the new chapter reaffirms the fundamental right of privacy endowed to all the people of Hawaii. Delegates to the 1978 Constitutional Convention mandated through Article I, Section 6 of the Constitution that affirmative steps be taken to implement this right of privacy established by common law and by the United States Constitution. Article I, Section 6 provides:

The right of the people to privacy is recognized and shall not be infringed without the showing of compelling state interest. The legislature shall take affirmative steps to implement this right.

In enacting the foregoing section the delegates intended the right to privacy be given the broadest possible scope and coverage. Stand. Comm. Rep. No. 69, Const. Con., 1978. Your Committee finds this measure to be consistent with the spirit and intent expressed by the delegates.

The Committee further finds that with respect to employer initiated drug and alcohol testing the right of employee privacy must be considered in light of public health and safety considerations, and legitimate employer concerns to verify substance use and influence on a case by case basis for cause. Accordingly, your Committee has amended the bill in Sections 2 and 3 of the new chapter to permit greater latitude through pre-employment and random selection testing of applicants and employees in "safety sensitive" jobs the performance of which would present significant life-threatening danger if the incumbent were working under the influence of drug or alcohol. Also, employers are authorized to test employees on a "reasonable cause" basis.

Your Committee believes it is essential to establish a uniform procedure for workplace drug and alcohol testing to ensure all employees with "due process" whenever a drug and alcohol testing program has been initiated by an employer. Section 4 of the new chapter requires testing laboratories to comply with the requirements of Chapter 329B, Hawaii Revised Statutes. Section 5 of the new chapter provides that notice be given to affected employees of substance abuse testing policies and standards which conform with this measure. Section 6 of the new chapter establishes a standardized testing process. Section 7 of the new chapter affords a determination by the Director of Labor and Industrial Relations as to which jobs are "safety sensitive". Section 8 of the new chapter provides a right of appeal from an employer's determination of "reasonable cause" for testing. Section 9 of the new chapter affords any person who obtains a positive test result to obtain a retest. Section 10 of the new chapter ensures confidentiality of test results. Section 11 of the new chapter provides that non-compliance with the uniform procedures established in this bill will result in an invalidation of test results. Section 12 of the new chapter affords employees with positive test results the alternative to participate in an employee assistance or a follow up testing program.

Your Committee finds that employees in private and public workplaces should be free from unreasonable searches and seizures by their employer or persons acting on their behalf. All too often, employees are subject to random and mandatory searches in areas where they have a reasonable expectation of privacy. Section 15 of the new chapter affords employees fundamental protections against such actions.

The bill has been amended to allow appeals to the Hawaii Labor Relations Board on:

- (1) Determinations by the Director of Labor and Industrial Relations of safety-sensitive positions; and
- (2) Employer determinations to require substance abuse testing.

The bill has also been amended to allow the Hawaii Labor Relations Board to provide appropriate remedies as they so determine.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2879, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2879, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 2476 Judiciary on S.B. No. 2297

The purpose of the bill is to establish a class C felony penalty as an enhanced punishment for the commission of the offense of harassment by stalking in certain situations.

Specifically, the bill amends Chapter 711, Hawaii Revised Statutes, to create the offense of aggravated harassment by stalking. The new offense is designed to address chronic stalkers or persons who violate court orders or the terms of probation, pre-trial release or release on bond pending appeal.

Your Committee received testimony in strong support of the bill from the Honolulu Prosecuting Attorney, the Honolulu Police Department, Hawaii State Commission on the Status of Women, and several individuals. Your Committee also received testimony from the public defender who expressed serious reservations against the bill.

Upon further consideration, your Committee deleted the provisions of the bill relating to aggravated harassment by stalking which the Committee finds may create instances of unfair and selective prosecution. Your Committee however, amended the bill by adopting the changes suggested by the Honolulu Police Department to section 711-1106.5, Hawaii Revised Statutes, relating to harassment by stalking. Specifically, the amendments enable the court to issue a restraining order on a person charged under this section and released on bail, recognizance, or supervised release. A person convicted under this section can be required to undergo a counseling program in addition to other terms of probation under §706-624, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2297, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Kobayashi, A.

SCRep. 2477 Judiciary on S.B. No. 3019

The purpose of the bill is to amend Section 712-1241, Hawaii Revised Statutes, to include possession of fifty or more capsules, ampules, dosage units or syrettes containing one or more dangerous drugs as promoting a dangerous drug in the first degree.

Your Committee received testimony in support of the bill from the Department of Public Safety, and the Honolulu Police Department. Your Committee also received testimony from the judiciary, taking no position, and the office of the Public Defender, raising some concerns.

Your Committee finds that presently if a person distributes "twenty-five or more capsules, tablets, ampules, dosage units, or syrettes containing one or more dangerous drugs" Section 712-1241, Hawaii Revised Statutes, they are committing the offense of promoting a dangerous drug in the first degree.

This offense, however, unlike the lesser offenses of promoting a dangerous drug in the second degree and promoting a harmful drug in the first and second degrees, do not cover possession of large numbers of dosage units. This creates an inconsistency because the various pharmaceuticals dangerous drugs in dosage units do not add up to the weight required for possession under Section 712-1241, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3019 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2478 Judiciary on S.B. No. 2349

The purpose of the bill is to amend Section 706-662(5) to change the criteria for extended terms of imprisonment so as to include child victims of serious crimes ages fourteen years or younger.

Testimony was submitted in support by the Department of the Prosecuting Attorney, and in opposition by the Office of the Public Defender. The genesis of the bill is the Polly Klass case in which a 14 year old California girl was kidnapped from her home and murdered. Notwithstanding this unfortunate case, your Committee believes that the age of 14 is appropriate as 14 is used as the age of consent in establishing absolute liability for sexual offenses with children.

Your Committee finds that the provisions of HRS 706-662 were designed to ensure that defendants who prey on especially vulnerable victims are subject to enhanced penalties. This section serves as both a deterrent to victimizing

those who can least protect themselves and a recognition of the serious harm suffered by children, the elderly, and the disabled when they become victims of serious crimes.

Your Committee amended the bill to clarify the definition of a minor as those who are fourteen years or younger.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2349, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2479 Judiciary on S.B. No. 391

The purpose of the bill is to establish a demonstration project which would require that assistance payments to persons with a psychiatric disability or who are drug addicted be made to a trustee rather than the eligible person.

Testimony in support of the bill was submitted by the Institute for Human Services, and in opposition by the Department of Human Services.

Your Committee finds that many individuals who are drug addicted and receiving funds are currently required to be involved in an active treatment program. However, many individuals slip through the cracks which creates a system where GA payments may actually serve to promote an individual's addiction by providing a continued source of funds to pay for the abused substance.

Your Committee amended the bill to run the demonstration project for two-years and to limit the participation to fifty participants.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 391, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 391, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 2480 Judiciary on S.B. No. 2779

The purpose of the bill is to improve the administration of justice by ensuring that sufficient information is available to key decision-making authorities on a timely basis.

Testimony in support of the bill was submitted by the Judiciary, the Honolulu Police Department, and the United States District Court, Hawaii Probation Office.

Your Committee finds that section 806-73, Hawaii Revised Statutes, currently restricts divulgence of probation records to specified individuals or agencies under specific circumstances. The statutory authorization for the control/release of probation records was enacted in 1985 through legislation initiated by the Judiciary. Since enactment, the management of the records has placed an enormous administrative burden upon the adult probation divisions with less benefit to authorities in need of information.

Your Committee further finds that the information contained in probation case records is usually the most current data available on a fugitive, highlighting its importance to the the Honolulu Police Department's ability to locate, interrogate, or apprehend those charged with criminal behavior.

The U.S. District Court Hawaii Probation Office testified that several federal statutes require probation officers of the Federal District Court to gather information pursuant to presentence investigations and supervision of Federal offenders. Without appropriate access to the official records of the Adult Probation Division, performance of these duties will be impeded and reciprocal agreements for inter-agency exchange of information will be jeopardized.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2779 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2481 Judiciary on S.B. No. 3023

The purpose of the bill is to authorize the Director of the Department of Public Safety (hereafter Director) to grant early discharge from incarceration of certain sentenced misdemeanants as a means to comply with the Federal District Court Consent Decree controlling inmate populations in Hawaii.

The bill gives the Director or his designee the authority to order the early discharge of sentenced misdemeanants when a community correctional center has reached its capacity as established by the Consent Decree. The bill prohibits persons convicted of a serious crime as defined in §804-3 and in Chapter 707, Hawaii Revised Statutes from early discharge. The bill also grants immunity from civil and criminal liability to the State, its officers and employees for acts in their official capacity under this section. The bill further mandates the Director to establish guidelines without regard to the requirements of Chapter 91.

Your Committee received testimony in support of the bill from the Department of Public Safety (hereafter Department) and Daniel Foley, Esq. on behalf of the ACLU.

Your Committee received testimony in opposition to the bill from the Department of the Prosecuting Attorney City and County of Honolulu.

Your Committee believes that the early discharge program would be a valuable tool for the Department to ensure compliance with the court-approved Consent Decree.

Your Committee accepts the Department's representation that it will use this program to discharge only those misdemeanants nearing maximum expiration of their terms.

Your Committee deleted the language providing immunity from civil liability to the Department for any error in judgment or discretion for any action taken under this bill based on the objections by the Prosecuting Attorney.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3023, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3023, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2482 Judiciary on S.B. No. 2798

The purpose of the bill is to create a class "A" felony offense for the intentional transportation of illegal drugs into or out of the state or between islands.

Your Committee received testimony in strong support of the bill from the Prosecuting Attorney and the Honolulu Police Department. Your Committee also received testimony from the Judiciary and the Public Defender.

Your Committee finds that the distribution of drugs in the state is a primary concern of law enforcement agencies. Approximately 90% of the drugs recovered is at the Honolulu Airport. Drug smugglers are a critical link in the drug distribution chain. Drug smuggling is far more dangerous to society than mere possession.

Your Committee finds that the grave penalties for this offense will help stop the flow of drugs into our state.

Concerns were raised by the Public Defender that the bill will transform possession of a small amount of a drug which otherwise would be a petty misdemeanor or misdemeanor into a Class A felony, a 20 year mandatory sentence.

Your Committee addressed this concern with the assistance of the Honolulu Police Department. §712- Unlawful transportation of drugs in the first degree and §712- Unlawful transportation of drugs in the second degree were replaced with one grade of the offense - Unlawful transportation of drugs. The amount of drugs that will constitute this offense was charged to "in an amount the possession of which is chargeable as a Class A felony."

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2798, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2483 Judiciary on S.B. No. 1803

The purpose of the bill is to allow the inclusion of the fingerprints of juveniles taken into custody for law violations or status offenses into the Hawaii State Automated Fingerprint Identification System ("AFIS"). Under current law, fingerprints of juveniles cannot be entered into AFIS.

Testimony in support of the bill, with certain amendments, was received from the Law Enforcement Coalition, which consists of the Attorney General and the four county police chiefs and prosecutors. Family Court of the First Circuit delivered oral testimony in favor of the bill provided that the amendments mentioned by the Law Enforcement Coalition were incorporated. Two private citizens also submitted testimony in support of the bill, noting their frustration with the fact that the exclusion of juvenile fingerprints from AFIS makes it highly unlikely that the persons who had burglarized their homes would be apprehended. Testimony in opposition to the bill was offered by the Office of the Public Defender and by the State Office of Youth Services.

Your Committee finds that there has been a serious increase in juvenile crime and that inclusion of juvenile fingerprints into the AFIS systems is an appropriate means to combat this trend. First, juvenile law violators can be identified and, hopefully, rehabilitated early. Second, fingerprint identification may deter juveniles from criminal activity when AFIS identification possibilities become known. Third, the crime can be solved and the responsible person can be apprehended in many more cases than is currently possible.

Upon further consideration, your Committee recognizes that there are legitimate concerns regarding expungement of fingerprints, status offenders, and minimum age for fingerprinting. Therefore, your Committee amended the bill to eliminate status offenders from fingerprinting requirements, limit fingerprinting to juveniles 14 years of age or older, and require expungement of fingerprint records prior to the juvenile's twenty-sixth birthday.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1803, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Levin.

SCRep. 2484 Judiciary on S.B. No. 1609

The purpose of this bill is to require a seller of residential real property constructed prior to 1980 to notify a purchaser with a statement advising the purchaser that the real property is likely to contain lead-based paint before transfer of real property.

Lead-based paint has been banned in our country since 1978. Unfortunately, lead has become the most serious environmental health problem affecting children today. Most cases of lead poisoning in Hawaii and elsewhere in the nation can be traced to the exposure to lead-based paint in the home environment.

Your Committee received testimony in support of the bill from the Department of Health and testimony in opposition to the bill from the Hawaii Association of Realtors (HAR).

The department testified that there were several tests available but that they had not yet determined which test was most appropriate. Based upon the objections of HAR, your Committee amended the bill by deleting the requirement for a test within 60 days of contract execution, with the understanding that the most appropriate type of testing would be specified by the department in its rules.

Your Committee recognizes that the State does not wish to impose an undue burden upon the sellers of property, but in instances where there is exposure to lead-based paint, the buyer and the public must be protected.

Your Committee also amended the bill by requiring that, for properties constructed prior to 1980, sellers must disclose as part of the real estate contract that the property is likely to contain lead-based paint and advise that this is a potential health hazard.

Your Committee further amended the bill by moving the effective date back from July 1, 1994 to December 31, 1995 to enable the Department of Health to have more time to develop its procedures, rules and standards in this important environmental health area and to properly inform and educate the real estate industry and the public of this important change.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1609, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin and Koki.

SCRep. 2485 Judiciary on S.B. No. 3258

The purposes of this bill are to:

- (1) Conform the water pollution control law to the federal requirements of the National Pollutant Discharge Elimination System (NPDES);
- (2) Authorize the Director of Health to regulate, through water pollution permits, not only wastewater, but the byproducts of wastewater regardless of where they are used or disposed of, and to create a unified enforcement regime for wastewater; and
- (3) Clarify that monetary penalties may be imposed by administrative proceedings in addition to civil lawsuits with regard to pollution control statutes governing water, drinking water, air, noise, solid waste, hazardous waste, underground storage tanks, used oil, and asbestos.

Your Committee finds that the Department of Health implements in Hawaii the NPDES established by the federal Clean Water Act. To maintain its authority as an NPDES state, including the authority to issue NPDES permits, Hawaii must have procedures and requirements at least as stringent as those required by the federal Clean Water Act and its implementing regulations. This bill allows the Department of Health to meet these federal standards.

Your Committee also finds that centralizing, within the Department of Health, regulatory authority over wastewater byproducts including reclaimed water and sewage sludge use and disposal, will promote ease of administration and consistency of enforcement, particularly with regard to penalties. This bill will provide for such centralized regulatory authority.

Your Committee further finds that the State has taken the position that penalties for violations of pollution control laws may originate not just in administrative proceedings, but in civil lawsuits filed in court as well. However, the circuit court has recently ruled against this stance, citing chapter 342D, Hawaii Revised Statutes, which requires administrative hearings before any resort to court is allowed. This bill amends the Hawaii Revised Statutes to clarify the original intent to allow civil lawsuits for water pollution monetary penalties in order to grant the State more flexibility to make enforcement action better fit the offense. This bill also makes similar amendments to the pollution control statutes governing water, drinking water, air, noise, solid waste, hazardous waste, underground storage tanks, used oil, and asbestos.

Your Committee finds that these changes will not only allow the State to retain its authority as an NPDES state, but also create a more flexible and rational system of enforcement, particularly with respect to monetary penalties, for pollution violations of all kinds.

Your Committee has amended this bill by:

- (1) Conforming the language of various sections in the Hawaii Revised Statutes governing water, drinking water, air, noise, solid waste, hazardous waste, underground storage tanks, used oil, and asbestos to make them consistent with each other in terms of factors to be considered in imposing administrative penalties;
- (2) Increasing the penalty from \$10,000 to \$25,000 for each separate offense for violating the:
 - (A) Water pollution law; and
 - (B) Hazardous waste law;and
- (3) Providing for the imposition and collection of civil penalties or other relief for violations of the:
 - (A) Hazardous waste law; and
 - (B) Asbestos law.

Testimony in strong support of the bill was provided by the Department of Health, the board of water supply of the city and county of Honolulu, the Sierra Club, Hawaii chapter, and the attorney general.

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

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 3258, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3258, S.D. 1.

Signed by all members of the Committee except Senators Kobayashi, A., Levin and Koki.

SCRep. 2486 Judiciary on S.B. No. 2465

The purpose of the bill is to prevent minors from driving when they have committed an offense under chapter 134, part IV of chapter 712, §281-101.5, §291-3.1, §291-3.2, §291-3.3, §291-4, or §291-7. Chapter 134 relates to firearms offenses by minors, Chapter 281 relates to drugs and Chapter 291 relates to alcohol.

The bill imposes an automatic denial or suspension of an instruction permit or driver's license upon conviction or adjudication of the above offenses. The court may modify its order however upon a finding of substantial hardship.

Your Committee received testimony in strong support from the Honolulu Police Department and testimony from the Public Defender.

Your Committee finds that during 1992, 20 drivers aged 15-20 died in traffic collisions; 7 out of the 20 were alcohol related. In 1993, 437 young people under the age of 21 were arrested for driving under the influence or liquor law violations. Your Committee finds that a minor who is intoxicated while driving is a danger to himself and others on the road.

Your Committee amended the bill to clarify the court's authority to modify the court order. Your Committee believes that some flexibility may be needed in cases where substantial hardship could result from the suspension of a minor's driver's license. Nevertheless, your Committee believes that a loss of license will serve as a meaningful deterrent to those minors who may drink and drive.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2465, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2487 Judiciary on S.B. No. 1406

The purpose of the bill is to ensure that reputable and responsible persons operate and provide services at adult foster homes or developmental disabilities domiciliary homes.

The bill provides that the Department of Health adopt rules pursuant to chapter 91 to effectuate this screening process. The process includes a criminal history check, disclosure of any criminal history, and being fingerprinted.

Testimony in support of the bill was submitted by the Department of Health, the Office of the State Attorney General, the State Planning Council on Developmental Disabilities, and the Commission on Persons with Disabilities.

Your Committee finds that the screening process promotes the department's efforts to secure reputable care providers thereby minimizing the risk of danger to those vulnerable individuals in adult foster homes and developmental disabilities domiciliary homes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1406, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1406, S.D. 2.

Signed by all members of the Committee.

SCRep. 2488 Judiciary on S.B. No. 2667

The purpose of this bill is to clarify and improve upon the statutes pertaining to public and private nuisance and to repeal obsolete requirements that are no longer within the Department of Health's jurisdiction.

Your Committee received testimony in support of the bill from the Department of Health and the Environment and Policy Institute of the University of Hawaii. Oral testimony reflected that many business are in favor of working with surrounding communities to improve and avoid any health risks.

The bill provides the environmental health program under the department to have the authority to regulate activities constituting a public nuisance. The bill establishes standards to determine when a nuisance endangers health.

Your Committee finds that the provisions of the bill will enable the department to deal with growing public concerns over nuisances. Your Committee believes that the department and the public are better served by defined procedures and standards involving nuisances.

Your Committee amended the bill to address the concerns of the Kalia Apartments in Waikiki that there is no procedure to expedite the resolutions of public nuisance complaints.

Subsection (c) was therefore added to §322-1 on page 10, line 3 of the bill. Subsection (c) provides for a mediation process between the complainant(s) and the persons alleged to be responsible for the nuisance to commence forty-five days after the filing of a complaint.

Your Committee amended the bill upon the recommendation of the department to further clarify what a nuisance is by adding language on page 10 line 5.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2667, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2667, S.D.2.

Signed by all members of the Committee except Senators Levin and Koki.

SCRep. 2489 Judiciary on S.B. No. 2814

The purposes of the bill are to: (1) Allow family court to waive minors of any age to circuit court for trial if the alleged act would constitute a class A or B felony or murder or attempted murder in the first or second degree; and (2) Make records of family court proceedings relating to minors available to the Hawaii Paroling Authority for purposes of determining minimum terms of imprisonment and release on parole.

Your Committee heard testimony in support of the bill from the Honolulu Prosecuting Attorney and the Honolulu Police Department and testimony in opposition to the bill from the Department of Public Safety, the Public Defender and the Office of Youth Services.

Your Committee believes that the provisions of this bill as introduced would punish a child with adult sanctions even though the child does not possess the full capacity and experience of an adult. Your Committee finds that incarcerating youths with adults in state correctional facilities will have adverse impacts on the efforts to rehabilitate youths.

Upon further consideration, your Committee amended the bill by deleting the bill's provisions entirely and substituting provisions that would permit the Family Court to: (1) Retain jurisdiction over a minor fifteen years of age and older who is alleged to have committed an act that would constitute murder in the first or second degree until the person reaches the age of twenty-three; and (2) Hold hearings and/or enter orders of disposition concerning the alleged offense(s).

Your Committee heard the measure as a proposed S.D.1 with proper public notice. Your Committee received testimony in proper support of the bill from the Office of Youth Services and the Department of Public Safety. The Honolulu Police Department and the Honolulu Prosecuting Attorney submitted testimony in opposition. Testimony was also received from the chief judge of the Family Court who opposed the bill and Public Defender who supported the bill.

Your Committee believes that, although fewer in number, youths who commit murder in the first or second degree require more secure punishment, allowing the Family Court to retain jurisdiction even after his/her 19th birthday. This bill would effectively double the possible penalty for murder by a 15 year old from 4 to 8 years imprisonment.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2814, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2814, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin and Koki.

SCRep. 2490 Judiciary on S.B. No. 2299

The purpose of this bill is to expand the scope of the custodial interference laws.

Your Committee finds that, nationally, the vast majority of abducted missing children have been abducted by a family member. Children are most often abducted by an abusive parent who seeks to retaliate against the other parent, make the children "financial hostages" of a divorce, or attempt to force a reconciliation. In some cases the spouse conceals the whereabouts of the child, which is extremely destructive to the child's emotional well-being.

Almost half of all abducted children are subsequently taken out of state. It is important that such actions are classified as felonies, because felony classification entitles the parent seeking the child to FBI assistance, and enables prosecutors to issue nationwide arrest warrants.

Your Committee has amended the law by:

- (1) Expanding the scope of the acts that constitute custodial interference to include concealing or detaining the child;
- (2) Making it a crime to commit these predicate acts in an intentional manner; and
- (3) Changing the penalty for custodial interference in the second degree, from a misdemeanor to a class C felony when the child is taken out of state.

Your Committee finds that the new language is a more appropriate way to resolve the issues addressed in this measure as introduced.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2299, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kobayashi, A. and Levin.

SCRep. 2491 Ways and Means on S.B. No. 3025

The purpose of this bill is to augment and streamline the laws regarding the activities of lobbyists.

Your Committee has amended this bill by deleting the proposed treble fines against a person who acted as a lobbyist without complying with chapter 97, and replacing that fine with an amount not exceeding \$1,000. Your Committee believes that the administrative fine of treble damages, as currently provided in the bill, is excessive and may also be unconstitutional.

Your Committee has further amended the bill by deleting section 3 of the bill, amending section 84-31(c). Hawaii Revised Statutes, which was declared unconstitutional under the First Amendment of the United States Constitution by *Roe v. Akamine*. See *id.*, Stipulation of Settlement and Order, U.S. Dist. Ct. for the Dist. of Hawaii, Sept. 26, 1991 (Civ. No. 91-00252 DAE). However, because section 84-31(c) applies more generally to administration and enforcement of chapter 84, Hawaii Revised Statutes (the state ethics law), by the state ethics commission than to lobbyists, your Committee has deleted section 3 of the bill to avoid a subject-title problem under Article III, Section 14 of the Hawaii Constitution.

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. 3025, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3025, S.D. 2.

Signed by all members of the Committee except Senator George.

SCRep. 2492 Ways and Means on S.B. No. 3036

The purpose of this bill is to establish a quasi-public agency called the Hawaii health alliance to promote the purchase of cost-effective and high quality prepaid health care plans.

In addition to establishing the Hawaii health alliance within the Department of Health for administrative purposes, this bill specifies the powers and duties of the alliance, establishes a board of directors to govern the alliance, specifies the manner in which the members of the board are to be appointed, and specifies the powers, duties, and functions of the board.

Substantively, this bill:

- (1) Requires all employers who purchase prepaid health care plans subject to the Prepaid Health Care Act and their employees to purchase prepaid health care plans at prices negotiated by the alliance;
- (2) Requires the Hawaii state public employees health fund and its members to purchase prepaid health care plans at prices negotiated by the alliance;
- (3) Requires medicaid coverage purchased by the Department of Human Services to be purchased from prepaid health care plans at prices negotiated by the alliance;
- (4) Allows individuals who are self-employed or otherwise not covered by health insurance to purchase prepaid health care plans at prices negotiated by the alliance; and
- (5) Establishes the Hawaii health alliance revolving fund to pay the costs of administering the fund, and allows the board to assess a portion of the premiums for every prepaid health care plan whose rates were negotiated by the alliance.

Your Committee received testimony in support of this measure from the Department of Health, the Department of Labor and Industrial Relations (with recommended changes), the American Association of Retired Persons, the Hawaii State Association of Life Underwriters (with reservations), the executive office on aging, and The Chamber of Commerce of Hawaii. Your Committee received testimony opposing this measure from Benefit Plan Consultants (Hawaii), Inc.

Your Committee has amended this bill by:

- (1) Specifying that the two members appointed by the governor to represent private employers on the board of directors of the Hawaii health alliance shall be selected by the governor from a list of not less than ten names submitted by The Chamber of Commerce of Hawaii;
- (2) Specifying that the two members appointed by the governor to represent employees on the board shall be selected by the governor from a list of not less than ten names submitted by the Hawaii State AFL-CIO;
- (3) Specifying that the member appointed by the governor to represent self-employed purchasers of prepaid health care plans on the board shall be selected by the governor from among self-employed purchasers of prepaid health care plans in Hawaii;
- (4) Specifying that the executive director of the public employees health fund and the medicaid administrator shall be ex officio nonvoting members, rather than ex officio voting members, of the board;
- (5) Specifying that the number of members necessary to constitute a quorum to do business shall consist of a majority of all voting members, rather than all members, of the board;
- (6) Deleting the provision requiring the board to make and execute contracts and other instruments that are convenient, as opposed to necessary, for the exercise of its powers and functions;
- (7) Deleting the provision prohibiting moneys in the Hawaii health alliance revolving fund from reverting to the general fund, and specifying that moneys in the revolving fund shall be appropriated by the legislature for those purposes specified by the legislature; and
- (8) 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. 3036, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3036, S.D. 2.

Signed by all members of the Committee except Senator George.

SCRep. 2493 Ways and Means on S.B. No. 3069

The purpose of this bill is to allow the University of Hawaii to retain, until June 30 of the following fiscal year, not more than five per cent of any appropriation of general funds for operating purposes at the close of each fiscal year, and to make permanent those amendments granting the Department of Education and the University of Hawaii fiscal flexibility under the budget law.

In addition to allowing the University of Hawaii to use these carryover funds to supplement the appropriation for any program of the university, and prohibiting the retention of an appropriation from being used as the basis for reducing the future budget requests or allotments of the University of Hawaii without the consent of the university, this bill exempts the University of Hawaii from the quarterly allotment process prescribed by the budget law.

Your Committee has amended this bill by:

- (1) Codifying the provision:
 - (A) Allowing the governor to suspend, for not more than twelve months in any one fiscal year, any allowance or exception conferred upon the University of Hawaii by specific provisions of the budget law when the governor determines that the allowance or exception will impair the governor's ability to promote and ensure the economic and efficient management of the State's financial resources; and
 - (B) Requiring the governor to report the suspension of any such allowance or exception to the legislature;
- (2) Specifying that carryover appropriations of the University of Hawaii, in addition to the Department of Education, remaining unexpended and unencumbered at the close of any fiscal year shall not lapse and be returned to the general fund in the manner prescribed by the audit and accounting law;
- (3) Repealing those amendments granting the Department of Education fiscal flexibility under the budget law;
- (4) Repealing the provision:
 - (A) Allowing the University of Hawaii to retain not more than five per cent of any appropriation of general funds for operating purposes at the close of each fiscal year;
 - (B) Exempting the University of Hawaii from the quarterly allotment process; and
 - (C) Prohibiting carryover appropriations of the University of Hawaii remaining unexpended and unencumbered at the close of any fiscal year from lapsing and being returned to the general fund;

one year after the approval of this measure; and

- (5) 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. 3069, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3069, S.D. 2.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2494 Ways and Means on S.B. No. 3072

The purpose of this bill is to appropriate funds for the operation of the convention center authority and to extend the expiration date of the convention center law from June 30, 1995 to June 30, 1998.

Your Committee finds that after years of deliberation, the site for the construction of a convention center for the State of Hawaii has finally been designated. Presently, Hawaii's convention center law is scheduled to expire on June 30, 1995. Because current estimates place the date of completion in late 1997, your Committee finds that it is essential that the state convention center law be extended.

While it agrees with the intent of this bill, your Committee finds that a two-year extension would provide sufficient time for the construction and development of a convention center. In this regard, your Committee has amended this bill by designating June 30, 1996 as the expiration date of the convention center law. In addition, your Committee has amended this bill by deleting the amounts proposed to fund the operations of the convention center authority.

At this juncture, your Committee wishes to express its intent to monitor and observe the relationship that develops between the convention center authority and the convention center neighborhood advisory committee currently under consideration for establishment in S.B. No. 2669. If warranted, your Committee intends to recommend the permanent appointment of a member of the neighborhood advisory committee to the convention center authority.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3072, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3072, S.D. 2.

Signed by all members of the Committee except Senators Levin and George.

SCRep. 2495 Ways and Means on S.B. No. 3082

The purpose of this bill is to appropriate funds for the "safe haven" pilot project for the homeless mentally-ill.

Your Committee finds that homeless persons who are also mentally-ill present a particular problem to programs that offer counseling and treatment. Because they are often deeply suspicious of these programs, homeless mentally-ill persons often fail to receive the assistance they require. This bill provides funding for a pilot project that will focus on the needs of this group of individuals.

To facilitate further discussion on the funding necessary to carry out the purposes of this bill, your Committee has substituted the amount to be appropriated with an undesignated amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3082, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3082, S.D. 2.

Signed by all members of the Committee except Senator George.

SCRep. 2496 Ways and Means on S.B. No. 3140

The purpose of this bill is to make a number of technical amendments to Act 214, Session Laws of Hawaii 1993, which decriminalized most traffic offenses and provided for a streamlined process for disposing of such cases.

Your Committee finds that, while the goal of Act 214 is laudatory, it requires a complete upheaval of a major portion of the judicial system, affecting judges, administrators, clerks, court cashiers, court budget and fiscal officers, court computer experts and computer software programs, transfer of personnel, existing job descriptions and responsibilities, court rules, the attorney general, prosecuting attorneys, the public defender, and agencies having jurisdiction over motor vehicles and licensing. Your Committee also finds that the judiciary is, as yet, unprepared for these major changes, having failed to prepare an implementation plan to carry out these changes, which was to have been submitted to the legislature before January 1, 1994. Finally, your Committee finds that the cost entailed to implement this major overhaul of the judicial system as it relates to traffic violations is, at best, extremely inadvisable and ill planned at this time, given the State's dismal financial situation at present and the bleak economic forecasts for the near future.

Accordingly, your Committee has amended this bill by deleting its substance in its entirety and repealing Act 214.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3140, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3140, S.D. 2.

Signed by all members of the Committee except Senators Levin and George.

SCRep. 2497 Ways and Means on S.B. No. 3315

The purpose of this bill is to: (1) prohibit arbitrary, capricious, or discriminatory cancellations and nonrenewals of employer's workers' compensation policies by insurers; and (2) require workers' compensation rate-filing and ratemaking procedures to be open to public scrutiny and appeal.

Your Committee believes that the first purpose of ensuring that employers are never uninsured in turn ensures that employees will be compensated in the event of a work injury. Your Committee further believes that the second purpose of facilitating public scrutiny of the ratemaking process will tend to maintain rates at a level that is acceptable to insurers, the insureds, and the insureds' employees.

This bill achieves the foregoing purposes by among other things:

- (1) Allowing insured's to challenge the cancellation or refusal to renew their workers' compensation insurance policies in a contested case hearing in which the insurer bears the burden of proving that their action was proper;
- (2) Requiring public notice by the insurance division of its intent to approve a rate filing;
- (3) Requiring that requests for rate increase be supported by adequate data; and
- (4) Allowing insured's to challenge rate filings in contested case hearings and requiring the insurer to pay the cost of the insured's appeal if the rate filing cannot be justified.

This bill also allows the insurance commissioner to award rebates to affected insureds as a remedy for violations of the ratemaking law.

Your Committee has amended this bill by permitting insurers' the practice, otherwise to be prohibited, of requiring renewal deposit premiums only if the deposit is credited to the insured's future premium payments. Your Committee believes that this change will not undermine this bill's intent to maintain coverage at all times for employers.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3315, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3315, S.D. 2.

Signed by all members of the Committee except Senator George.

SCRep. 2498 Ways and Means on S.B. No. 3320

The purpose of this bill is to impose restrictions on the use of a passenger facility charge ("PFC") by requiring the Department of Transportation, when authorized to impose a passenger facility charge, to rebate the amount of revenue generated from the passenger facility charge from the airport general fund in the same manner as aviation fuel taxes are rebated.

In the course of its deliberations, it has come to your Committee's attention that PFCs may be unduly burdensome on air travelers to Hawaii and may act as a deterrent to Hawaii's tourism industry. At the present time, it is apparent to your Committee that effective means for increasing the number of tourists to Hawaii is of paramount importance, and imposing PFCs could run counter to the promotion of tourism.

Your Committee further finds that airport revenue funds have decreased substantially since the mid-1980s. Furthermore the billion dollar construction projects planned by the Airports Division cannot be completed due to insufficient revenues in the airport revenue fund, and the PFC is viewed by the Division and the carriers as a viable means to fund those projects at the airport. Your Committee finds that while imposing PFCs may allow the Airports Division to fund construction projects, the impact of the PFCs on the tourism industry, along with the need for the proposed airport projects should be considered by the Legislature before the Airports Division applies for authorization from the Federal Aviation Administration to impose a PFC.

Therefore, your Committee has amended this bill to require the Department of Transportation to submit a report to the Legislature including an explanation of the projects the PFC revenue will fund, why the existing revenue sources are insufficient or inappropriate to fund those projects, the proposed PFC rate, and the duration of the PFC before applying for federal authorization to impose a PFC. The bill has also been amended to require legislative approval by Concurrent Resolution. Your Committee, upon conferring with the State's bond counsel, has been assured that such involvement of the Legislature will not affect either the State's or the Department's bond covenants.

Your Committee finds that requiring legislative approval for the imposition of PFCs as a means to raise revenue for capital improvements will provide a safeguard that the PFCs will not adversely impact the tourism industry, the airline industry, or the citizens of this State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3320, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3320, S.D. 2.

Signed by all members of the Committee Senators Levin, McCartney and George.

SCRep. 2499 Ways and Means on S.B. No. 2086

The purpose of this bill is to allow members of the Hawaii national guard who are receiving federal education benefits to be eligible for University of Hawaii tuition waivers currently authorized by state statute.

Current law precludes all federal education benefit recipients from receiving concurrent state authorized tuition waivers. Your Committee finds that there is no good reason to prohibit Hawaii national guard members who are university students

from receiving federal and state education benefits concurrently. The State of Hawaii receives no benefit if the student declines the federal benefits, and is not penalized if the student accepts the federal benefits. By allowing these students who receive tuition waivers to also receive federal benefits, this bill will enable students in this State to receive more federal aid without increasing state spending.

Your Committee finds that this bill is intended to integrate federal and state educational benefits for Hawaii national guard members.

It is particularly fitting that student members of the Hawaii national guard be eligible to receive state and federal assistance concurrently. The national guard is the only component of all of the armed forces of the United States that must carry out a state mission that is separate from and in addition to a federal mission. Your Committee views this concurrent receipt of benefits as a case of separate rewards given from separate sources for the performance of separate duties and accomplishments.

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

Your Committee is in accord with the intent and purpose of S.B. No. 2086, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2086, S.D. 2.

Signed by all members of the Committee except Senators Levin and George.

SCRep. 2500 Ways and Means on S.B. No. 2017

The purpose of this bill is to set forth required contract terms between the research corporation of the University of Hawaii and any state agency.

Specifically, each contract must include a termination date, a statement of intent and purpose, a statement establishing the extent of the contract's applicability, and a description of circumstances which allow for amendment of extension.

Your Committee believes that this bill will increase administrative efficiency by establishing minimum requirements for all RCUH contracts with state agencies. In addition, this measure will ensure greater accountability of RCUH policies and procedures.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2017, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2501 Ways and Means on S.B. No. 3014

The purpose of this bill is to authorize the post-secondary education commission to cooperate with the federal government by carrying out the state post-secondary review program to ensure receipt of Title IV student financial assistance programs.

The federal government has established the post-secondary review program to expand state oversight and accountability by requiring the states to meet appropriate standards of quality and integrity, or lose Title IV funds. Your Committee finds that increased competition in the local, national, and global economies requires students to be increasingly knowledgeable, thoughtful, and educated. Establishing and adhering to standards set by the commission, in consultation with institutions of higher education in Hawaii, will not only bring in needed financial assistance, but will help our students meet the requirements of tomorrow's economy.

The bill also requires the commission to establish review standards to determine Title IV eligibility for institutions, establish and administer complaint procedures, and cooperate with and be assisted by other state agencies.

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. 3014, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3014, S.D. 2.

Signed by all members of the Committee except Senator George.

SCRep. 2502 Ways and Means on S.B. No. 3253

The purpose of this bill is to appropriate funds for the 1994 bicentennial anniversary celebration of the arrival of Hispanics in Hawaii.

Under this bill, the funds would be expended by the commission to commemorate the two hundredth anniversary of the arrival of Hispanics in Hawaii.

Your Committee finds that like many other ethnic groups who have made Hawaii the multicultural place it is today, the ninety thousand residents of Hispanic origin should be recognized for their contributions to our unique lifestyle. A celebration of the bicentennial of the arrival of their forebears is an appropriate way to provide this recognition.

Your Committee has amended this bill by deleting the provision for celebrations on each neighbor island county.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3253, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3253, S.D. 1.

Signed by all members of the Committee except Senator George.

SCRep. 2503 Ways and Means on S.B. No. 2019

The purpose of this bill is to strengthen and clarify the duties, responsibilities, and prerogatives of the board of trustees of the employees' retirement system (ERS), and require more accountability in the management of the system's assets.

Specifically the bill adds new provisions to the ERS law that:

- (1) Require the legislature to adopt a concurrent resolution requesting the board to prepare a report to assess the probable effects of any proposed legislative change in the benefits from the ERS;
- (2) Prohibit the board members from having a direct or indirect interest in a real estate development group or business in or outside the State;
- (3) Require the chairperson of the board to hold orientation meetings with new trustees, and education seminars for all trustees annually;
- (4) Require the auditor to conduct a performance audit of the system once every four years;
- (5) Require the hiring of a professional real estate advisor for every new real estate investment;
- (6) Require the board to obtain an appraisal of real property investments using specified methods and guidelines and establish other guidelines and requirements relating to investment of the system's assets; and
- (7) Increase the composition of the board from eight to eleven members and changes the Director of Finance to an ex officio non-voting member.

This bill also appropriates funds for an independent audit of the system, and for orientation and training for board members.

Your Committee finds that a complete independent audit is necessary for the legislature before major changes are made to the retirement system law. Only after the audit can careful deliberation take place in order to correct any problems, real or perceived, which were raised during the hearings conducted by the Special Committee on the Employees' Retirement System. Inasmuch as the future retirement comfort of beneficiaries depends on continuing solvency of the system, any reasoned adjustments to the existing law should take place after an independent audit.

Accordingly, your Committee has amended this bill by deleting all sections except the appropriation for the independent audit of the system.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2019, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2019, S.D. 2.

Signed by all members of the Committee except Senators Levin, McCartney, Tanaka and George.

SCRep. 2504 Ways and Means on S.B. No. 2261

The purpose of this bill is to extend the existence of the court-appointed independent representative for Hawaiian home lands trust claimants and appropriate funds for the representative's retention.

Your Committee finds that Act 352, Session Laws of Hawaii 1993, sought to conclude settlements regarding breaches of the Hawaiian home lands trust by December 1, 1994, and authorized the appointment of an independent representative to act as sole representative of the class of beneficiaries of the trust for that purpose. Your Committee finds, however, that many claims have not yet been resolved and are not anticipated to be concluded prior to the December 1st deadline.

Your Committee has therefore amended this bill by extending the automatic repeal date from December 1, 1994 to December 31, 1995. Your Committee has also removed the appropriation section and made other technical nonsubstantive amendments. Your Committee believes that these changes will give the new governor the opportunity to determine how remaining claims shall be resolved.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2261, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2261, S.D. 2.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2505 Ways and Means on S.B. No. 2272

The purpose of this bill is to appropriate \$200,000 to the Department of Agriculture for the implementation of a biological and hydrologic monitoring program for the Molokai irrigation system Waikolu well development project.

In addition to establishing the monitoring program for a minimum of two years, this bill:

- (1) Requires the monitoring program to document the existing operating procedures of the Molokai irrigation system, identify the impacts of all operating alternatives on Waikolu stream, evaluate the effectiveness of diversion weir modifications, and test the effects that the pumping of three new wells have on Waikolu stream's ecosystem; and
- (2) Prohibits the imposition of executive budget restrictions on the funds appropriated for the monitoring program.

Your Committee finds that the monitoring program is required to implement a condition of the water use permit issued by the commission on water resource management, which will otherwise deny the permit.

Your Committee has amended this bill by changing the sum appropriated from \$200,000 to an unspecified amount.

Your Committee on Ways and Means, is in accord with the intent and purpose of S.B. No. 2272, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2272, S.D. 1.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2506 Ways and Means on S.B. No. 2434

This is a short form bill.

Your Committee finds that the Department of Public Safety needs an emergency appropriation of \$2,076,273, for fiscal year 1993-1994, to prevent the shutdown of the State's correctional facilities due to a lack of funds. According to the department, the increase in employee overtime payments is the primary contributing factor to this financial situation. Expenditures for employee overtime have increased in excess of 5.4 per cent since fiscal year 1992-1993.

Your Committee received testimony in support of this measure from the Department of Public Safety. Your Committee also finds that this bill is necessary in order to protect the public health, safety, and general welfare of the State.

Your Committee has amended this bill by making an emergency appropriation of \$2,076,273 to the Department of Public Safety to prevent the imminent shutdown of activities at the State's correctional facilities due to a lack of funds, and declaring that this measure is recommended by the governor for immediate passage in accordance with section 9 of Article VII of the Constitution of the State of Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2434, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin and George.

SCRep. 2507 Ways and Means on S.B. No. 2342

The purpose of this bill is to amend various provisions of the rental housing trust fund commission law.

Specifically, this bill: (1) enables the commission to utilize the proceeds of the fund to pay for administrative expenses; (2) clarifies the definition of "nonprofit developer" and allows the commission to make loans for capacity building of nonprofit developers; (3) clarifies the membership of the commission; and (4) enables the commission to hire an executive director.

Your Committee finds that the rental housing trust fund law was passed by the legislature in 1992 to address the problem of affordable rental housing throughout the State. This bill clarifies certain provisions of the law and makes various amendments to improve and facilitate the effective implementation of the law. Your Committee believes that this bill will enable the rental housing trust fund commission to accomplish its intended purposes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2342, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator George.

SCRep. 2508 Ways and Means on S.B. No. 2499

The purpose of this bill is to clarify the roles and responsibilities of the state office of tourism and the Hawaii Visitors Bureau in promoting tourism in Hawaii. This bill requires the office of tourism to establish a biennial tourism marketing plan and clarifies the terms to be negotiated when issuing contracts to the Hawaii Visitors Bureau.

Your Committee finds that the recent decline in state visitor arrival figures focuses attention on the fact that the State's system of tourism marketing and promotion requires reevaluation. Critics of the system suggest that the roles and responsibilities of the Hawaii Visitors Bureau and the state office of tourism be more clearly defined. This bill delineates the duties of the respective agencies and clarifies the working relationship that should exist between these entities.

Although this bill suggests the adoption and implementation of positive and constructive steps to revitalize the State's system of tourism promotion, your Committee finds that the State's law currently lacks a coherent set of actions to guide the office and the Bureau in their effort to achieve their objectives. In this regard, your Committee has amended this bill by inserting a new section into chapter 201, Hawaii Revised Statutes, which delineates specific short and long-term actions for the office and the Bureau to undertake as part of the overall strategy to promote tourism. Your Committee finds that the actions identified in the new section will serve to guide these agencies in their effort to revitalize tourism in the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2499, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2499, S.D. 1.

Signed by all members of the Committee except Senator George.

SCRep. 2509 Ways and Means on S.B. No. 2500

The purpose of this bill is to require the office of tourism to develop cultural and ecotourism promotional programs in Hawaii. This bill also appropriates funds to finance pilot projects to develop cultural and ecotourism markets for the State.

Your Committee finds that Hawaii's traditional visitor attractions are no longer resulting in sufficient visitor arrival numbers to support the State's most important industry. Marketing programs in many areas of the world have expanded to include campaigns that focus on and promote the cultural and ecologically significant resources of the region. Given the proper promotional support, Hawaii's cultural and environmental attractions will appeal to a broad new segment of visitors.

Your Committee has amended the preamble of this bill by including language to clarify and emphasize the uniqueness of Hawaii's cultural and ecological resources. This bill has further been amended by identifying the specific parcels of land being acquired for the development of ecotourism facilities in the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2500, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2500, S.D. 1.

Signed by all members of the Committee except Senator Levin and George.

SCRep. 2510 Ways and Means on S.B. No. 2721

The purpose of this bill is to: clarify that the campaign spending commission may employ or dismiss any person, including a full-time executive director, necessary for the performance of its functions; appropriate funds for the hiring of one additional investigator and one full-time executive director for the commission; and clarify that, after a determination of probable cause by the commission, all proceedings relating to complaints of election campaign contribution and expenditure violations shall be open to the public, unless the commission determines that probable cause does not exist.

Although your Committee fully supports openness of campaign spending violation proceedings once probable cause has been determined, your Committee finds that the State has a compelling interest in protecting the privacy rights of individuals subject to a complaint under section 11-216, Hawaii Revised Statutes, in instances where no probable cause is found. Your Committee finds that complaints lodged with the campaign spending commission (unlike those lodged with the state ethics commission, which had a similar confidentiality law until struck down by the federal courts), are likely to concern private citizens, such as contributors or campaign committee workers, as opposed to public officials who arguably have fewer privacy rights than private individuals. Your Committee finds that failing to protect the privacy rights of private citizens, in the absence of probable cause of any wrongdoing, would have a chilling effect on political participation.

Furthermore, your Committee notes that this issue already has been the subject of extensive discussion, debate, and decision by the legislature in 1987 and 1989. (See Conference Committee Report No. 110, Regular Session of 1987 and Act 138, Session Laws of Hawaii 1989.) In Act 138, which removed conflicting language from section 11-216, the legislature clearly and unequivocally articulated its intent to maintain the confidentiality of complaint proceedings until a determination of probable cause can be made. (See Section 1 of Act 138.)

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2721, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2721, S.D. 1.

Signed by all members of the Committee except Senators Levin and George.

SCRep. 2511 Ways and Means on S.B. No. 2751

The purpose of this bill is to require any contractor seeking any public contract of \$2,500,000 or more to be a party to project agreements with all building and construction industry members of the State's AFL-CIO unions.

Your Committee finds that Hawaii's procurement law was amended in 1993 to improve and update the State's system of government purchasing. This bill further amends the State's procurement law to require contractors with contracts of \$2,500,000 or more to abide by the terms of the standard, industry-wide collective bargaining agreements of all AFL-CIO unions in the State. Your Committee finds that this bill will provide governmental agencies with added protection in situations involving contracts of this scope.

Your Committee has amended this bill changing the effective date to July 1, 1994 to coincide with the effective date of the new procurement code, and by making various technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2751, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2751, S.D. 2.

Signed by all members of the Committee except Senator George.

SCRep. 2512 Ways and Means on S.B. No. 2752

The purpose of this bill is to clarify the powers of the labor and industrial relations appeals board, the duties of the chairperson of the board, and the employment status of persons employed by the board.

Specifically, this bill:

- (1) Specifies that the board may appoint an executive officer, in addition to other assistants and employees, and prescribe their duties, fix their compensation, and provide for the reimbursement of expenses incurred by them in the performance of their duties;
- (2) Specifies that attorneys employed by the board as full-time staff to draft legal documents and provide other necessary legal services are not deputies of the attorney general;
- (3) Exempts employees of the board, except clerical and stenographic employees, from the law relating to collective bargaining in public employment, in addition to the civil service law and compensation law; and
- (4) Specifies that members of the board are exempt from the civil service law, the compensation law, and the law relating to collective bargaining in public employment.

Your Committee has amended this bill 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. 2752, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2752, S.D. 2.

Signed by all members of the Committee except Senators Levin and George.

SCRep. 2513 (Majority) Ways and Means on S.B. No. 2754

The purpose of this bill is to allow gaming activities on ships in territorial waters of the State that are duly licensed to conduct such activities.

Specifically, this bill provides a regulatory framework for the conduct of gambling that requires the licensing of gaming ship owners, the suppliers of gaming equipment and supplies, and others involved in the conduct of gaming activities. Regulatory oversight would be provided by a state gaming board of five members administratively attached to the Department of Business, Economic Development, and Tourism.

Your Committee has amended this bill to:

- (1) Delete from section -13 the requirement that the county council approve the docking of gaming ships prior to the issuance of a gaming ship license;
- (2) Increase the duration of gaming cruises from four to six hours in section -17;
- (3) Increase the admission tax imposed on each person admitted to a gaming ship from \$2 to \$10 and delete the language allocating \$1 of the admission tax to the counties;
- (4) Delete the education assistance special fund and require that all taxes, fees, and fines collected be deposited into the state gaming fund;
- (5) Add language to section -28 to specify the following uses of moneys in the state gaming fund:
 - (A) Not more than percent for administration and enforcement;
 - (B) Ten percent for allocation to the counties in proportion to the revenues generated by gaming ships docked in each respective county, subject to appropriation by the Legislature; and
 - (C) Of the remaining moneys, fifty percent to be dedicated for transportation improvements and fifty percent to be dedicated for education, subject to appropriation by the Legislature;
- (6) Add a subsection to section -28 to require annual submission of a comprehensive financial report to the Legislature regarding the fund's revenues and expenditures;
- (7) Add an amendment to exempt the state gaming fund from the requirement to pay for administrative expenses to the Department of Budget and Finance;
- (8) Correct what appeared to be a drafting error in section -27 regarding the criminal history record information by adding language requiring the Hawaii criminal justice data center to furnish such information to the board; and
- (9) Make 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. 2754, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2754, S.D. 2.

Signed by all members of the Committee except Senator George.
Senator Levin did not concur.

SCRep. 2514 Ways and Means on S.B. No. 2802

The purpose of this bill is to make grants-in-aid to the prosecuting attorneys in all counties to allow them to create or maintain career criminal prosecution units, the victim-witness program, and youth gang prosecution units.

Your Committee finds that career criminal prosecution has been an important mechanism to control crime since the creation of the career criminal prosecution program by the legislature in 1979. A substantial amount of serious crime is committed by a relatively small number of multiple offenders, and to the extent they are successfully prosecuted and incarcerated or rehabilitated, public safety is better protected.

Of all the functions provided by the prosecutors' offices, no program is more crucial to the victim than the victim-witness program. Its importance cannot be overstated. Your Committee finds that the victim-witness program bolsters victims' ability to testify, prevents re-victimization, and reduces trauma caused by the courtroom experience.

Your Committee has amended this bill by removing the appropriations for the creation and maintenance of youth gang prosecution units. Your Committee acknowledges the existence of a youth gang problem and has provided for this problem by other means.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2802, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2802, S.D. 2.

Signed by all members of the Committee except Senators Levin and George.

SCRep. 2515 Ways and Means on S.B. No. 2908

The purpose of this bill is to require the Director of Health to identify community health centers that qualify as Hawaii qualified health centers. This bill also allows the Department of Human Services to provide supplemental capitation payments to eligible Hawaii qualified health centers for enabling services.

Your Committee finds that community health centers play an important role in meeting the health care needs of individuals who are less likely to receive health services through a health insurance system. The movement toward managed care should not jeopardize the primary health care and outreach services currently provided by these centers. This bill will provide community health care centers with the support they need to deliver these services to the disadvantaged population of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2908, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2516 Ways and Means on S.B. No. 2951

The purpose of this bill is to establish a worker profiling system under the employment security law and to make claimant participation in reemployment services a condition of receiving benefits.

Your Committee finds that there is a need to target potential long-term jobless individuals at the beginning of their unemployment insurance claim and help them find new employment or careers. The federal government has mandated the creation of a worker profiling system that will identify individuals at risk of exhausting unemployment insurance benefits. This program will direct such individuals into a reemployment services referral program as a condition of their receipt of unemployment insurance.

The failure of the State to enact a worker profiling system will result in the loss of both administrative grant funds to run the Hawaii unemployment insurance program and of the federal tax offset credits that reduce employer tax liability under the federal unemployment tax law. Your Committee finds that the funds and tax credit are of importance to the State and should be preserved. Your Committee also finds that the reemployment service will provide a most valuable benefit to the State by helping to divert jobless individuals from bleak futures to those of hope, self-respect, and promise.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2951 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2517 Ways and Means on S.B. No. 2972

The purpose of this bill is to authorize the public disclosure of written opinions by the Department of Taxation.

Your Committee finds that providing the public access to written opinions by the Department of Taxation would assist taxpayers in completing their tax returns. Your Committee also finds that it is imperative to the voluntary disclosure of information upon which the tax system depends, to protect the confidentiality of information submitted by the taxpayer.

This bill provides public access to a narrow category of written documentation of tax interpretation by the Department of Taxation. This bill provides for the careful segregation of confidential information within any publicly disclosed written opinion and includes advance notification of the public release of the opinion to all parties mentioned in the original

unsegregated opinion. This bill also provides for appeal opportunities that protect the confidentiality of the written opinion until the final decision in the case is rendered. The disclosure law would apply only to written opinions dated after December 31, 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 S.B. No. 2972, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2972, S.D. 2.

Signed by all members of the Committee except Senator George.

SCRep. 2518 Ways and Means on S.B. No. 3306

The purpose of this bill is to provide funding to address the housing needs of employees who will be losing their jobs as the result of the closure of the Hamakua and C. Brewer sugarcane operations on the island of Hawaii.

Your Committee finds that the impending closure of two major sugar operations on the island of Hawaii will undoubtedly result in widespread detrimental effects to the Hilo and Hamakua communities of the island of Hawaii. Employees making rental or mortgage payments are understandably concerned about their ability to meet these obligations in the future. This bill establishes a housing assistance program to help families cope with the loss of their jobs as well as a grant program to provide assistance to ensure the continued operation of the Hamakua Sugar plantation camps.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by substituting the sums to be appropriated with blank amounts. Your Committee has further amended this bill by deleting section 2 of this bill which requires the housing finance and development corporation to use a portion of the aggregate guarantees of rental assistance contracts for the benefit of former employees of the Hilo Coast Processing and Hamakua Sugar operations.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3306, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3306, S.D. 2.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2519 Ways and Means on S.B. No. 2912

The purposes of this bill are to establish a minimum licensing fee of \$50 for both restricted use and nonrestricted use pesticides, and to subject any private pesticide applicator or other person who misuses pesticides or who violates any law relating to the licensing, transport, sale, or distribution of pesticides, to civil penalties of not more than \$1,000 and \$5,000 for each offense, respectively.

In addition to making private pesticide applicators and other persons responsible for the misuse of pesticides occurring on their own property or their employer's property, this bill makes the civil penalty and any proposed action contained in the notice of finding of violation a final order unless the person or persons charged make a written request for a hearing within a specified time.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation, the Department of Health, and the Department of Agriculture, and testimony in opposition to this measure from the Hawaii Pest Control Association. Your Committee also received testimony in support of this measure from Brewer Environmental Industries, Inc., subject to certain conditions.

Your Committee has amended this bill by:

- (1) Requiring the Department of Agriculture to provide for the creation of a pick-up program for unused and unwanted pesticide products, and a recycling program for pesticide product containers, and authorizing the department to adopt rules for the same;
- (2) Appropriating an unspecified sum to the Department of Agriculture for a pick-up program for unused and unwanted pesticide products, and a recycling program for pesticide product containers; 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. 2912, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2912, S.D. 2.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2520 Ways and Means on S.B. No. 3045

The purpose of this bill is to establish the agribusiness development corporation to carry out programs to promote the development of agricultural enterprises.

In addition to specifying the administration, management, powers, and duties of the agribusiness development corporation, this bill:

- (1) Amends the law relating to the Hawaii strategic development corporation by excluding agricultural enterprises;

- (2) Amends the law relating to the public utilities commission by excluding any person who controls, operates, or manages plants or facilities developed pursuant to the irrigation water development law for conveying, distributing, and transmitting water for irrigation and such other purposes that are held for public use and purpose;
- (3) Transfers the marketing order revolving fund from the marketing orders and agreements law to the grades and standards law;
- (4) Repeals the law relating to the agricultural products program and the marketing orders and agreements law; and
- (5) Appropriates \$250,000 to the Department of Agriculture to carry out the purposes of this measure, including the hiring of necessary staff.

Your Committee has amended this bill by:

- (1) Defining the terms "project facilities", "revenue bonds", "trust indenture", and "trustee";
- (2) Requiring that members of the board of directors of the corporation be selected on the basis of specific criteria;
- (3) Requiring that three members of the board of directors be residents of the neighbor islands;
- (4) Changing the name of the "agricultural infrastructure and accessory facilities program" to the "project facility program", and expanding the scope of the program to specifically include roads and streets, utility and service corridors, utility lines where applicable, water and irrigation systems, lighting systems, security systems, sanitary sewage systems, and other community facilities where applicable;
- (5) Requiring that the cost of providing project facilities be assessed against the real property in the project area specifically benefiting from the project facilities, rather than against the establishments benefiting from the same;
- (6) Specifying that the revenue bonds issued to finance project facilities can be secured by the real properties benefited or improved by the project facilities and assessments thereon, in addition to the revenues derived from the project for which the bonds were issued;
- (7) Specifying that assessment levies against real property benefited under this measure is not a tax;
- (8) Specifying the methods by which assessment levies may be calculated;
- (9) Deleting the provision allowing the corporation to issue refunding revenue bonds;
- (10) Deleting the provision limiting the maximum interest rate payable on these revenue bonds to eighteen per cent a year;
- (11) Adding provisions governing the issuance of revenue bonds under this measure;
- (12) Requiring the chairperson of the board of agriculture to transfer to the credit of the state general fund, all unexpended or unencumbered balances remaining in the Hawaii agricultural products revolving fund, section 153-3, Hawaii Revised Statutes, prior to June 30, 1994;
- (13) Changing the sum appropriated to the Department of Agriculture from \$250,000 to an unspecified amount;
- (14) Specifying that the control, operation, or management of certain plants or facilities for conveying, distributing, and transmitting water for irrigation and such other purposes that are held for public use and purpose, shall be presumed to be necessary to public convenience and necessity in any proceeding before the public utilities commission; and
- (15) 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. 3045, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3045, S.D. 2.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2521 Ways and Means on S.B. No. 3061

The purpose of this bill is to transfer the functions of the governor's agricultural coordinating committee (GACC), currently located for administrative purposes in the governor's office, to the Department of Agriculture.

Your Committee finds that, with the downsizing of sugar and pineapple operations across the State, there is now an unprecedented opportunity for new and diversified agriculture to become a growth industry in Hawaii. Your Committee further finds that if this agricultural transformation is to take place, the autonomy and the pivotal role that the GACC now plays in providing research, education, and promotional funding should be retained, which may best be accomplished by transferring the GACC to the Department of Agriculture for administrative purposes.

Your Committee has therefore amended this bill by transferring the governor's agriculture coordinating committee to the Department of Agriculture for administrative purposes, and renaming it the agricultural advisory council.

Your Committee has also made conforming amendments to sections 141-2, 153-2, and 201-3, Hawaii Revised Statutes, as well as technical, nonsubstantive amendments for clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3061, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3061, S.D. 2.

Signed by all members of the Committee.

SCRep. 2522 Ways and Means on S.B. No. 3161

The purpose of this bill is to extend the temporary law that allows qualified agricultural lessees of public lands the additional time to negotiate long-term leases.

Act 237, Session Laws of Hawaii 1988, was enacted to authorize the Department of Land and Natural Resources to negotiate long-term leases under specific terms, conditions, and restrictions, with certain permittees of agricultural land. Many of the affected permittees had occupied state lands for years on a month-to-month basis. This uncertain tenure made it impossible for them to obtain financing needed to improve their farms. Farmers growing flowers and other agricultural products have expressed the need to have longer leases so that they can obtain loans or have more security in knowing that their efforts to grow crops will generate a return on their investment. Many of the farmers work on remnant parcels which are hilly, rocky, or along gullies that require considerable perseverance to make it profitable.

While some permittees have been able to negotiate longer leases, others remain who have not yet been able to complete the process. Act 237 will "sunset" (i.e., be automatically repealed by operation of law) on July 1, 1994, unless extended. This bill will extend the automatic repeal date by one year to July 1, 1995. This bill also formally incorporates into Act 237 as section 7 of the Act, a previously unnumbered section that was added to the Act by section 2 of Act 177, Session Laws of Hawaii 1993.

Your Committee finds that extending the repeal date of Act 237, Session Laws of Hawaii 1988, will give qualified permittees of agricultural land enough time to complete the process of negotiating longer leases and thereby continue their agricultural pursuits free from the worry of losing the use of their land. This is in keeping with the public interest and the Hawaii state plan.

Your Committee has amended this bill by deleting from the findings and purpose section the reference to valuation of lands in Waimanalo, the substantive provisions for which had been previously deleted by your Committee on Agriculture and Planning. This amendment has no substantive effect on the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3161, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3161, S.D. 2.

Signed by all members of the Committee except Senator George.

SCRep. 2523 Ways and Means on S.B. No. 2305

The purpose of this bill is to extend the repeal date of the special Hurricane Iniki exemption under the transient accommodations tax law to January 1, 1997.

During the regular session of 1993, the legislature enacted a special Hurricane Iniki exemption from the transient accommodations tax to encourage and assist the tourist industry after the devastation of Hurricane Iniki in September 1992. To date, there are still many hotels struggling to recover and reopen. The exemption is set to be repealed on January 1, 1995.

This bill extends the repeal date of the exemption from January 1, 1995, to January 1, 1997, and makes all amounts received by qualified facilities furnishing transient accommodations from May 1, 1993 through December 31, 1996, eligible for the exemption. The fiscal impact of this bill will be reflected in the reduced distributions of the revenues from the transient accommodations tax to the counties, although extending the repeal date to encourage the reopening of the hotels could provide an overall benefit for the State by increasing other revenue resources and reducing unemployment and unemployment costs.

Your Committee has amended this bill by reducing the time period for the extension to December 31, 1995, and by setting a new repeal date of January 1, 1996.

Your Committee has also made a technical amendment to this bill that has no substantive effect.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2305, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2305, S.D. 1.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2524 Ways and Means on S.B. No. 2544

The purpose of this bill is to extend unemployment benefits payable to a worker who is unemployed as a result of a plant closure or a mass lay-off.

Currently, the maximum amount an unemployed claimant may receive under the employment security law is an amount equal to twenty-six times the claimant's weekly benefit amount. Within the last four years thousands of workers have lost their jobs due to plant closures or mass lay-offs. Most of the workers exhaust their unemployment compensation before

new employment is secured. This bill extends the unemployment benefits to fifty-two weeks for claimants who are unemployed as a result of a plant closure that resulted in a loss of more than one hundred positions and to seventy-eight weeks for claimants who are unemployed as a result of a mass lay-off of more than one hundred fifty employees.

Your Committee is in accord with your Committee on Labor and Employment in finding that this bill is an appropriate response to the problem, but perhaps is too expansive. Your Committee recognizes that by expanding the allowable benefits, the costs to all businesses go up. Accordingly your Committee has amended this bill to eliminate the extension of benefits to seventy-eight weeks for claimants who are unemployed as a result of mass lay-offs and has limited the applicability of this measure to the period from June 1, 1993 to May 31, 1994.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2544, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2544, S.D. 1.

Signed by all members of the Committee except Senator Levin, McCartney and George.

SCRep. 2525 Ways and Means on S.B. No. 2891

The purpose of this bill is to prohibit a county's chief procurement officer (CPO) from exercising any power or duty over contracts made by the county's legislative branch unless expressly provided for in the county's charter or by ordinance.

Although your Committee agrees with the intent of this bill, your Committee believes that a better approach to preventing the exercise of power by the CPO over the county's legislative branch is to create two county CPOs, namely: (1) the county Director of Finance--which is currently designated as the county's CPO under section 103D-203(5), Hawaii Revised Statutes--as the CPO for that county's executive branch; and (2) the chairperson of the county council as the CPO for the county's legislative branch. Your Committee has therefore amended the bill by deleting the contents of the bill and amending section 103D-203 accordingly.

Your Committee finds that this separation of procurement functions will serve two important purposes. First, it will prevent the overlap of procurement functions of the two branches of county government consistent with the doctrine of separation of powers. Second, it requires that procurement practices in the several counties be consistent with their charters, ordinances, and rules adopted in accordance with chapter 91, Hawaii Revised Statutes, thus allowing each county to establish its own measures that are tailored to the particular circumstances of each county, consistent with home rule. The procurement provisions of each county's charter, ordinances, and rules adopted under chapter 91 that are relied upon by the counties must, however, be consistent with the procurement code.

Your Committee also finds that the state procurement code, as passed by the special session of the legislature in 1993, contained several areas that should be amended to ensure that the code will function as the legislature intended when it goes into effect on July 1, 1994.

Your Committee has therefore further amended the bill by:

- (1) Reducing the amount that triggers the bid security requirement from \$100,000 to \$25,000;
- (2) Providing for a procedure whereby suppliers of goods and materials supplied to subcontractors can proceed against the general contractor's performance bond;
- (3) Clarifying the qualifications of sureties who will be permitted to provide bonds that will be acceptable security for the state contracts;
- (4) Requiring bid security in an amount equal to five per cent of the bid amount;
- (5) Limiting situations when construction bids that fail to include the names of all joint contractors or subcontractors may be accepted to those when the value of the work to be performed by the joint contractor or subcontractor is equal to or less than one per cent of the total bid amount;
- (6) Amending the definition of "professional services" to include any recognized in the United States Office of Personnel Management Qualifications Standards Handbook; and
- (7) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee finds that, currently, the code provides that bids under \$100,000 do not require bonds, but performance bonds are required for all contracts in excess of \$25,000. This could result in situations where a company could bid and be a low bidder but not be able to provide the required performance bond, thereby adding time and cost to the bid procedure. In extreme cases, this could result in the necessity that the contract be readvertised for bid, thereby even further lengthening the starting time of the construction and adding more cost to the project. Reducing the contract price that requires a bid bond will ensure that any one who bids for a state contract will be able to provide the necessary performance bond.

Your Committee also finds that material suppliers who provide material to subcontractors who are not required to have separate performance bonds are unable to proceed against the general contractor's bond, even though the material was used in the project covered by the bond. This has resulted in an inequitable situation because the material supplier is unable to file a mechanics lien against state-owned property. The amendment will ensure that the general contractor's bond will cover the supplier who has provided material to the project even though the supply contract was not made with the general contractor.

Your Committee further finds that the requirement that all bid security be five per cent of the amount of the bid will eliminate the confusion that currently arises in calculation of the amount of the bond. Current law provides for different percentages when bids exceed specific amounts. A five per cent flat fee eliminates this confusion and also provides the State with a larger bond and thereby provides more security should the bidder be unable or unwilling to complete the job.

Finally, your Committee believes that using the Treasury List will ensure that the qualifications of the surety providing the bid bonds have been carefully examined and rated and that, should the State proceed on the bid bonds provided, the surety will be solvent and able to see that the project is completed to the State's satisfaction.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2891, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2891, S.D. 1.

Signed by all members of the Committee except Senators Levin, McCartney and George.

SCRep. 2526 Planning, Land and Water Use Management on H.B. No. 2075

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) to lease government-owned fish ponds for the purposes of reconstruction, rehabilitation, or improvement, without having to obtain prior authorization by the Legislature.

According to an attorney general opinion, government-owned fish ponds are subject to Section 171-53(c), Hawaii Revised Statutes, which requires that disposition of submerged lands be approved by the Governor and authorized by legislative concurrent resolution. The problem with this requirement is that it forces lessees to undergo a time consuming process in addition to the already intricate permit processes of the federal, state, and county requirements.

Your Committee finds that Hawaiian fish ponds are a valuable resource to Hawaii and that the legislative authorization requirement presents a costly requirement and a constraint to community efforts to restore fish ponds.

The DLNR submitted testimony in support of this bill, indicating that this bill is consistent with the State's goals for traditional fish pond restoration and that adequate administrative safeguards exist to prevent inappropriate uses of these historic treasures.

Your Committee has amended this bill to require that in lieu of legislative authorization of the lease, the DLNR conduct a public hearing on the proposed lease to determine if any substantial adverse environmental or ecological impact would result from the lease and that the lessee will comply with all applicable laws and regulations.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2075, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2527 Higher Education, Culture and Arts and Historic Preservation on S.R. No. 13

The purpose of this resolution is to encourage the University of Hawaii (UH) Foundation to establish a teacher scholarship fund and to publicize its availability, so that donors may have the option of earmarking their contributions for the benefit of students at the College of Education.

Testimony was received from the University of Hawaii and the Department of Education.

Your Committee finds that the Department of Education is currently facing a shortage of teachers in certain fields. Your Committee believes that the availability of financial assistance would provide an effective incentive for college students to consider a teaching career.

Your Committee has been informed that the UH Foundation currently has an endowment set aside for the College of Education and, therefore, has amended the Resolution by deleting the requirement for the establishment of the teacher scholarship fund.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 13, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 13, S.D. 1.

Signed by all members of the Committee.

SCRep. 2528 Higher Education, Culture and Arts and Historic Preservation on S.R. No. 17

The purpose of this resolution is to encourage the University of Hawaii (UH) to expand its outreach efforts on the neighbor islands.

This resolution encourages the UH to actively determine the needs of neighbor island residents, deliver the needed courses, programs, and degrees, and equalize as far as possible the outreach efforts on each island. By undertaking these efforts, the UH will be able to fulfill its commitment to expanding higher education to all citizens of the State.

Testimony in support of this resolution was received from the University of Hawaii. The University has informed your Committee that the responsibility for the outreach has not been transferred, nor are there plans for such a transfer, from UH-Manoa to the community colleges as stated in the third paragraph. Your Committee has amended this Resolution

accordingly by deleting reference to the transfer and by substituting a reference to the UH President's intent to undertake the task of the proposed expansion. Technical, nonsubstantive amendments were made for style.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 17, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 17, S.D. 1.

Signed by all members of the Committee.

SCRep. 2529 Higher Education, Culture and Arts and Historic Preservation on S.C.R. No. 28

The purpose of this concurrent resolution is to encourage the University of Hawaii (UH) to expand its outreach efforts on the neighbor islands.

This concurrent resolution encourages the UH to actively determine the needs of neighbor island residents, deliver the needed courses, programs, and degrees, and equalize as far as possible the outreach efforts on each island. By undertaking these efforts, the UH will be able to fulfill its commitment to expanding higher education to all citizens of the State.

Testimony in support of this concurrent resolution was received from the University of Hawaii. The University has informed your Committee that the responsibility for the outreach has not been transferred, nor are there plans for such a transfer, from UH-Manoa to the community colleges as stated in the third paragraph. Your Committee has amended this concurrent resolution accordingly by deleting reference to the transfer and by substituting a reference to the UH President's intent to undertake the task of the proposed expansion. Technical, nonsubstantive amendments were made for style.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 28, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 28, S.D. 1.

Signed by all members of the Committee.

SCRep. 2530 Ways and Means on S.B. No. 2019

The purpose of this bill is to appropriate an unspecified sum to the office of the auditor for an independent audit of the employees' retirement system (ERS) to be conducted by a private consultant selected by the auditor.

Your Committee has amended this bill to reflect its contents prior to receipt and amendment by this Committee, that is, as S.B. No. 2019, S.D. 1. The purpose of S.B. No. 2019, S.D. 1, was to strengthen and clarify the duties, responsibilities, and prerogatives of the board of trustees of the ERS, and require more accountability in the management of the system's assets.

Specifically, S.B. No. 2019, S.D. 1, added new provisions to the ERS law that:

- (1) Require the legislature to adopt a concurrent resolution requesting the board to submit a report to the legislature assessing the probable or expected effects of any proposed legislative change in benefits from the ERS on the system's current costs and unfunded liability;
- (2) Prohibit board members from having a direct or indirect interest in a real estate development group, business, or firm in or outside the State;
- (3) Require the chairperson of the board to hold initial orientation meetings with new trustees, and educational seminars for all trustees;
- (4) Require the auditor to conduct a performance audit of the system once every four years;
- (5) Require the hiring of a professional real estate advisor for every new investment in real estate;
- (6) Require the board to obtain an appraisal of real property investments using specified methods and guidelines, and establish other guidelines and requirements relating to investment of the system's assets; and
- (7) Increase the composition of the board from eight to eleven members, and change the status of the Director of Finance to an ex officio nonvoting member.

S.B. No. 2019, S.D. 1, also appropriated an unspecified sum to the ERS for orientation and training for board members.

Your Committee has amended S.B. No. 2019, S.D. 2, by changing the expending agency for the sum appropriated for orientation and training from the employees' retirement system to the Department of Budget and Finance, and 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. 2019, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2019, S.D. 3.

Signed by all members of the Committee except Senator Holt.

SCRep. 2531 Health on S.C.R. No. 20

The purpose of this concurrent resolution is to urge Hawaii's Congressional Delegation to ensure that national health care reform will not adversely affect Hawaii's prepaid health care system.

Your Committee finds that although the impact of a national health care plan on Hawaii is uncertain, every effort should be made to ensure that universal, quality, affordable health care under the Prepaid Health Care Act will not be diminished. In order to protect this State's twenty years of health care development, the Legislature must convince Congress that Hawaii needs flexibility in implementing a national health care plan. This concurrent resolution conveys that message.

Testimony in support of this concurrent resolution was received from the Director of Health, the Director of Labor and Industrial Relations, the Healthcare Association, the Hawaii Medical Service Association, the Hawaii Nurses' Association, and the Chamber of Commerce of Hawaii.

Your Committee has amended this concurrent resolution by making a technical, nonsubstantive change to correct a typographical error.

Your Committee on Health is in accord with the intent and purpose of S.C.R. No. 20, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 20, S.D. 1.

Signed by all members of the Committee except Senator Reed.

SCRep. 2532 (Joint) Human Services and Ways and Means on H.B. No. 3322

The purpose of this bill is to make an emergency appropriation to provide funds for the payment programs under the Family and Adult Services Division of the Department of Health and Human Services for the fiscal period beginning July 1, 1993, and ending June 30, 1994.

Your Committees find that this bill is necessary as the payment programs (the Aid to Families with Dependent Children, General Assistance, and the Aid to the Aged, Blind and Disabled) will expend all previously appropriated funds before the end of the current fiscal year and the Department of Human Services will be unable to meet its fiscal obligations to provide financial assistance to needy individuals and families.

Your Committees on Human Services and Ways and Means are in accord with the intent and purpose of H.B. No. 3322, 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 Holt, Iwase and McCartney.

LCRep. 2533 Executive Appointments on Gov. Msg. No. 154

Recommending that the Senate advise and consent to the nomination of EUGENE S. IMAI for Director of Finance, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 2534 Executive Appointments on Gov. Msg. No. 164

Recommending that the Senate advise and consent to the nominations of the following to the Board of Directors of the Hawaii Hurricane Relief Fund:

HARRIET AOKI and JAMES STONE terms to expire June 30, 1995; and

JANIS C. AKUNA, JOSEPH KEIFER and WAYNE J. YAMASAKI, terms to expire June 30, 1997.

Signed by all members of the Committee.

LCRep. 2535 Executive Appointments on Gov. Msg. No. 166

Recommending that the Senate advise and consent to the nominations of the following to the State Council on Mental Health:

MARTHA BURT and LEONARD P. PARESA, JR., terms to expire June 30, 1995;

GARY L. BLAICH, TONA DONIGAN, DUANE IKEDA and ERIC B. ROLSETH, terms to expire June 30, 1997; and

GABRILLE B. BATZER and JOHN L. NOLAND, terms to expire June 30, 1997.

Signed by all members of the Committee.

LCRep. 2536 Executive Appointments on Gov. Msg. No. 167

Recommending that the Senate advise and consent to the nomination of MILTON H. KAKAIO to the Motor Vehicle Industry Licensing Board, term to expire June 30, 1996.

Signed by all members of the Committee.

LCRep. 2537 Executive Appointments on Gov. Msg. No. 155

Recommending that the Senate advise and consent to the nomination of PATRICK J. BOLAND for State Administrator, State Health Planning and Development Agency, term to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 2538 Executive Appointments on Gov. Msg. No. 171

Recommending that the Senate consent to the nomination of SIMEON R. ACOBA, JR., for Associate Judge of the Intermediate Appellate Court, 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.

LCRep. 2539 Executive Appointments on Gov. Msg. No. 172

Recommending that the Senate consent to the nomination of RICHARD K. PERKINS for 8th Judge of the Circuit Court of the First 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.

LCRep. 2540 Executive Appointments on Gov. Msg. No. 176

Recommending that the Senate consent to the nomination of DEXTER DEAN DEL ROSARIO for 13th Judge of the Circuit Court of the First 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.

LCRep. 2541 Executive Appointments on Gov. Msg. No. 173

Recommending that the Senate consent to the nomination of COLLEEN K. HIRAI for 20th Judge of the Circuit Court of the First 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.

LCRep. 2542 Executive Appointments on Gov. Msg. No. 174

Recommending that the Senate consent to the nomination of DAN T. KOCHI for 21st Judge of the Circuit Court of the First 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.

LCRep. 2543 Executive Appointments on Gov. Msg. No. 175

Recommending that the Senate consent to the nomination of GREG K. NAKAMURA for 1st 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.

SCRep. 2544 Human Services on H.B. No. 3157

The purpose of the bill is to eliminate the requirement for the Director of Human Services to make an annual report to the Legislature relative to the Nursing Home Without Walls Program.

Your Committee finds that the Nursing Home Without Walls Program began as a demonstration project in 1983 and there is no longer a need for an annual report on the status of the program or recommendations for change.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3157 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. 2545 Executive Appointments on Gov. Msg. No. 162

Recommending that the Senate advise and consent to the nomination of CLAUDIO R. SUYAT for Chairperson to the Hawaii Paroling Authority, term to expire June 30, 1997.

Signed by all members of the Committee.

SCRep. 2546 (Joint) Human Services and Ways and Means on H.B. No. 3160

The purpose of this bill is to make an emergency appropriation to prevent the reduction or discontinuance of board and board-related payments to children requiring out-of-home care.

Your Committees find that this bill is necessary as the programs for foster child care will expend all previously appropriated funds before the end of the current fiscal year and the Department of Human Services will be unable to meet its fiscal obligations to provide financial assistance for child foster care services.

Your Committees received testimony to support the need for additional funding but not for the amount as originally requested. Therefore, your Committees have decreased the amount of the appropriation from \$2,165,690 to \$1,162,000.

Your Committees are mindful of the demands and necessity of public funds for the costs for children in foster care but the original figure appears to be inflated and unrealistic to meet the projected need for foster care purposes. However, your Committees suggest that if further justification or future events warrant additional funds, then these matters can be made known to the Conference Committee at the appropriate time.

Your Committees have further amended the bill to delete references to foster care expenditures during prior years.

Your Committees on Human Services and Ways and Means are in accord with the intent and purpose of H.B. No. 3160, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3160, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Aki and Solomon.

SCRep. 2547 Health on H.B. No. 2192

The purpose of this bill is to prohibit the sale of cigarettes and other forms of tobacco in all health care facilities, including hospitals, clinics, and physicians' offices.

Your Committee finds that approximately 420,000 Americans die each year from tobacco related illnesses. Thousands more are adversely affected from the secondhand smoke. Tobacco is the only product on the market that, if used correctly, will still cause death and illness. This bill, by banning the sale of tobacco in health care facilities, will help to ensure that the indoor air in hospitals and clinics is free of smoke.

Testimony in support of this bill was received from the Director of Health, the Hawaii Medical Association, and the American Cancer Society.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2192, 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 Senator Nakasato.

SCRep. 2548 Health on H.B. No. 3164

The purpose of this bill is to authorize the Director of Health to appoint advisory committees to educate and counsel health care workers infected with HIV, hepatitis B virus, and other blood-borne infections about the risks of transmission and to ensure liability protections for those who serve on such committees.

Specifically, this bill authorizes the Director of Health to appoint, as needed, ad hoc committees to provide advice and recommendations to health care workers with HIV, hepatitis B virus, or other blood-borne infections regarding changes in practice to reduce the possibility of transmission to patients. Such committees would consist of an infectious disease specialist, a peer worker, and the worker's physician. The work of the committees would be kept confidential.

Your Committee finds that federal law requires each state to adopt the Center for Disease Control guidelines or risk losing federal public health funds. Although the Department of Health has established guidelines for the informal convening of advisory committees to aid health workers, statutory creation of advisory committees is required to protect the work of the committee members against liability. This bill would provide the committee members the same protections as the members of boards and commissions of the State as provided by Section 26-35.5, Hawaii Revised Statutes.

Testimony in support of this bill was received from the Director of Health.

Your Committee has amended this bill by requiring meetings of the committees to be closed to the public, but a summary of non-identifying information and general policy recommendations may be made available to the public.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3164, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3164, 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 Nakasato.

SCRep. 2549 Health on H.B. No. 3165

The purpose of this bill is to improve the medical insurance policy coverage for mental health, alcoholism, and drug abuse treatment, to provide needed flexibility of insurance benefits, and to extend the sunset date of the Mental Health and Alcohol and Drug Abuse Treatment Insurance Benefits Act.

Specifically, this bill amends section 431M-4, Hawaii Revised Statutes, to allow two days of outpatient services to be exchanged for one day of in-hospital care where outpatient services would prevent hospitalization.

Your Committee finds that the need for mental health and substance abuse treatment continues to grow, but the federal and state resources for treatment have not kept up. This bill allows greater flexibility in mandated insurance benefits for the delivery of mental health and substance abuse services to clients. The ability to exchange inpatient for outpatient coverage provides effective treatment in the most cost efficient setting.

Testimony in support of this bill was received from the Director of Health, the Hawaii Medical Services Association, and the Hawaii Psychiatric Medical Association. According to the Director of Health, this bill will not enlarge the mandated coverage.

Your Committee has amended this bill by amending the definition of "certified substance abuse staff" to include physicians who hold current American Society of Addiction Medicine certificates. Testimony indicated that physicians should be exempted from the requirement of certification, but your Committee finds that a certificate from the physician-formed American Society of Addiction Medicine would suffice instead of certification. Additionally, your Committee has made technical, 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. 3165, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3165, H.D. 2, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 2550 Judiciary on H.B. No. 2718

The purpose of the bill is to appropriate funds to the judiciary for domestic violence education, counseling, legal representation, and technical assistance.

Your Committee received testimony in support of the bill from the judiciary, the Domestic Violence Legal Hotline, the Honolulu police department, Hawaii State Commission on the Status of Women, Honolulu prosecuting attorney, Hawaii Justice Foundation, Hawaii Women's Political Caucus, Oahu YWCA, the Sex Abuse Treatment Center, Hawaii State Committee on Family Violence, Family Peace Center, and several other individuals.

Your Committee finds that the funds appropriated to the Judiciary may be used to contract for the provision of these services through a private social service provider. Currently, the Domestic Violence Clearinghouse and Legal Hotline is providing telephone crisis counseling, referrals, community program and system information, legal representation, community education, professional training, advocacy for system reform and technical assistance about domestic abuse issues. Federal funding for the Domestic Violence Clearinghouse and Legal Hotline will end in May 1994.

Your Committee finds that without State funding, a large demand for the services which are presently provided by the Domestic Violence Clearinghouse and Legal Hotline will go unmet. Consequently, further demands will be placed on other State agencies like the courts, the Department of Human Services, and the police at a far greater cost.

Your Committee amended the bill by changing the appropriation amount to \$300,000.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2718, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2718, H.D.1, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2551 Judiciary on H.B. No. 2975

The purpose of the bill is to help the exchange of criminal justice information from the adult probation decisions to certain judiciary and federal criminal justice agencies providing supervision of the defendant or preparing a report for court. The bill would also release a copy of the pre-sentence diagnosis report to treatment practitioners who are treating the defendant pursuant to a condition of his probation sentence.

Your Committee received testimony in support of the bill from the judiciary.

Your Committee finds that this bill addresses a shortcoming in current statute with regard to information sharing between the Family Court, federal criminal justice agencies and treatment practitioners under §806-73 Hawaii Revised Statutes. Further, the bill will improve the administration of justice by ensuring sufficient information is available to key decision-making authorities on a timely basis.

Your Committee amended the bill by changing its effective date from upon approval by the Governor, to July 1, 1994, as requested by the judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2975, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2975, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2552 Judiciary on H.B. No. 2326

The purpose of the bill is to amend the statutory provision relating to civil actions by giving the district court jurisdiction in all civil actions where the debt, amount or damages or the value of the property claimed does not exceed \$20,000 and amends the exclusive jurisdiction amount of district court from \$5,000 to \$10,000.

Testimony in support of the bill was submitted by the judiciary and the Law Office of William J. Plum.

Your Committee finds that a case filed in circuit court takes approximately 24 months from filing to disposition. On the other hand, district court can bring a case to trial in as little as two months.

Your Committee further finds that bringing cases in district court would permit circuit court to assign its limited resources to other cases that preclude district court participation. The judiciary testified that an increase in the caseload should have no adverse effect on the district court's ability to dispose of such actions in a timely manner.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2326, 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. 2553 Judiciary on H.B. No. 2981

The purpose of the bill is to enable district court judges to set or adjust bail for class A felonies.

Your Committee received testimony from the judiciary and the public defender.

Your Committee finds that currently, district court judges conduct preliminary hearings to determine whether probable cause exists in felony cases, but due to this anachronistic statute, district court judges cannot set or adjust bail previously set by police officers for class A felonies.

Your Committee further finds that if district court judges are authorized to determine whether to commit or discharge all felony defendants after preliminary hearings, it is appropriate that they be authorized to admit the accused to bail in all such cases.

Your Committee amended the bill by changing the effective date from upon approval to July 1, 1994 as requested by the judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2981, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2981, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2554 Judiciary on H.B. No. 2851

The purpose of the bill is to appropriate funds to each county for the creation and maintenance of career criminal prosecution units, the victim witness programs, and youth gang prosecution units.

Your Committee received testimony in support of the bill from the Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii, Maui, and Kauai. Supportive testimony was also received from the County Council of Maui, Hawaii State Commission on the Status of Women, the Sex Abuse Treatment Center, Domestic Violence Legal Hotline, Hawaii State Coalition Against Sexual Assault, and other individuals.

Your Committee finds that it is necessary to fund these programs, as they are integral to protecting public safety. These programs will help our counties continue expedited processing and prosecution of youth gang members, as well as career criminals. They also provide essential victim and witness assistance programs.

Your Committee amended the bill to restore the specific grant-in-aid amount requested by each county.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2851, H.D.2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2851, H.D.2, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2555 Judiciary on H.B. No. 3134

The purpose of the bill is to authorize other state and county criminal justice agencies acting on the Hawaii Criminal Justice Data Center (HCJDC) behalf to assess fees for services relating to criminal record information and to establish a fee schedule. The bill also establishes a revolving fund with the moneys generated from the assessed fees to be used to improve the criminal history record information system.

Your Committee received testimony in support of the bill from the Attorney General and the Department of Education.

To address the concern expressed by the representative of the Department of Education, your Committee finds that the Department of Education is included as a state agency under §846-10.5 and therefore exempt from paying fees.

Based on the testimony received from the Attorney General, your Committee amended the bill by adding language to allow the HCJDC to adjust fees and exemptions by rules pursuant to Chapter 91.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3134, H.D.2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3134, H.D.2, S.D.1, and be referred to the Committee on Ways and Means.

SCRep. 2556 Judiciary on H.B. No. 2989

The purpose of the bill is to amend §603-1, Hawaii Revised Statutes, to move the district of Kalawao on the island of Molokai from the first judicial circuit to the second judicial circuit.

Your Committee received testimony in support of the bill from the judiciary.

Your Committee finds that it is no longer necessary for the district of Kalawao on the island of Molokai to be in the first judicial circuit. The Kalawao district was placed in the first judicial circuit in 1913 due to transportation difficulties and because the first circuit had better court facilities for taking care of Hansen's disease patients.

Your Committee further finds that having the Kalawao district in the first circuit no longer serves any rational purpose. Returning the Kalawao district to the second circuit would be consistent with having all areas of each island in the same district.

Your Committee amended the bill by changing the effective date from upon approval, to July 1, 1994 as requested by the judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2989, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2989, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2557 Judiciary on H.B. No. 3201

The purpose of the bill is to amend Chapter 11, Hawaii Revised Statutes, to increase the number of cycles in which voters who fail to vote are removed from the voters list, and to permit the County Clerks to transfer voters to new precincts upon receipt of change of address notifications.

Your Committee received testimony in support of the bill from the office of the lieutenant governor.

Your Committee finds that this measure will comply with certain provisions under the National Voter Registration Act of 1993. The Act calls for the nonremoval of registered voters who failed to vote for one election cycle. The intent of the federal legislation was to allow voters who only voted in presidential elections to remain registered for each succeeding presidential election. The 1993 Act requires that states who are not in compliance with its provisions to do so by January 1, 1995.

Your Committee amended the bill, upon the recommendation of the Office of the Lieutenant Governor, by amending page 1 lines 6-9 and page 2 line 1 to clarify when a person's name is to be removed from the voters' list.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 3201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3201, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2558 Judiciary on H.B. No. 2986

The purpose of the bill is to conform the adoption statute with the provisions in Hawaii Family Court Rule 4(c) which permits service of process by any adult who is not a party to the case.

Testimony in support of the bill was submitted by the judiciary.

Your Committee finds that this bill would permit in-state service of adoption summons to be made by any person authorized by court rule. The existing law requires that service of process in these cases be made by sheriffs or police.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2986, 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. 2559 Judiciary on H.B. No. 3468

The purpose of the bill is to authorize the Department of Public Safety to generate resources to help fund inmate programs.

Specifically, the bill:

- (1) Creates a revolving fund to offset the cost of providing programs for inmates;
- (2) Provides for the director to charge reasonable fees for participation in a correctional program, however, no person shall be denied access to a program because of the person's inability to pay;
- (3) Clarifies that fees collected shall be deposited into the fund; and
- (4) Requires the director to submit an annual report on the status of the correctional program revolving fund to the legislature.

Testimony in strong support of this bill was submitted by Department of Public Safety.

Your Committee finds the revolving fund will facilitate the department's continuation of reintegrative services, alternate programs to incarceration, community service, and other meaningful programs and services.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3468, 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. 2560 Judiciary on H.B. No. 3464

The purpose of the bill is to increase the membership of the Correctional Industries Advisory Committee (Advisory Committee) from seven to nine members.

Testimony in support of the bill was submitted by the Department of Public Safety.

The Correctional Industries program has expanded at a tremendous rate offering State agencies a wide range of goods and services and providing inmates a wide range of work training opportunities.

Your Committee finds that increasing the membership of the Advisory Committee will broaden the range of community and job-related expertise of the Advisory Committee to better advise the Department of Public Safety in establishing venture agreements between private sector businesses and correctional industries.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3464, 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. 2561 Planning, Land and Water Use Management on H.B. No. 2279

The purpose of this bill is to include hazards from hurricane, wind, and storm surge under the policies and guidelines of the Coastal Zone Management (CZM) Program.

Your Committee finds that current law includes, as a policy of the CZM program, the control of development in areas subject to storm wave, tsunami, flood, erosion, subsidence, and point and nonpoint source pollution hazards. Current law also subjects developments in special management areas to terms and conditions to ensure that alterations and construction cause minimal danger of floods, landslides, erosion, siltation, or failure in the event of an earthquake. Hurricanes Iniki and Iwa have made it abundantly clear that hurricane, wind, and storm surge present particular hazards to coastal zone areas. This bill clarifies that the mitigation of hazards caused by hurricanes and wind storms is within the program responsibilities of the CZM program.

The Office of State Planning submitted testimony in support of this bill, stating that the bill would control development in areas vulnerable to natural hazards for the protection of life and property.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2279 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2562 Planning, Land and Water Use Management on H.B. No. 2623

The purpose of this bill is to allow extensions of leases of public lands to enable lessees to qualify for mortgage lending or guarantee purposes with lending institutions.

Your Committee finds that there is a problem for leases expiring soon whereby the lessee is unable to obtain mortgage financing for improvements because the lease is short. This bill remedies that problem by allowing the lease to be extended long enough to qualify the lease for the loan. The term of a lease with the extension may not exceed sixty-five years and the new lease rental amount renegotiated may not be less than the rental of the preceding term. A lessee has until June 30, 1995, to apply for the extension.

Your Committee has made technical amendments which 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. 2623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2623, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2563 Planning, Land and Water Use Management on H.B. No. 2965

The purpose of this bill is to increase the membership of the Review Commission on the State Water Code from seven members to nine members.

This bill also provides that at least two members shall be residents of the counties of Hawaii, Kauai, or Maui.

Your Committee finds that the membership increase is needed to augment the standing of the Neighbor Islands on the Commission, since all current members reside on Oahu.

Your Committee has amended this bill to change the effective date to upon approval, except for the appropriation which shall take effect on July 1, 1994. Your Committee intends that the two new members be appointed as soon as possible, because the Review Commission will soon be holding a series of public hearings. This amendment allows the President of the Senate and the Speaker of the House to appoint the additional members prior to July 1, 1994.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2965, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2965, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2564 Planning, Land and Water Use Management on H.B. No. 3106

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to exchange public lands located in Kapalama, Oahu, for private lands located in Mount Olomana, Oahu, for the preservation of Mount Olomana as a historic landmark.

Act 348, Session Laws of Hawaii 1993, established the Mount Olomana state monument as an historic site and authorized the acquisition of land or land exchange, or both, for its protection. The Olomana lands necessary for this purpose are currently owned privately; however, the State has insufficient funds for the purchase of this land.

Your Committee finds that Mount Olomana is of such significance to the State that a land exchange is appropriate and should be pursued to preserve the land for its historic significance as well as its scenic, recreational, cultural, and ecological value.

Your Committee has amended this bill by:

- (1) Deleting the exception for legislative disapproval so that the Legislature may maintain oversight of this matter since the proposed land to be exchanged is not yet known;
- (2) Adding a drop-dead provision of June 30, 1995 to impose a definite date for resolution of this matter; and
- (3) Making technical nonsubstantive amendments.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 3106, H.D. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3106, H.D. 4, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2565 Planning, Land and Water Use Management on H.B. No. 3140

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to issue improvement district bonds in the aggregate amount not exceeding \$60,000,000.

Under chapter 206E, Hawaii Revised Statutes, the HCDA must assess the cost of improvements to the property owners in the district. To help the owners pay for their share of the improvements, the HCDA may issue tax-exempt bonds as a means of financing for the owners.

The HCDA is currently authorized to issue up to \$30,000,000. This bill increases that limit to \$60,000,000. Your Committee finds that this increased authorization is necessary to enable the HCDA to continue to offer financial assistance to property owners, especially in view of the improvements being made in the Kakaako district.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 3140 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2566 Planning, Land and Water Use Management on H.B. No. 3176

The purpose of this bill is to authorize the Board of Land and Natural Resources (Board) to modify or extend the terms of industrial leases for the purpose of enabling lessees to obtain a mortgage loan.

Under current law, industrial lessees are not included in the law allowing the Board to modify or extend certain types of leases, and an attorney general's opinion has indicated that an industrial lease does not constitute a "commercial lease" under the statute. The problem which this bill seeks to remedy is that the mortgage institutions have been unwilling to grant mortgages for industrial leases where the lease terms are short. This bill is intended to help industrial lessees by allowing the Board to modify industrial leases to enable lessees to obtain a mortgage.

Your Committee has made technical amendments which do not affect the substance of the bill.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 3176, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3176, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2567 Planning, Land and Water Use Management on H.B. No. 3423

The purpose of this bill is to assist small businesses adversely impacted by the construction of improvement district projects in the Kakaako community development district.

Your Committee finds that infrastructure improvements throughout the district are necessary in order for the Hawaii Community Development Authority (HCDA) to fulfill its mandate to redevelop Kakaako. Such improvements involve massive reconstruction of major infrastructure systems which cause significant disruption daily to businesses located within the construction area.

This bill provides vital relief to businesses by authorizing the HCDA to undertake night work construction for its improvement district project. In particular, the bill allows the HCDA to adopt and enforce noise standards for night work construction, thus enabling the HCDA to balance the needs and welfare of both residents and businesses located in the project area.

Your Committee has amended this bill by deleting the provision authorizing the HCDA to acquire properties, adding a provision to limit the applicability of the section to projects under section 206E-6, and making technical changes which 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. 3423, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3423, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2568 Planning, Land and Water Use Management on H.B. No. 3445

The purpose of this bill is to clarify the processes and procedures of the Department of Land and Natural Resources (DLNR) relating to management and regulation of conservation lands.

This bill reflects some of the recommendations of the DLNR's 1993 Conservation District Review Project to improve the management and regulation of Hawaii's conservation district lands. This project was undertaken with the assistance of a twenty-six member statewide Project Advisory Committee comprised of private landowners, community and environmental groups, planning and legal professionals, and state and county agencies.

This bill will enable the DLNR to lay the foundation for potential amendments to the DLNR's administrative rules to facilitate permit process changes.

Your Committee has amended this bill as follows:

- (1) At page 3, by deleting the definition of "zones"; and
- (2) At page 4, line 15, by adding "of the zones" and deleting "as established by or under the authority of this part."

The definition of "zones" was deleted on recommendation of the DLNR. The other amendment is to make clear that the DLNR's jurisdiction applies only to zones within a conservation district and not to conservation district boundaries themselves.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 3445, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3445, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2569 (Majority) Planning, Land and Water Use Management on H.B. No. 3450

The purpose of this bill is to allow the Hawaii Community Development Authority (HCDA) to develop a special improvement program to identify special improvement public facilities needed within community development districts and to broaden the financing capability of the HCDA to finance public improvements within these districts.

In particular, the bill provides the HCDA with an alternate means of financing infrastructure and other types of public improvements through the issuance of bonds which are payable from assessments imposed on properties generally benefiting from these improvements. This new financing mechanism is distinct from the existing district-wide improvement program under section 206E-6, Hawaii Revised Statutes.

Your Committee has amended this bill on the recommendation of the HCDA to require that rules be adopted to:

- (1) Establish procedures for notifying affected property owners and provide an opportunity for such owner to be heard;
- (2) Provide that these procedures and hearing are subject to waiver by 100 percent of the affected property owners;
- (3) Require that the proposed assessment on properties to fund a public facility would not be undertaken if the affected owners of more than fifty-five percent of the property in an assessment area or more than fifty-five percent of the affected owners of the property in an assessment area, oppose the proposed assessment; and
- (4) Require that if an affected owner requires the lessee to pay the proposed assessment, the rights for notification, hearing and protest are given to the affected lessee.

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

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 3450, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3450, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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

SCRep. 2570 Higher Education, Culture and Arts and Historic Preservation on H.B. No. 2596

The purpose of this bill as received is to establish a revolving fund for the social sciences training and research laboratory ("SSTRL") of the college of arts and sciences of the University of Hawaii at Hilo ("UHH").

Your Committee recognizes that a revolving fund would allow the SSTRL to meet the research needs of many local agencies by being able to accept and process funds from external sources.

Your Committee also acknowledges that UHH desires to enhance its curriculum by having a marine education center field station. Your Committee agrees that a field station would provide numerous educational, industrial, commercial, and environmental benefits to UHH and the State. To achieve these benefits, UHH requires planning funds in preparation for complying with Hawaii county permitting requirements.

Upon careful consideration, your Committee has amended this bill by combining its contents with that of H.B. No. 3091 authorizing capital improvement projects for the Kalakaua marine education center's Puako field station.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 2596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2596, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2571 Higher Education, Culture and Arts and Historic Preservation on H.B. No. 3332

The purpose of this bill is to establish the Hawaii State Post-Secondary Review Program.

The purpose of the program is to ensure that post-secondary institutions participating in Title IV student financial assistance programs meet appropriate federal standards to continue receiving federal student financial aid funds.

The bill designates the Hawaii State Post-Secondary Commission as the state entity to review higher education institutions to determine their eligibility to receive Title IV federal assistance.

The state post-secondary review program ensures that institutions participating in Title IV student financial assistance programs meet appropriate standards of educational quality and integrity by increasing accountability of those institutions through expanded state oversight of institutions. The bill authorizes the Commission to cooperate with the federal government in carrying out this purpose.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 3332 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2572 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2622

The purpose of this bill is to provide the Department of Land and Natural Resources (DLNR) with more time to negotiate and enter into long-term lease agreements of public lands with Kalapana residents of Hawaiian ancestry who were dispossessed or displaced from their homes as a result of volcanic eruptions.

The bill extends the effective date of Act 314, Session Laws of Hawaii 1991, from December 31, 1994, to December 31, 1995.

Your Committee finds the extension is necessary in order to provide the DLNR with additional time to complete the construction of the residential subdivision to which the displacees are to relocate and to negotiate and enter into lease agreements with the designated displacees.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2622, 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. 2573 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2647

The purpose of this bill is to establish a comprehensive, statewide Environmental Education Program (Program).

The Program is intended to coordinate existing environmental education services, programs, and curricula. Your Committee believes that this will help prevent wasteful duplication of valuable resources.

To implement the Program, the bill establishes an Environmental Education Council (Council), and authorizes the hiring of an Environmental Education Coordinator (Coordinator) to develop an Environmental Education Clearinghouse.

Your Committee finds that establishing such a program will result in the development of environmentally-literate citizens who will be prepared to solve existing environmental problems, prevent new problems, and maintain a sustainable environment for future generations.

Your Committee has amended the bill by:

- (1) Deleting the \$1 appropriation and leaving the amount blank;
- (2) Adding a representative from the not-for-profit environmental education community and a representative from the community-at-large to the Council list;
- (3) Adding a provision that restricts state funds from being used for public relations or advertising costs, unless used specifically for legal or out-of-state tourism promotion advertisements; and
- (4) Making technical 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. 2647, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2647, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2574 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2919

The purpose of this bill is to expand the scope of the Department of Health's volunteer water quality surveying and sampling pilot program.

Your Committee finds that the Department of Health's volunteer water quality surveying and sampling pilot program was established in 1993 to determine the long-term feasibility and economic benefit of using volunteers to survey and sample water quality. The bill proposes to include water systems surrounding Kailua Bay (Kona), Puako Bay and Reef, and Mahiula Bay on the island of Hawaii, as areas where the pilot program will be implemented.

Your Committee has amended the bill by deleting the \$1 appropriation and inserting a blank amount in its place.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2919, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2919, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2575 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3152

The purpose of this bill is to expedite the appraisal process of Hawaiian Home Lands and provide flexibility in the manner by which appraisals of improvements and growing crops and stock, if any, are to be conducted when homestead leases are surrendered, cancelled, or disposed of following a lessee's death.

Your Committee finds that currently, Section 209 of the Hawaiian Homes Commission Act, 1920, as amended, requires that when a homestead lease is surrendered, cancelled, or disposed of following a lessee's death, a single appraisal by three appraisers is to be conducted to assess a value of the improvements, crops, and stock of the deceased lessee. This

process has proven to be cumbersome and time-consuming. By providing flexibility in the manner by which appraisals are performed, your Committee believes that the time and resources of the Department of Hawaiian Home Lands will be better utilized.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3152 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2576 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3153

The purpose of this bill is to amend the Homestead General Leasing Program established by Act 75, Session Laws of Hawaii 1986, by eliminating the provision that repeals Act 75 on December 31, 1995 and making other technical, nonsubstantive amendments.

Your Committee has amended the bill by:

- (1) Deleting Sections 1 and 2;
- (2) Reinstating an automatic repeal of Act 75 but extending the repeal date to December 31, 1996; and
- (3) Appropriately renumbering the remaining sections.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3153, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3153, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2577 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3302

The purpose of this bill is to amend the law relating to public agency meetings and records (the "sunshine" law) to allow a board to hold a meeting by videoconference, and to prescribe specific requirements for the conduct of such a meeting.

Specifically, this bill:

- (1) Requires the videoconference system used by the board to allow both audio and visual interaction between all members of the board participating in the meeting and the public attending the meeting, at any videoconference location;
- (2) Requires the written public notice of the board meeting to specify all locations at which board members will be physically present during a videoconference meeting, and requires that the public be allowed to attend the meeting at any such location;
- (3) Specifies that any board member participating in a meeting by videoconference shall be considered present at the meeting for the purposes of determining compliance with the quorum and voting requirements of the board;
- (4) Requires a meeting held by videoconference to be terminated if both audio and video communication cannot be maintained with all locations where the meeting is being held, even if a quorum of the board is physically present in one location; and
- (5) Requires each board to adopt rules regarding the use of and the procedures to be followed in a meeting held by videoconference, before the meetings are held.

Your Committee received testimony in support of this measure from the Department of the Attorney General. Your Committee finds that this measure will enhance the efficiency and cost-effectiveness of boards by allowing them to meet by using modern communication technology while protecting the interests served by the sunshine law.

Your Committee has amended this bill by clarifying that the implementing rules adopted by the boards should be adopted pursuant to the Hawaii Administrative Procedure Act, and by making technical, nonsubstantive amendments for 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. 3302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3302, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2578 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3433

The purpose of this bill is to approve the first two advisory opinions of the Hawaiian home lands trust individual claims review panel on claims of individual beneficiaries for breaches of the Hawaiian home lands trust resulting from acts or omissions of state employees in the management and disposition of trust resources.

This bill also provides compensation of:

- (1) \$1 for one of the named claimants for actual damages due to acts or omissions of Department of Hawaiian Home Lands employees in 1971; and
- (2) \$1 to all other subsequent claimants who may be identified by the review panel as having suffered damages for a breach of trust.

Your Committee received testimony from claimant Low who was told in 1971 that her application for a homestead was rejected because homesteads were for poor Hawaiians not for persons such as herself, whose husband was employed. In 1986 when she learned that all native Hawaiians could qualify for a homestead, her application was given a number of 4,016--a number which likely would have been lower had her 1971 application been approved. In December 1993 the Hawaiian home lands trust individual claims review panel determined that the Department of Hawaiian Home Lands had wrongly rejected Ms. Low's application in 1971. The individual claims review panel was set up to review just this kind of claim for which damages should issue.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3433, 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. 2579 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3550

The purpose of this bill is to extend the use tax exemption for oil pollution fighting equipment imported into the State that was offered in section 1 of Act 184, Session Laws of Hawaii 1992, by amending the repeal date.

Testimony in support of this bill was submitted by the Department of Taxation, Tax Foundation of Hawaii, Western States Petroleum Association, and the Marine Spill Response Corporation (MSRC). Testimony in opposition to this bill was submitted by the Sierra Club Hawaii Chapter.

Your Committee finds that the bill would significantly contribute to environmental emergency response and would also benefit Hawaii's environment at no cost to government. Other jurisdictions have granted similar tax exemptions.

Your Committee finds that MSRC is a private, not-for-profit and tax exempt organization which will provide a best-effort response to catastrophic oil spills in U.S. coastal and tidal waters. A MSRC national system has been operational since 1993.

Your Committee further finds that MSRC has a major presence in Hawaii, has voluntarily selected Hawaii as a Deployed Response site, and has allocated close to \$25 million worth of oil spill response equipment in Hawaii to protect Hawaii's coastline against major oil spills. Included in MSRC's investment is a new 210 foot response vessel already stationed in Honolulu, several oil recovery barge systems, and additional spill response equipment.

Your Committee further finds that previously existing U.S. oil spill response organizations had a limited capability of responding to open sea spills and most of that capability was previously on the west coast. In 1989, the spill of the Exxon Valdez far exceeded existing capability available anywhere. Thus, there was a serious gap in existing spill response capability in U.S. coastal waters.

Your Committee further finds that in a recent study completed by the University of Hawaii Sea Grant College Program for the Department of Health, a 10 million gallon spill in the Kaiwi Channel, between Oahu and Molokai, could cost the State of Hawaii between \$640 million and \$6.8 billion in lost tourism revenues. Hawaii is thus vulnerable to a major oil spill, since Hawaii relies almost exclusively on shipping for consumer and industrial goods, and since Hawaii has approximately a 90 percent dependence on oil for energy.

Your Committee further finds that it is the objective of MSRC to bridge the oil spill response gap by providing enhanced capability to mount a best-effort response to such catastrophic oil spills. All MSRC equipment, material, and activities in Hawaii will be primarily for the protection of the public and the public interest through the mitigation of water pollution caused by oil spills.

Your Committee further finds that the U.S. Congress recognized the serious environmental damage caused by large oil spills by enacting the Oil Pollution Act of 1990. Entities, such as MSRC, which were created to respond to the requirements set forth in the Oil Pollution Act of 1990 will help protect against environmental damage caused by catastrophic oil spills.

Your Committee further finds that prior to June 30, 1993 MSRC placed approximately \$17.5 million in oil spill response equipment in Hawaii, including the vessel "Hawaii Responder" which cost approximately \$12 million and arrived on June 1, 1993. During the period between July 1, 1993 and December 31, 1993 approximately \$7.7 million of additional oil spill response equipment was placed in Hawaii by MSRC. The 40,000 BBL barge, which arrived on November 8, 1993, represented the largest portion of the \$7.7 million, at a cost of approximately \$5.2 million. The barge did not arrive in Hawaii before June 30, 1993 due to unforeseen construction delays and certain Coast Guard authorizations. The barge and equipment which arrived after June 30, 1993 are integral and critical components of MSRC's response system in Hawaii.

Your Committee supports the efforts of entities such as MSRC and believes that the pre-staging of response vessels, barges, and equipment will significantly benefit Hawaii's emergency environmental response.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3550 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2580 Health on H.B. No. 2419

The purpose of this bill is to expand the role of psychologists in emergency hospitalization cases and the commitment of individuals to psychiatric facilities.

Specifically, this bill amends chapter 334, Hawaii Revised Statutes, to permit psychologists, in emergency cases, to make applications to the court for determination of mental illness, to authorize transportation for purposes of examination and determination of treatments, and to examine and hospitalize the patient. Additionally, this bill allows psychological testimony to be presented at involuntary commitment hearings before a person can undergo treatment in a psychiatric facility.

Your Committee finds that clinical psychologists are qualified by training and experience to perform many of the assessments and interventions included in mental treatment. Increasing the role of psychologists will facilitate timely and effective treatment for persons whose mental illness, substance abuse, or imminent danger necessitates emergency examination and hospitalization.

Testimony in support of this bill was received by the Director of Health, the Hawaii Psychological Association, and the National Association of Social Workers.

Your Committee has amended this bill by allowing a psychologist to hospitalize a patient admitted for emergency mental examination only according to the psychiatric facility's policies. Further, if the facility's policies do not permit a psychologist to admit patients, the amendment requires a medical staff member with admitting privileges to admit the patient.

Your Committee has also made technical, 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. 2419, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2419, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2581 Health on H.B. No. 3325

The purpose of this bill is to exempt community hospitals from the prohibition against contracting for legal assistance.

Specifically, this bill would amend section 103-209, Hawaii Revised Statutes, to exempt Maui Memorial Hospital, Hilo Hospital, Kona Hospital, and the division of community hospitals, from the prohibition against employing attorneys for the purpose of conducting litigation, drafting legal documents, or giving legal advice. However, the hospitals may only contract attorneys through the attorney general's office, who shall be designated as special attorney generals. Further, nothing in this bill shall supersede any collective bargaining agreement or any statute protecting employee rights or benefits. The bill also authorizes the Director of Health to establish and fill seventy-five health care specialty positions.

Your Committee finds that the fostering of autonomy in the community hospitals expedites and improves the delivery of health care services by Hawaii's public hospital system. The exemptions established in this bill will improve the administrative efficiency, reduce "red tape", and decrease hospital costs.

Further, your Committee finds that authorizing the Director to establish and fill seventy-five positions, allows the community hospitals to hire health care specialists, where needed, without having to go through the requirements of establishing civil service categories. Moreover, hospitals will be able to pay market salaries to compete with private institutions.

Your Committee has amended this bill by deleting "special attorney general" because all attorneys working on contract from the attorney general are automatically designated as special deputy attorney generals. Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3325, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3325, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2582 Health on H.B. No. 3406

The purpose of this bill is the change the name of Hilo Hospital to Hilo Medical Center and Kona Hospital to Kona Community Hospital.

Your Committee finds that a name change for Hilo and Kona Hospitals would more accurately reflect the mission and services of these facilities. By changing Hilo Hospital to Hilo Medical Center, patients will know that other medical

treatments are available there. By changing Kona Hospital to Kona Community Hospital, the west Hawaii residents will take pride in the facility and will support the hospital.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3406 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2583 Health on H.B. No. 3326

The purpose of this bill is to expand the Community Hospitals Division's pilot autonomy project to include four rural hospitals, a medical center, and the division staff office.

Specifically, this bill would amend Act 211, Session Laws of Hawaii 1993, to require the Director of Health to formulate policies for the autonomous operation of Ka'u Hospital, Honokaa Hospital, Kohala Hospital, Lanai Community Hospital, Hana Medical Center, and the Division of Community Hospitals administrative staff office.

Your Committee finds that autonomous operation of community hospitals has enabled them to reduce administrative overhead, improve patient care, acquire needed medical equipment, and hire essential medical personnel. Since the smaller rural hospitals have the same needs as the larger facilities, this bill would extend the benefits of autonomy to the remaining hospitals and to the Division administration.

Testimony in support of this bill was received from the Director of Health.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3326, 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. 2584 Housing on H.B. No. 2005

The purpose of this bill is to clarify the Rental Housing Trust Fund program.

Specifically, the bill:

- (1) Amends the definition of "nonprofit organization" to cite the specific tax sections from which the organization is exempt;
- (2) Allows the Rental Housing Trust Fund Commission (Commission), with the approval of the Legislature, to set the amount that may be used by the Commission for administrative expenses;
- (3) Allows money from the Rental Housing Trust Fund to be used for capacity building of nonprofit housing developers;
- (4) Clarifies certain provisions relating to the composition of the Commission, and the terms and appointments of the members of the Commission;
- (5) Gives the Commission the authority to enter into contracts with consultants, hire employees without regard to Chapters 76 and 77, Hawaii Revised Statutes, and to obtain the services of technical and support staff from the Department of Budget and Finance; and
- (6) Appropriates \$200,000 from the Rental Housing Trust Fund to fund the administrative expenses incurred by the Commission.

Your Committee believes that the bill will assist the Commission in carrying out its intended purpose.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2005, 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. 2585 Housing on H.B. No. 2913

The purpose of this bill is to streamline the permitting process for housing project developments.

Specifically, the bill provides that where a housing development permit request requires the amendment of a county general plan, a county community or development plan, or a county zoning map, the processing of these requests for amendments shall be done concurrently upon request of the applicant. Additionally, the bill requires these plan and zoning map amendment requests to be processed concurrently with any State Land Use Commission redesignation requests that affect the permitting of the project.

Your Committee finds that the concurrent processing of amendment requests would expedite the permitting process, thereby not only facilitating a faster rate of construction of new dwellings, but lowering the total cost of the project as well.

Your Committee has amended this bill to delete references to a "county general plan." Your Committee finds that a county general plan is a comprehensive planning document whose purpose is to establish the long range growth policy for the county. Given the nature and importance of the general plan, your Committee believes that the process involved in developing the general plan should remain separate and distinct.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2913, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2913, H.D. 3, S.D. 1. and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 2586 Housing on H.B. No. 3147

The purpose of this bill is to exempt the housing loan program revenue bond fund and the housing project bond special fund from the deduction authorized for central services expenses.

Your Committee finds that the housing loan program revenue bond fund and the housing project bond special fund are used to pay the operating expenses and the obligations of the "Hula Mae" single-family and the multi-family rental programs of the Housing Finance and Development Corporation. The five percent central services surcharge results in significant deductions from the earnings of these funds. In this regard, the surcharge severely hampers the ability of the corporation to achieve the objectives intended for these programs.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3147 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2587 Housing on H.B. No. 3383

The purpose of this bill is to increase the production of affordable housing in the State.

Specifically, the bill provides a one-year extension on the general excise tax exemption for qualified persons that participate in the production of affordable housing developments.

Your Committee finds that the Legislature's intent in enacting Act 303, Session Laws of Hawaii 1992, was to promote the development of affordable housing units in the State. Since then, even though affordable housing developments have been initiated or completed, the need for affordable housing in the State has not subsided. Therefore, your Committee believes that the extension of the exemption is in the best interest of the State.

Your Committee has amended the bill by making a technical, nonsubstantive amendment to conform with recommended drafting style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3383, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3383, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 2588 Executive Appointments on Gov. Msg. No. 165

Recommending that the Senate advise and consent to the nominations of the following to the Kahoolawe Island Reserve Commission:

BRIAN MISKAE and CRAIG NEFF, terms to expire June 30, 1995;

NALANI KANAKAOLE and COLETTE Y. MACHADO, terms to expire June 30, 1996; and

NOA EMMETT A. ALULI and A. FRENCHY DESOTO, terms to expire June 30, 1997.

Signed by all members of the Committee.

LCRep. 2589 Executive Appointments on Gov. Msg. No. 168

Recommending that the Senate advise and consent to the nominations of the following to the Natural Area Reserves System Commission:

ANN H. FIELDING and FRANK A. TRUSDELL, terms to expire June 30, 1994;

DONALD W. REESER, term to expire June 30, 1996;

DEBORAH L. CHANG and STANLEY YASUDA, terms to expires June 30, 1997; and

ANN H. FIELD, STEVEN LEE MONTGOMERY and FRANK A. TRUSDELL, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2590 Executive Appointments on Gov. Msg. No. 169

Recommending that the Senate advise and consent to the nominations of the following to the Statewide Independent Living Council:

LEONARD C. ALMIRON, BOB CHOW, ROBERT E. COOLIDGE, BERNADETTE FRANKS-ONGOY, JENNIFER LEE, and FLORENCE LERBACK, terms to expire June 30, 1994;

KATHLEEN HOLDEN, LINDA MAEDA, ANDREW NAKAGAWA, JULIETTE PASION and LESLIE K. TAWATA, terms to expire June 30, 1995;

CLARKE HALONA FARDEN, DOROTHY NANI FIFE, LESLIE E. KELLY, JAN Y. KUNIYOSHI, YVONNE A. LUM, MARK T. OBATAKE, GAIL A. ONOUE-MORIKAWA and STANLEY H. PARNELL, JR., terms to expire June 30, 1996; and

LEONARD C. ALMIRON, BOB CHOW, ROBERT E. COOLIDGE, BERNADETTE FRANKS-ONGOY, JENNIFER LEE and FLORENCE LERBACK, terms to expire June 30, 1997.

Signed by all members of the Committee.

LCRep. 2591 Executive Appointments on Gov. Msg. No. 170

Recommending that the Senate advise and consent to the nominations of the following to the State Advisory Council on Rehabilitation:

NALINI BLUMER-BUELL, TONY COLORETTI, JEAN MOORE, MARK OBATAKE, VICKIE SCHOONOVER and WALLY SOARES, terms to expire June 30, 1994;

GERALD DEOREO, ROBERT P. HORWATH, SUSAN M. KLOPOTEK, DONALD J. MACK, KIRBY SHAW and HILDA TORRES, terms to expire June 30, 1995;

MARIANNE CHUNG, MARK FRATZKE, WAYNE KISHIDA, LAURA ROBERTSON, BETTY J. SESTAK, GARY L. SMITH and DONN. J. TAKAHASHI, terms to expire June 30, 1996; and

NALINI BLUMER-BUELL, TONY COLORETTI, JEAN MOORE, MARK OBBATAKE, VICKIE SCHOONOVER and WALLY SOARES, terms to expire June 30, 1997.

Signed by all members of the Committee.

LCRep. 2592 Executive Appointments on Gov. Msg. No. 178

Recommending that the Senate advise and consent to the nomination of TED CANDIA to the State Boxing Commission of Hawaii, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2593 Executive Appointments on Gov. Msg. No. 179

Recommending that the Senate advise and consent to the nomination of LANE H. SHIBATA to the Credit Union Review Board, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2594 Executive Appointments on Gov. Msg. No. 183

Recommending that the Senate advise and consent to the nominations of THADDEUS R. TOMEI and DANIEL J. TUCKER to the Elevator Mechanics Licensing Board, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2595 Executive Appointments on Gov. Msg. No. 185

Recommending that the Senate advise and consent to the nomination of MICHAEL L. JAMES to the Board of Hearing Aid Dealers and Fitters, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2596 Executive Appointments on Gov. Msg. No. 187

Recommending that the Senate advise and consent to the nominations of BUSTER M. KOMORI and STUART C. LAU to the Motor Vehicle Repair Industry Board, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2597 Executive Appointments on Gov. Msg. No. 189

Recommending that the Senate advise and consent to the nominations of JOHN L. BURKE, JR., and CHARLES H. TURNER to the Board of Examiners in Naturopathy, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2598 Executive Appointments on Gov. Msg. No. 190

Recommending that the Senate advise and consent to the nominations of TSUNEKO APAKA and DALE CHIKUAMI HAHN to the Board of Examiners of Nursing Home Administrators, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2599 Executive Appointment on Gov. Msg. No. 191

Recommending that the Senate advise and consent to the nomination of ARVID T. HARA to the Board of Dispensing Opticians, term to expire June 30, 1998.

Signed by all members of the Committee.

SCRep. 2600 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on H.B. No. 3463

The purpose of this bill is to transfer certain public safety functions and positions from the State Department of Defense to the Department of Public Safety.

Your Committees find that Act 211, Session Laws of Hawaii 1989, required the Director of Public Safety to report recommendations to the Legislature regarding the transfer of other public safety functions and employees from other departments. The report identified after-hours security for the National Guard and State Civil Defense facilities as public safety functions.

Your Committees believe the bill is in accord with the recommendations of the report.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary are in accord with the intent and purpose of H.B. No. 3463, 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.

SCRep. 2601 Agriculture on H.B. No. 2690

The purpose of this bill is to authorize the Department of Agriculture to set the rental fees for land in agricultural parks based on the appraised evaluation of the property rather than the fair market value.

Your Committee finds that the current rental fees reflect an unreasonably high and distorted figure which is based primarily on the general trend of real estate sales. This results in a major imbalance of lease rents for agriculture lands throughout the State.

Your Committee believes that agricultural lease rents must be affordable if agriculture is to remain a viable industry in this State. This bill, by authorizing the Department to adjust lease rents by rules, provides for a method of setting lease rents that are more reflective of existing conditions, taking into account discrepancies in the real estate market that may adversely impact agriculture lease rents.

Your Committee received testimony in support of the bill from the Department of Agriculture, the Hawaii Farm Bureau, and four concerned citizens. During your Committee's hearings on the companion bill, S.B. No. 2077, these testimonies were duly considered in the decision of your Committee to act favorably on that measure.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2690, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 2602 Agriculture on H.B. No. 3003

The purpose of this bill is to exempt agricultural and horticultural nonprofit organizations from the general excise tax.

Your Committee received testimony in support of the bill from the Department of Taxation and the Hawaii Farm Bureau. The Tax Foundation of Hawaii, through the "Tax Bill Service", commented favorably on the bill as affording the same tax exempt status to agricultural and horticultural nonprofit organizations that other nonprofit organizations enjoy.

Your Committee received testimony in support of the companion bill, S.B. No. 2375, from these same interested parties and considered that measure and its passage in the light of essentially the same testimonies.

Your Committee finds that most organizations operated exclusively for the benefit of the community are exempt from excise tax and to deny this advantage to agricultural and horticultural organizations is not an equitable situation and should be rectified.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3003, 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. 2603 Housing on H.B. No. 65

The purposes of this bill are to:

- (1) Authorize the Department of Budget and Finance to issue revenue bonds to enable the Housing Finance and Development Corporation (HFDC) to finance and refinance the purchase of the Queen Emma Gardens apartments; and
- (2) Establish a loan program and a special fund within the Department of Budget and Finance to transfer the proceeds of the bonds issued to the HFDC for the foregoing purpose.

Your Committee finds that there is an acute shortage of safe, decent, and affordable rental housing in the State of Hawaii. Consequently, many persons are forced to occupy overcrowded, unsafe, or unsanitary dwelling accommodations; are severely cost-burdened; or, become homeless.

Your Committee further finds that many of Hawaii's housing problems stem from an inadequate supply of affordable housing, which has led to low vacancy rates and high rents. Because of the high cost of housing development and the extent of rental expense burden among Hawaii's very low and low income households, actions must be taken to develop and maintain an adequate stock of affordable rental housing.

An action called for in the State Housing Functional Plan is the preservation of existing public and private housing stock, including federally-assisted, below-market rental housing projects. One such project is the 587-unit Queen Emma Gardens apartment complex which was built in 1961 as an urban renewal project. The rent charged at the project was below prevailing market prices for many years, making it one of Honolulu's most affordable places to live.

Your Committee also finds that rents at the Queen Emma Gardens apartment complex have increased by seven to fourteen percent each year since the 1987 death of the complex's owner, Robert E. Black. Average rent increases, which took effect on January 1, 1992, ranged from \$50 to \$145 per month. Since then, rents have continued to increase and move toward market prices.

Because of uncertainties surrounding the fate of affordable rental apartments that last beyond their rent restrictions and begin charging closer to what the market will bear, there is concern that the Queen Emma Gardens apartment complex, which is located in an area of Honolulu where housing is in especially short supply, will cease to be affordable.

Your Committee has amended the bill by:

- (1) Making the HFDC solely responsible for the bond issuance to acquire the Queen Emma Gardens instead of the Department of Budget and Finance;
- (2) Giving HFDC the authority to exercise its discretion in ascertaining the feasibility of acquiring the Queen Emma Gardens;
- (3) Providing the HFDC with the authority to exercise its power of eminent domain to acquire the Queen Emma Gardens;
- (4) Requiring legislative approval before any bonds are issued to acquire the Queen Emma Gardens; and
- (5) Making numerous amendments to the findings and purpose section of the bill.

Your Committee believes that due to the tremendous need for affordable rental housing, it is in the public interest to provide affordable housing through a variety of means, including preserving affordable rental housing stock.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 65, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 65, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2604 Housing on H.B. No. 2912

The purpose of this bill is to provide state agencies charged with the responsibility of approving permits to construct housing projects with the flexibility to extend the review period in contested cases.

Specifically, the bill allows a state agency that is reviewing a request to construct housing through a contested case hearing, to extend the maximum six month time period for an additional ninety days. The ninety day extension can only be granted if stipulated by all parties to the proceeding or if the extension is deemed necessary by the state agency.

Your Committee finds that in contested case proceedings, it is important that the parties are afforded sufficient opportunity to present relevant evidence so that the state agency has an accurate and complete record upon which to make

its decision. However, the six month time period is too constrictive for those contested cases which may require more time to ensure adequate notice and opportunity to present evidence.

Your Committee has amended the bill to restore language in the existing law that was inadvertently deleted from the bill.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2912, S.D. 1, and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 2605 Housing on H.B. No. 3600

The purpose of this bill is to provide funding to address the housing needs of employees who will lose their jobs as the result of the closure of the Hamakua and C. Brewer sugarcane operations on the island of Hawaii.

Your Committee finds that the impending closure of two major sugar operations on the island of Hawaii will undoubtedly result in widespread detrimental effects to the Hilo and Hamakua communities of the island of Hawaii. Employees making rental or mortgage payments are understandably concerned about their ability to meet these obligations in the future. This bill establishes a housing assistance program to help families cope with the loss of their jobs as well as a grant program to provide assistance to ensure the continued operation of the Hamakua Sugar plantation camps.

Your Committee has amended the bill by deleting section 2 of the bill and all references and the appropriations to be used for rental assistance contracts contained in section 201E-133, Hawaii Revised Statutes. Your Committee has inserted \$800,000 as the amounts to be appropriated for the emergency loan program and the grant program and clarified that the Housing Finance and Development Corporation is to develop and implement the grant program in a manner which will address administrative, maintenance, and critical infrastructure improvement costs as well as assist in the subsidization of rental costs for financially overburdened tenants.

Your Committee has deleted the use of the rental assistance contracts administered by the Housing Finance and Development Corporation because:

- (1) The ceiling for the fund has already been reached; and
- (2) The rental assistance contracts require a recipient to allocate a minimum of thirty percent of the recipient's income to rent.

In many cases, the thirty percent substantially exceeds the amount renters already allocate for their plantation housing camp units.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3600, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3600, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2606 Science, Technology and Economic Development on H.B. No. 2631

The purpose of this bill is to amend Hawaii's state plan objectives relating to telecommunications systems and services, transportation, and energy.

Your Committee finds that current state policy mandates the State to promote the development of renewable energy sources and the prudent use of existing fuel supplies through conservation measures. Your Committee further finds that the development of more efficient telecommunications and transportation systems, and alternative energy options, is in keeping with these state mandates.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, the Consumer Advocate, the Pacific International Center for High Technology Research, the Office of State Planning, the Hawaii Energy Coalition, and the Sierra Club Hawaii Chapter. Your Committee notes that this measure is a result of the Energy and Environmental Summit and believes that the language added by this bill is necessary to clarify state policy in these areas.

Your Committee has amended this bill by making technical, nonsubstantive 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 H.B. 2631, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2631, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2607 Science, Technology and Economic Development on H.B. No. 2635

The purpose of this bill is to require a public utility to receive approval from the Public Utilities Commission prior to the adoption of rules governing independent power producers and to require review by the Legislature prior to adoption of rules governing the recovery of costs related to the development of non-utility generators by the public utility.

Your Committee finds that non-utility generators, or independent power producers, have been subject to guidelines developed by the public utilities without the review or approval of the Public Utilities Commission. Your Committee further finds that these guidelines can place undue restraints and financial burdens upon the non-utility generators which essentially prevent these alternative energy sources from becoming more economical and thus more available. Your Committee notes that this proposal resulted from the Energy and Environmental Summit in which support for the development of alternative energy sources and production was endorsed by summit participants.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Consumer Advocate, independent power producers, and energy summit participants. Testimony in opposition was submitted by the Public Utilities Commission and electric utility companies who expressed concern about the review by the Legislature of rules related to cost recovery for development of non-utility generators. Thus, your Committee has amended this bill by:

- (1) Requiring that any such rules regarding cost recovery be approved by the Public Utilities Commission prior to their adoption by the public utility; and
- (2) Adding a definition of non-utility generator.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 2635, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2635, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2608 Science, Technology and Economic Development on H.B. No. 2746

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for the construction of a demonstration fuel-grade ethanol production plant in Hamakua, Hawaii.

Your Committee finds that the issuance of tax-exempt special purpose revenue bonds will assist in the economic development of the Hamakua coast as well as contribute to the reduction of our State's dependence on imported fossil fuel. Your Committee further finds that special purpose revenue bonds are obligations of the industrial enterprise and as such are repaid with company revenues and not considered obligations of the State.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, and Energy Associates of Hawaii, Inc.

Your Committee has amended this bill by:

- (1) Inserting a dollar amount of \$25,000,000 for the bond authorization; and
- (2) Making technical non-substantive changes for the purposes of conformity with proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 2746, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2746, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2609 Science, Technology and Economic Development on H.B. No. 2897

The purpose of this bill is to reinstate the Natural Energy Laboratory of Hawaii Authority Special Fund which will be repealed effective June 30, 1994, pursuant to Act 280, Session Laws of Hawaii 1993.

Your Committee finds that the Natural Energy Laboratory of Hawaii Authority was established as an incubator facility for the development of ocean-related technologies, and these activities are partially supported by fees collected from the tenants involved in the research and development of these technologies. Your Committee further finds that although fees are exacted from the tenants, revenues are not yet sufficient to fully support the operations and maintenance of the Laboratory and its attendant facilities. Your Committee believes that the special fund provides the Authority with the incentive to achieve self-sufficiency while at the same time provides them flexibility to expend self-generated revenues as the need arises and as the Authority determines.

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

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 2897, H.D. 2, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2897, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2610 Science, Technology and Economic Development on H.B. No. 2945

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist electric utilities serving the general public.

Your Committee finds that the issuance of tax-exempt special purpose revenue bonds to support electric utility capital improvement projects contributes to the reduction in the overall costs of these projects, which in turn reduces the costs passed on to electric utility customers. Your Committee further finds that special purpose revenue bonds are obligations of the electric utilities and as such are repaid with utility company revenues and are not considered obligations of the State.

Testimony in support of this measure was submitted by the Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company.

Your Committee has amended this bill by:

- (1) Changing the effective date to upon approval; and
- (2) Making technical non-substantive changes for the purposes of clarity and conformity with proper drafting style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 2945, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2945, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2611 Science, Technology and Economic Development on H.B. No. 3093

The purpose of this bill is to establish an export trading companies loan program within the Department of Business, Economic Development, and Tourism.

Your Committee finds that export trading companies can assist in the diversification of Hawaii's economic base through the development of foreign markets for local goods. Your Committee further finds that export trading companies have difficulty receiving financial assistance from the private sector, and a government loan program to provide financial and technical assistance to these small business ventures will provide the initial support they need to develop foreign markets for their products.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee has amended this bill by changing the effective date to upon approval, except for the appropriation section, to allow the Department to proceed with the establishment of the program prior to July 1, 1994.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 3093, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3093, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2612 Science, Technology and Economic Development on H.B. No. 3255

The purpose of this bill is to authorize the legal operation of solar electric cars which are classified as motorcycles or mopeds under existing law.

Your Committee finds that under existing statutory definitions certain solar electric cars are classified as motorcycles due to their unique design, and these statutory definitions impose undue restrictions on their operators and manufacturers of solar electric cars. Your Committee further finds that because of their unique configuration, the present laws regarding vehicle safety and noise abatement need to be modified to allow for legal operation of these vehicles.

Testimony in support of this measure was submitted by the High Technology Development Corporation, the Department of Transportation, and Suntera Corporation. Your Committee, after consideration of the testimony, has amended this bill by incorporating portions of H.B. No. 3255, H.D. 1, which clarify restrictions on the operation of motorcycles including the use of safety helmets and age restrictions for riders and passengers when such vehicles are powered by electric motors. Your Committee notes that these provisions were deleted from the H.D.1 due to concerns expressed by the Department of Health which have now been addressed.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 3255, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3255, H.D. 2, S.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 2613 Science, Technology and Economic Development on H.B. No. 3451

The purpose of this bill is to establish the Public Utilities Commission Special Fund to support the operations of the Commission and the Consumer Advocate.

Your Committee finds that the regulation of public utilities encompasses the Public Utilities Commission which is responsible for monitoring 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 the various taxes and fees assessed upon public utilities, including a surcharge of one-eighth of one percent, will generate sufficient revenues to support the regulation activities undertaken by the State on behalf of the public interest.

Testimony in support of this measure was submitted by the Consumer Advocate, Hawaiian Electric Company, and GTE Hawaiian Tel. The testimony in support of this measure indicated that the workload of the two agencies is increasing proportionately with the complexity of public utility regulation issues, and the special fund will assist in clearing the growing backlog of cases through increased staffing. Testimony in support was also submitted by the Public Utilities Commission and the Hawaii Transportation Association requesting several clarifying amendments. After consideration of the testimony and given that current fees have remained unchanged for almost forty years, your Committee agrees that the need for increased support for public utility regulation justifies the small fee increases being proposed.

Your Committee has amended this bill by:

1. Inserting a reference to Chapter 486I in SECTION 1 regarding the uses of the special fund;
2. Clarifying that the thirty percent allocation to the Consumer Advocate will be made after the required deduction for central service expenses from the special fund;
3. Inserting a reference to section 605-5 in SECTION 1, regarding the sources of revenue for the special fund;
4. Providing a provision for ground transportation companies to recover the surcharge being imposed to support the special fund; and
5. Making technical, nonsubstantive 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 H.B. No. 3451, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3451, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2614 Science, Technology and Economic Development on H.B. No. 3481

The purpose of this bill is to create a temporary Hawaii Wellness Industry Commission to develop a strategic plan for the establishment of a wellness industry in Hawaii.

Your Committee finds that our State's future economic well-being is dependent upon the diversification of our present industries and the implementation of innovative economic development programs to achieve this goal. Your Committee further finds that Hawaii presently possesses invaluable infrastructure and talent which if tapped through a strategic plan can be easily developed into a wellness industry for promotion within as well as outside the State.

Testimony in support of this bill was received from the Department of Business, Economic Development, and Tourism, the Department of Health, the Chamber of Commerce of Hawaii, and many health care providers and wellness industry advocates. Based upon the testimony, your Committee has amended this bill by:

1. Clarifying that the strategic plan include analysis of marketing assistance methods, means, and financing, including public/private partnerships and venture capital; and
2. Including the information technology industry as part of the strategic plan.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 3481, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3481, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2615 Science, Technology and Economic Development on H.B. No. 3585

The purpose of this bill is to require the Public Utilities Commission to consider certain factors in making a determination about whether to approve the construction of high-voltage electric transmission systems either above or below ground.

Your Committee finds that the recent debate concerning the underground construction of high-voltage electric transmission systems has received increasing attention from public officials due to environmental and health concerns expressed by the public. Your Committee further finds that there needs to be a mechanism to balance these concerns with the substantial economic impact of mandating the undergrounding of these transmission systems.

Testimony in support of this measure was submitted by the Public Utilities Commission, the Consumer Advocate, and Hawaiian Electric Company. Testimony in opposition was submitted by the Sierra Club expressing concerns about the need to clarify the standards imposed under this measure. After consideration of the testimony presented, your Committee has amended this bill by:

1. Deleting the word "compelling" from the requirement to weigh benefits against costs; and

2. Deleting the consideration of whether taxpayers, as a whole, consent to bear the cost of underground electric transmission systems.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 3585, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3585, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2616 Science, Technology and Economic Development on H.B. No. 3607

The purpose of this bill is to stimulate the production of alternative fuels by mandating the use of ethanol in motor fuel.

Your Committee finds that ethanol production in the State is both appropriate and timely given recent development in the process of ethanol manufacture, the State's dependence on imported petroleum for transportation fuels, and the need to find alternative uses of agricultural lands becoming fallow as a result of the decline in sugar production. Your Committee also finds that this bill will not cause significant increases in cost to consumers and will help to reduce Hawaii's dependence on imported fuels. In addition, your Committee notes that ethanol is widely used on the mainland and has proven to be a good transportation fuel.

Testimony regarding this measure was submitted by the Department of Business, Economic Development, and Tourism, the Pacific International Center for High Technology Research, Energy Associates of Hawaii, Inc., Hawaii Sugar Planters' Association, and Chevron. After due consideration of concerns expressed about this measure, your Committee has amended this bill by:

- (1) Deleting its contents and substituting therefor S.B. No. 2483, S.D. 1, which requires the Director of Business, Economic Development, and Tourism to adopt rules to require that gasoline sold in the State for use in motor vehicles contain ten percent ethanol by volume, and provides exemptions where compliance with this requirement would cause undue hardship; and
- (2) Deleting the definition of "ethanol."

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 3607, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3607, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2617 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2

The purpose of this bill is to require the board of regents of the University of Hawaii to waive tuition fees for spouses and dependents of Hawaii national guard members who have been killed or permanently disabled while on active duty, subject to specific conditions.

Your Committees received testimony in support of this measure from the Department of Defense; the Hawaii Air National Guard, Chief and Senior Master Sergeant's Council; the Hawaii National Guard Enlisted Association; the Air National Guard Noncommissioned Officer Academy Graduates Association; the Hawaii National Guard Association; and the Hawaii National Guard Family Support Groups.

Your Committees have amended this bill by:

- (1) Allowing members of the state military forces, who are receiving veterans or federal education benefits, to receive both state tuition waiver benefits and federal education benefits;
- (2) Defining the term "permanent total disability" to mean a disability of such an extent that the disabled person has no reasonable prospect of finding regular employment of any kind in the normal labor market within the foreseeable future, including, but not limited to:
 - (A) The permanent and total loss of sight in both eyes;
 - (B) The loss of both feet at or before the ankle;
 - (C) The loss of both hands at or above the wrist;
 - (D) The loss of one hand and one foot;
 - (E) An injury to the spine resulting in permanent and complete paralysis of both legs or both arms or one leg and one arm; and
 - (F) An injury to the skull resulting in incurable imbecility or insanity;
- (3) Limiting the waiver of tuition fees for spouses and dependents of Hawaii national guard members to spouses and dependents of members who were killed or permanently totally disabled while on active duty; and

- (4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

To consolidate two separate measures relating to tuition waiver benefits for Hawaii national guard members into a single bill, your Committees amended H.B. No. 2 by inserting the provisions of H.B. No. 2357. Briefly, H.B. No. 2357 allows members of the state military forces who are receiving veterans or federal education benefits to receive both state tuition waiver benefits and federal education benefits.

Your Committees received testimony in support of H.B. No. 2357 from the Department of Defense; the Hawaii Air National Guard, Chief and Senior Master Sergeant's Council; the Hawaii National Guard Enlisted Association; the Air National Guard Noncommissioned Officer Academy Graduates Association; the Hawaii National Guard Association; the Hawaii National Guard Family Support Groups; the 29th Infantry Brigade (Separate), Hawaii Army National Guard; and one member of the Hawaii Army National Guard.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2618 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2357

The purpose of this bill is to enable members of the state military forces to qualify for tuition waivers at the University of Hawaii while receiving veterans or federal education benefits.

Your Committees have amended this bill by removing its contents and inserting language from S.B. No. 2911, S.D. 1, to establish a pilot program for recycling at the University of Hawaii.

Your Committees find that Hawaii's geographical isolation and limited landfill space make it imperative that recycling be encouraged. Your Committees find that rudimentary recycling efforts already exist at the University of Hawaii at Manoa, and that with the development of policies and procedures and the addition of a recycling coordinator, the university will be able to recycle more effectively and efficiently. The recycling coordinator would sustain and develop the recycling program on campus and help channel the significant student enthusiasm for recycling.

Your Committees on Higher Education, Culture and Arts, and Historic Preservation and Government Operations, Environmental Protection, and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 2357, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2357, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2619 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3055

The purpose of this bill is to extend the University of Hawaii's tuition waiver program for veterans until the academic year beginning after September 2003, and to expand the program by including veterans who served in a campaign or expedition for which a campaign or expeditionary medal has been authorized.

This bill extends the tuition waiver program, which expired with the academic year beginning in September 1993, until the year 2004. This bill also expands the tuition waiver program to include veterans who served in campaign medal expeditions including Lebanon, Grenada, Panama, and Southwest Asia (Desert Shield/Storm).

Testimony in support of this bill was received by the State's Department of Defense.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 3055, 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.

SCRep. 2620 Higher Education, Culture and Arts and Historic Preservation on H.B. No. 2882

The purpose of this bill is to list the required elements of any contract between the University of Hawaii Research Corporation and any agency, office, department, or other administrative subdivision of the executive branch of the state.

Specifically, this bill requires each contract to include the following facts: termination date, intent and purpose of the contract, statement establishing the full permissible extent of its applicability, a description of the circumstances under which it may be amended or extended, and the prior approval of the Board of Regents.

In light of the testimony received from the Research Corporation of the University of Hawaii, the University of Hawaii's Research and Graduate Education Division, and the Hawaii Government Employees Association, your Committee has amended this bill by deleting the requirement that there be prior contract approval by the Board of Regents.

Your Committee finds that deleting the approval requirement will expedite the process of contract review and eliminate any unnecessary steps.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 2882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2882, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2621 Higher Education, Culture and Arts and Historic Preservation on H.B. No. 3198

The purpose of this bill is to repeal two University of Hawaii (UH) athletics revolving funds and to authorize the UH to establish fees and charges for its athletic program and use of athletic facilities.

The funds to be repealed are the University of Hawaii at Manoa Intercollegiate Athletics Revolving Fund and the University of Hawaii at Hilo Intercollegiate Athletics Revolving Fund, both of which are scheduled for Auditor review by June 30, 1995.

In place of these funds, this bill provides that the UH may establish fees and charges for activities related to its athletic programs and use of its athletic facilities. The moneys will be deposited into the State's general fund, and expenditures for intercollegiate programs at the UH will be appropriated from the general fund by the Legislature.

Your Committee has amended this bill by deleting its contents and substituting language from companion bill S.B. No. 2980, S.D. 1. Sections 1 and 2 of this bill are unnecessary and Section 2 merely restates what is already contained in Section 41 of Act 280, Session Laws of Hawaii 1993. Section 3 of this bill is almost identical to the senate bill.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 3198, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3198, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2622 Higher Education, Culture and Arts and Historic Preservation on H.B. No. 3199

The purpose of this bill is to authorize the University of Hawaii (University) to increase revenue for its athletic department by allowing advertising devices to be displayed anywhere within and facing the interior of any stadiums owned by the University.

The bill also allows the display of outdoor advertising devices on the front of the scoreboard of the Aloha Stadium.

Current law allows the University to display advertising on the front of the scoreboard. Until September 1, 1986, the University was allowed to display advertising devices anywhere within the interior of a University owned stadium. This bill would reestablish that authority but prohibit advertisements of alcohol and tobacco products.

Testimony in support of this bill was received by the University of Hawaii. Testimony was also received by the Outdoor Circle and the Tobacco Institute.

In light of the constitutional concerns raised by the Outdoor Circle, your Committee has amended this bill by deleting the provision which prohibits the use of alcohol and tobacco advertising at University events.

Your Committee on Higher Education, Culture and Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 3199, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3199, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2623 (Joint) Health and Human Services on H.B. No. 1332

The purpose of the bill is to enable residential care homes to care for individuals who require intermediate levels of care.

Specifically, this bill amends chapter 321, Hawaii Revised Statutes, to require the Department of Health to establish Level of Care IV for adults in residential care homes whose care exceeds Level of Care III requirements and have at least one condition qualifying them for an intermediate care facility. This bill also allows, on a demonstration basis, the use of Medicaid waiver funds to support Level of Care IV payments.

Your Committees find that there is an estimated 250 hospital patients who are wait-listed for placement into a nursing home bed. Because approximately fifty percent of those wait-listed qualify for intermediate care facilities, providing a new level of care would allow those patients alternative placement. Further, residence in a community-based intermediate care facility may be funded through the Medicaid waiver program. This bill would provide the needed bed space for wait-listed patients and provide support through federal funds.

Because the level of care is determined by the Department of Health and not through statute, your Committees have amended this bill by providing authority to the Department of Health to establish by rule, rather than by statute, a new Level of Care IV for residents of adult residential care homes. Accordingly, your Committees have incorporated the contents of the statute into a session law. Your Committees have also amended this bill by requiring that the patients only meet the Level of Care III requirements rather than exceed it.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.B. No. 1332, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1332, 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 Reed.

SCRep. 2624 (Joint) Health and Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3324

The purpose of this bill is to give purchasing autonomy to the Maui Memorial Hospital and Hilo Hospital.

Specifically, this bill exempts Maui Memorial Hospital and Hilo Hospital from competitive bidding requirements, from restrictions on purchasing products not manufactured or produced in Hawaii, from special fund deductions by the Director of Finance for estimated central service expenses, and from paying the Department of Health administrative expenses from their share of special funds. The bill also amends section 323-63, Hawaii Revised Statutes, to authorize the Department of Health to request that Maui Memorial and Hilo Hospitals be exempt from applicable state agency requirements without abridging collective bargaining agreements or adversely affecting employees.

Your Committees find that the pilot autonomy program has provided significant benefits to Hilo and Maui Memorial Hospitals and has improved the delivery of health care services in the areas of purchasing and personnel management. By removing the competitive bidding requirement, community hospitals are able to acquire medical equipment quickly, reducing administrative time and overhead.

Testimony in support of this bill was received by the Director of Health.

Your Committees have adopted the recommendations of the Director of Health and have amended the bill by:

- (1) Including section 103-46 as one of the sections from which the community hospitals are exempted;
- (2) Deleting section 103-41 as one of the sections from which the community hospitals are exempted because this is a definitions section; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Health and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 3324, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3324, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2625 (Joint) Health and Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3458

The purpose of this bill is to establish a chief procurement officer for the Division of Community Hospitals, Department of Health, to conform with the Hawaii Public Procurement Code.

This bill also modifies the exemption of community hospitals from the competitive bidding process. The modification is that the exemption includes the Hawaii products list. The exemption section is repealed on June 30, 1996 as part of the temporary pilot autonomy project for public community hospitals.

Your Committees have amended this bill by deleting the preamble section because it is not applicable to the substance of the bill. Your Committees have also amended the bill by inserting the appropriate statutory citation as to the new chapter 103D, Hawaii Revised Statutes.

Your Committees on Health and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 3458, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3458, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2626 Health on H.B. No. 1649

The purpose of this bill is to authorize the Department of Health to conduct state and national criminal history record checks on employees of adult foster care homes and developmental disabilities domiciliary homes.

Specifically, this bill requires both applicants and employees of existing care providers to be fingerprinted for national criminal history record checks. This bill also requires applicants and employees of care providers to certify that they have not been convicted of crimes other than a minor traffic violation involving a fine of \$50 or less. Both existing employees and applicants must consent to a criminal history record check by the Department of Health.

This bill further provides that the Hawaii Criminal Justice Data Center may assess the costs of conducting the state and national criminal history record checks onto the individual applicants, the existing providers, or their employees.

Your Committee finds that requiring criminal history record checks of caregivers and operators of homes for the developmentally disabled will enable the Department of Health to better assure that those who they serve are given reputable and responsible care.

Your Committee has amended this bill by making 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. 1649, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1649, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2627 Health on H.B. No. 3327

The purpose of this bill is to establish an Agency for Community Hospitals within the Department of Health and to create a task force and management team to transition the development of the agency.

The bill:

- (1) Establishes an agency for community hospitals within the Department of Health to provide more effective oversight and management of community hospitals;
- (2) Requires the Governor, before the convening of the Regular Session of 1995, to prepare an organizational and functional plan for the agency for community hospitals and appoint a task force to assist in the effort;
- (3) Requires the Governor, before the convening of the Regular Session of 1996, to appoint a management team to develop transition plans for the agency for community hospitals;
- (4) Requires the task force to consider, evaluate, and recommend the scope of authority to be granted to the agency for community hospitals and to consider and evaluate the establishment of a Board of Directors and local boards to oversee agency operations;
- (5) Allows the task force to hire a consultant; and
- (6) Preserves the position, benefits, and privileges of task force members returning to their original positions.

Your Committee finds that the State's hospital system is the fifth largest in the nation, but the current division of community hospitals lacks the ability to reorganize efficiently and to quickly introduce new medical services; consequently, it is unable to effectively compete with private hospitals. This bill reorganizes the community hospitals system into a separate agency, making the system more efficient and competitive, and positioning the hospital system for national health care reform.

Testimony in support of this bill was received from the Director of Health, the United Public Workers, and the Hawaii Government Employees Association.

Your Committee has amended this bill by deleting the specific references to the Hawaii Government Employees Association and the United Public Workers as members of the task force and replacing them with references to the designated representatives from appropriate bargaining units. Your Committee has further amended this bill by including representatives from the hospital industry and health maintenance organizations. Your Committee has also amended this bill by making technical, 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. 3327, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3327, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2628 Health on H.B. No. 3637

The purpose of this bill is to ensure that the employees in federally funded temporary Hawaii Women, Infants, and Children (WIC) nutrition program positions retain employee benefits when those jobs are converted to permanent civil service positions.

The WIC nutrition program provides nutritious foods, nutrition education, and breastfeeding promotion for 24,520 individuals at medical risk. This benefit comes at no cost to the State, since federal funds cover all salaries and benefits for WIC Program employees.

The bill amends Act 289, Session Laws of Hawaii 1993, to require that the 79.5 full-time equivalent positions of the WIC nutrition program be converted to permanent civil service status, without loss of salary, seniority, prior service credit, accrued vacation, sick leave, or other employee benefits and without the necessity of examination.

Your Committee finds that this bill, by enabling experienced employees to remain in their positions, would prevent a disruption in existing WIC operations.

Your Committee received testimony in support of the bill from the Department of Health, Hawaii Government Employees Association, the United Public Workers, and a private citizen.

Your Committee has amended this bill by:

- (1) Changing the position counts from 72.5 to 79.5 full-time equivalent positions; and
- (2) Inserting this language as an amendment to Act 289, Session Laws of Hawaii 1993, the General Appropriations Act.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3637, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3637, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2629 Health on H.B. No. 3676

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds up to \$200,000,000 for the purpose of assisting The Queen's Health Systems and its not-for-profit subsidiaries in providing health care facilities.

This bill requires the organization, if necessary, to obtain a certificate of need from the State Health Planning and Development Agency, and to be in compliance with all the applicable laws, rules, and regulations before special purpose revenue bonds are authorized.

This bill also gives the Department of Budget and Finance authority to terminate the unexpended amounts relating to The Queen's Health Systems and the not-for-profit subsidiary project which were authorized under Act 303 of the 1991 Legislative Session.

Your Committee finds that authorizing the bonds will provide tax-exempt financing of qualified health care projects. Further, your Committee finds that the proceeds from the bonds will help fund the transformation of our existing fragmented health care delivery system to a cost effective, user-friendly, and integrated health care system.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3676, 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. 2630 (Joint) Human Services and Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2464

The purpose of this bill is to establish a purchase of service staff within the State Procurement Office, with the responsibility of improving the efficiency and accountability of the purchasing and contracting process for health and human services.

Your Committees find the bill as received to be a major departure from existing law and procurement policies of the Departments of Health and Human Services. A score of interested agencies, both public and private, testified relative to the various aspects of the bill but no consensus was reached on any version of the different approaches presented to your Committees.

In view of the difficulties in reaching a common ground on the major features of this measure, and for the purpose of allowing those parties in interest additional time to analyze each proposal considered by your Committees the bill is amended to delete its entire contents except for the amendment to section 42D-8, Hawaii Revised Statutes, which authorizes the execution of purchase of service contracts for a period not to exceed five years.

Your Committees on Human Services and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 2464, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2464, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Reed.

SCRep. 2631 Human Services on H.B. No. 3159

The purposes of this bill are to:

- (1) Extend the limited civil liability exemption, available to donors of services or materials to build a facility for the homeless, to include those donors who renovate, repair, or maintain existing or acquired facilities for the homeless; and
- (2) Limit the existing exclusion from civil liability to donations given only to the Hawaii Housing Authority.

Your Committee finds that existing law provides limited liability for donors who build and construct facilities for the homeless but does not include donors who renovate, repair, or maintain existing or acquired facilities. Your Committee finds no basis for this distinction and sees this limitation as a hindrance to the homeless facility program.

Your Committee has amended the bill to:

- (1) Delete the amendments which would have deleted references to donors to a provider agency or homeless facility; and
- (2) Limit inspection requirements of the Hawaii Housing Authority to the donations involving homeless facilities of the Hawaii Housing Authority.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3159, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2632 Judiciary on H.B. No. 3465

The purpose of the bill is to carry out housekeeping measures and to expand existing or construct new correctional facilities to address the problem of overcrowded correctional facilities in the State.

The bill adds one Adult Probation Administrator of the Judiciary to the Corrections Population Management Commission; changes the statutory title of "Executive Secretary" to "Executive Administrator" within the Department of Public Safety; appropriates funds for capital improvement projects; and provides for two permanent social worker positions.

Your Committee received testimony in support of the bill from the Corrections Population Management Commission, Department of Public Safety, and the Honolulu Prosecuting Attorney.

At the recommendation of the Corrections Population Management Commission, your Committee deleted "an adult probation administrator of the judiciary" on page 1, line 19 to page 2, line 1 and inserted said phrase after the word "judge" on page 2, line 5.

Upon further consideration, your Committee amended the bill by deleting Sections 3 which change the title of executive secretary to executive administrator, and Sections 4, 5, and 6 which provided capital improvement projects for the Kauai Community Correctional Center, Hawaii Community Correctional Center, a new correctional center on the island of Hawaii, and funding for two social worker positions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3465, H.D.2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3465, H.D.2, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2633 Judiciary on H.B. No. 2309

The purpose of the bill is to increase the fees for traffic abstracts from \$2 not to exceed \$10.

Testimony in support of the bill was submitted by the judiciary. Testimony in opposition to the bill was submitted by the Hawaii Insurers Council, the State Farm Insurance Companies, and the Hawaii Transportation Association.

Your Committee finds that increasing the abstract fee to \$10, a 500 per cent rise, places an undue cost burden on ultimately, the consumers, for reasons that are unclear. Furthermore, the purpose of the bill as originally proposed by the judiciary was to raise the fee sufficient only to cover their costs. The Hawaii Insurers Council testified that they would have no objections to increasing the abstract fee to no more than \$5.

Your Committee therefore amended the bill by setting a \$5 limit on a traffic abstract fee and by making a nonsubstantive, technical amendment for the purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2309, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2309 H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2634 Judiciary on H.B. No. 2818

The purpose of the bill is to clarify the section on exceptions in the Uniform Simultaneous Death Act (Act 122, 1993 Session Laws of Hawaii).

The bill waives the one hundred twenty hour survival requirement under certain circumstances. The bill further requires the "clear and convincing evidence" standard be used to establish survival when the one hundred twenty hour survival requirement is exempted.

Your Committee received testimony in support of the bill from Hawaii's Commission to Promote Uniform Legislation.

Your Committee finds that the standard of proof of "clear and convincing evidence" on the issue of survival when the one hundred twenty hour survival requirement is exempted, is in keeping with the intent of the Uniform Simultaneous Death Act and will reduce litigation and facilitate resolution of cases.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2818 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2635 Judiciary on H.B. No. 2988

The purpose of the bill is to repeal Chapter 634D, Hawaii Revised Statutes, and to delete Chapter 634's references to Chapter 634D.

HRS Chapter 634D required the Supreme Court to license civil process servers. No funds were ever appropriated and no personnel were ever authorized to implement the program.

Pursuant to its rule making authority under Article VI, §7 of the Hawaii Constitution, the Supreme Court amended rules of civil procedure allowing anyone over the age of 18 and not a party to the case to serve process in a civil action. Any problems in service of process can be reviewed by the trial court judge, subject to review on appeal by the Supreme Court or the Intermediate Appellate Court.

Your Committee finds that the continued existence of Chapter 634D is unnecessary, creating confusion over who can serve process.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 2988 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2636 Judiciary on H.B. No. 3135

The purpose of the bill is to appropriate monies for the development and implementation of a juvenile justice information system, including the establishment of six permanent positions in the Department of the Attorney General.

Testimony in strong support of the bill was submitted by the state attorney general, the judiciary, the Department of the Prosecuting Attorney for the counties of Kauai and Maui, the police departments for the counties of Honolulu, Hawaii, Kauai, and Maui, the Hawaii State Commission on the Status of Women, the Board of Senior Family Court Judges, the Juvenile Justice Information Committee, and two private citizens.

Your Committee finds that the juvenile justice agencies are hampered in their battle against juvenile crime by the lack of complete data on juveniles. The bill in its present form gives the participating agencies twenty-four hour access to accurate and timely information on juveniles in the justice system.

Your Committee amended the bill by restoring the \$872,013 requested by the Department of the Attorney General.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3135, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3135, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2637 Judiciary on H.B. No. 3133

The purpose of the bill is to appropriate \$2,736,908.17 from the general revenues to satisfy claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

Testimony in support of the bill was submitted by the Department of the Attorney General.

Your Committee amended the bill by:

- (1) Inserting three additional claims which have been settled or resolved for an additional amount of \$891,402.15.
- (2) Making two technical amendments as recommended by the attorney general.

With these three additional claims, the bill appropriates \$3,628,310.32 in total.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3133, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3133, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2638 Judiciary on H.B. No. 2784

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. Section 46-17, Hawaii Revised Statutes (HRS), relating to the regulation of certain public nuisances, contains a reference to "any permit for agricultural burning granted by the state Department of Health under authority of chapter 342". However, chapter 342, was repealed on June 7, 1989 by Act 212, Session Laws of Hawaii 1989, section 8. The new reference to air pollution control is chapter 342B, HRS. The obsolete cross-reference to chapter 342 is deleted and replaced with the correct reference to chapter 342B.

Section 2. Section 342D-32, HRS, relating to negligent violations of the water pollution law makes reference in paragraph (1) to "any condition or in a permit". However, this reference should read: "any condition in a permit", as correctly provided in sections 342D-33(1) and 342D-34(a). Section 342D-32(1) is amended to correct this manifest error by deleting the word "or" after the word "condition" in that paragraph.

Section 3. Section 359A-3, HRS, relating to annual statements for teachers' housing, contains a reference to the director of "social services". However, that reference was changed to the director of "human services" by Act 339, Session Laws of Hawaii 1987. Section 359A-3 is amended by deleting the obsolete reference and substituting the correct reference in its place.

Section 4. Section 452-4, HRS, contains a reference in subsection (a) to the state "board of massage". However, the correct name of that board, as defined in section 452-1, HRS, is the "board of massage therapy". Section 452-4 is amended accordingly to achieve clarity and consistency.

Section 5. Section 452-23, HRS, contains a reference in subsection (c) to the "board of massage". As in the comment to section 452-4, HRS (section 5 of this bill), that reference should be amended to conform to the correct name of the board as defined in section 452-1, namely, the "board of massage therapy". Section 452-23 is amended accordingly to achieve clarity and consistency.

Section 6. Section 706-625, HRS, relating to the revocation and modification of probation conditions, contains subsections designated (a) through (f). However, subsection references in the penal code are designated by numbers rather than letters. Since there are no internal cross-references to any subsection of section 706-625 that need to be changed in the HRS, the subsection designations in that section are changed from letters to numbers to achieve consistency in the penal code.

Section 7. The prefatory language to Act 195, Session Laws of Hawaii 1992, section 3, purports to amend "chapter" 431:10A-304, HRS, but amends only the section specified. The prefatory language is amended to correct this clerical error by changing "chapter" to "section".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2784 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2639 Judiciary on H.B. No. 2968

The purpose of the bill is to delete the provision in §6F-5, Hawaii Revised Statutes, requiring the Judiciary History Center (Center) to promulgate rules in accordance with Chapter 91, Hawaii Revised Statutes.

Your Committee received testimony in support of the bill from the judiciary.

Your Committee finds that the Center is an administrative program within the judiciary, which as a separate but equal branch of government, is exempt from the provisions of chapter 91, HRS. Your Committee finds that there is no reason why the Center should be treated any differently than all other agencies and programs in the judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2968 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2640 Judiciary on H.B. No. 3506

The purpose of the bill is to appropriate funds to supplement the "No Hope in Dope" program for the Honolulu police department and the Department of Public Safety.

Testimony in support of the bill was submitted by the Honolulu police department, the Department of Public Safety, Councilmember Donna Mercado Kim, the principal of Waimanalo Elementary & Intermediate School, and private citizens.

Testimony received by the Committee indicates that the Honolulu police department would utilize its portion of the funding for implementing school and community projects, travel expenses, and the purchase of a van for transporting students. The Department of Public Safety would utilize its portion of the funding for the hiring of adult corrections officers, the purchase of a van for the transportation of inmates, and for travel and other expenses.

Your Committee amended the bill by providing set amounts of \$22,000 and \$128,000 for the Honolulu police department and the Department of Public Safety, respectively.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3506, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3506, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2641 Judiciary on H.B. No. 2725

The purpose of this bill is to codify the due process requirements of United States v. Good that real property cannot be seized without a pre-seizure hearing and to add further specificity to Chapter 712A, Hawaii Revised Statutes, (HRS) to reduce the possibility of conflicting interpretations of procedural requirements.

Your Committee received testimony from the Judiciary and the Attorney General.

The bill codifies due process requirements of Good; adds a definition of "seizure for evidence"; adds specificity to the jurisdictional provision; clarifies the time computations related to filing deadlines; and specifies that all pleadings to be sworn on oath before a notary public.

Your Committee made technical, and nonsubstantive amendments on page 3 line 8 for the purpose of clarity by deleting "the" and changing "owner" to "owners".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2725, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2725, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2742 Judiciary on H.B. No. 2219

The purpose of the bill is to require uniform reporting of missing children by Hawaii's law enforcement agencies.

Specifically, the bill requires police departments to immediately inform all on-duty law enforcement officers of the existence of the missing child report; report pertinent information about the missing child to other law enforcement agencies having jurisdiction; immediately transmit pertinent information on the missing child for inclusion in the state juvenile justice information system and to the National Crime Information Center system when it appears that the missing child has left or may leave the state.

Testimony was received from the Attorney General, Office of Children and Youth, Hawaii State Commission on the Status of Women, the Honolulu Police Department, the Wai-kahu Business and Professional Women's Club Inc., and numerous victim parents all in support of the bill.

Your Committee finds that the safety and needs of missing children necessitate uniform procedures, the immediate transmission of missing children reports to law enforcement agencies both in the county and to the National Crime Information Center (NCIC) when the child may have been taken out of state.

Your Committee amended the bill based on the recommendation of the Honolulu Police Department by deleting "the report" on page 1, line 13 and replacing with the language "pertinent information on the missing child". The amendment added specificity and clarity.

Your Committee amended the bill on page 1 line 18 by changing "person" to "child" for consistency and clarity.

Your Committee further amended the bill by adding to subsection (b) that law enforcement agencies having jurisdiction over the missing child comply with information required by the NCIC. This amendment requires law enforcement agencies to keep current with the requirements of the NCIC.

Your Committee further amended the bill to include subsection (d) requiring uniform reporting forms and procedures be used and followed by the law enforcement agencies.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2219, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2219, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2643 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2294

The purpose of this bill is to correct technical errors in the statute governing the general powers and limitations of the counties. In particular, the bill:

- (1) Specifies that counties shall not have the authority to give or loan credit to or in aid of any person or corporation;
- (2) Clarifies that county ordinances shall not conflict with state statutes intended to be exclusive or uniform throughout the State; and
- (3) Makes other technical, nonsubstantive amendments.

Your Committee has amended the bill to allow the counties to give or loan credit to private individuals or corporations for a public purpose as allowed pursuant to Article VII, Section 4, of the State Constitution.

Your Committee finds that providing the counties with such authority serves a public purpose that is beneficial to the citizens of the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2294, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2644 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2450

The purpose of this bill is to appropriate funds for the development of a plan to prevent shoreline pollution and defray expenses for developing a program for water quality monitoring along the shorelines of Maui.

Testimony relative to the bill was received from the Department of Health and the County Council of Maui.

Your Committee finds that plans for shoreline pollution control and baseline water quality improvement have previously been developed. Therefore, your Committee has amended the bill to reflect appropriations for the implementation rather than development of these plans and deleted the sum of \$1, leaving the amounts of the appropriations for determination at a later date.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2450, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2450, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2645 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2605

The purpose of this bill is to create a new class of liquor licenses for brewpub establishments.

Your Committee finds that amending the liquor laws to allow brewpubs would benefit the State and each county by adding new businesses requiring additional employees, create new Hawaii products and product sales, and generate additional tax revenues for the State. With a brewpub license, a licensee will be able to manufacture, sell to wholesalers and allow consumption on the premises.

Your Committee further finds that creation of a brewpub license will promote local businesses as well as the tourism industry. The bill would allow for the local production of freshly-made, affordable products that may be enjoyed by both residents and visitors alike. Your Committee further finds that Hawaii is one of only four states that currently do not allow brewpubs, and that nearly four hundred brewpubs have opened in the United States and Canada in the last ten years, with an average of one opening each week in 1993, the majority located in California. Brewpubs have long been popular in Europe and Australia. Since the West Coast is one of Hawaii's major tourist markets, and the State seeks to encourage visitors from European nations and Australia, the development of brewpubs in this State may attract that portion of the tourist market that is attracted to visiting brewpubs.

Although your Committee is aware of the economic potential that brewpubs may provide, your Committee is concerned over the social impacts that may ensue upon the establishment of such brewpubs. To allay this concern, your Committee has amended the bill by lowering the volume of production of brewpubs from 3,000 barrels to 1,000 barrels annually and by restricting brewpubs to sell only their own products on their premises.

Your Committee believes that these limitations will allow the State to more easily monitor the long-term effects of brewpubs in the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2605, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2605, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2646 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2644

The purpose of this bill is to authorize wastewater systems permit fees and to require deposit of the fees into the Environmental Management Special Fund.

Your Committee finds that the title of this bill is not sufficiently broad to include the subject matters described by its provisions. Therefore, your Committee has amended the bill by deleting its entire contents and inserting the contents of S.B. No. 2535, S.D. 1.

The bill as amended, establishes a Water Pollution Special Fund to receive fees for permits issued pursuant to Chapter 342D, Hawaii Revised Statutes, governing water pollution. The proceeds in the fund shall be used solely to pay the costs of development, support, and administration of the permit program.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2644, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2644, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2647 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3290

The purpose of this bill is to open the enforcement process of the State Ethics Commission to the public.

Your Committee finds that the State Ethics Commission is responsible for administering a state ethics code for all public officials while at the same time guaranteeing due process for the investigation of alleged violations and imposition of sanctions when such violations occur. Your Committee further finds that while there is a need to provide for more public scrutiny of the enforcement process, due process must be afforded to ensure there is no abrogation of rights under the law.

Testimony regarding this measure was submitted by the State Ethics Commission expressing concerns about various provisions contained within this draft. Upon consideration of these concerns, your Committee has amended this bill by:

1. Changing the standard of evidence for an alleged violation from clear and convincing to probable cause;
2. Requiring that upon issuance of a notice of hearing regarding an alleged violation, the charge and statement of the alleged violation and written response thereto become public record; and
3. Deleting the provisions giving the Commission discretion to close the hearings and records of the Commissions decisions.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3290, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3290, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2648 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3602

The purpose of this bill is to provide additional resources to assist the Hilo-Hamakua community in restructuring and stabilizing the economic and social conditions of the region.

Specifically, the bill designates the money not used from the Hamakua Development District appropriation for 1993-1994 for specific purposes and appropriates an additional sum for the 1994-1995 fiscal year. The bill also specifies that these funds may be used for employment counselling services, newspaper and community bulletin boards, self-help projects, agricultural development, an incubator community kitchen, and health services.

Your Committee finds that the adverse impacts to the Hilo-Hamakua community from the collapse of the sugar industry have been extensive. Lay-offs, termination of unemployment benefits, loss of health care, financial distress, and threats to housing have created incredible stress on families of Hamakua. With assistance from the Legislature, the community has made significant strides in its recovery efforts. However, further assistance from the State, as provided by this bill, is required to ensure the continuation of the education, training, health care, and other resources required to develop and renew the Hilo-Hamakua community. This bill would supply the needed funds helping this community organize and plan its future.

Testimony in support of this bill was received from the Department of Business, Economic Development and Tourism.

Your Committee has amended the bill by increasing the amount authorized to be used for community outreach programs that was not used by the Hamakua Development District in the 1993-1994 fiscal year from \$1 million to \$1.5 million. Your Committee has also structured the blank appropriation section so that a comprehensive breakdown of funding can be ascertained.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3602, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3602, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2649 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3609

The purpose of this bill is to require any liquor commission to revise its liquor license fee structure if license fees collected from licensees are in excess of twenty percent of costs and expenses of the operation and administration of the commission.

Your Committee finds that the liquor commissions should be allowed to accumulate moneys from liquor fees to meet unforeseen needs. However, the amount of money so retained must be reasonable, and excess moneys should be returned or credited annually to existing licensees.

Your Committee has amended this bill by reducing the amount from twenty to ten percent, beyond which a liquor commission must revise its liquor license fee schedule.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3609, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3609, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2650 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3630

The purpose of this bill is to extend the Hawaiian Sovereignty Advisory Commission and authorize it to hire special counsel.

Your Committee finds that the work that the Hawaiian Sovereignty Advisory Commission has accomplished in the past year is to be commended. Struggling through very tight time constraints and other adversities, the Commission has initiated what will prove to be a monumental achievement in the near future.

However, your Committee does not believe that the bill as written will assist the Commission in any significant manner and has therefore amended the bill to allow the issue of sovereignty to move forward into its next stage of development.

Specifically, your Committee has amended the bill to change the scope and nature of the Commission to allow it to oversee the conducting of a plebiscite on self-determination and if the plebiscite is approved, then provide for a fair, impartial, and valid process to resolve the issues relating to the form, structure, and status of a Hawaiian nation.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3630, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3630, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2651 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on H.B. No. 3190

The purpose of this bill is to authorize the public disclosure of written opinions rendered by the Department of Taxation after December 31, 1994.

Your Committees find that providing the public access to written opinions by the Department of Taxation would assist taxpayers in completing their tax returns. Your Committees also find that it is imperative to the voluntary disclosure of information upon which the tax system depends, to protect the confidentiality of information submitted by the taxpayer.

Consequently, public access is limited to a narrow category of written documentation of tax interpretation by the Department of Taxation. The bill provides for the careful segregation of confidential information within any publicly disclosed written opinion and includes advance notification of the public release of the opinion to all parties mentioned in the original unsegregated opinion. The bill also provides for appeal opportunities that protect the confidentiality of the written opinion until the final decision in the case is rendered.

Your Committees have amended the bill by clarifying that jurisdiction over an appeal to a judicial circuit resides only in the judicial circuits in which the written opinion is maintained, or in which the request for the written opinion is made. Your Committees have also made technical nonsubstantive amendments.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary are in accord with the intent and purpose of H.B. No. 3190, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3190, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2652 Consumer Protection on H.B. No. 3304

The purpose of this bill is to authorize the Department of Commerce and Consumer Affairs to use the balance in the Travel Agency Education Fund to pay outstanding claims or expenses of the Travel Agency Recovery Fund.

Thereafter, any balance remaining in the Education Fund will be transferred to the Compliance Resolution Fund.

Pursuant to Act 285, Session Laws of Hawaii 1991, the Department ceased collecting Recovery Fund fees from travel agencies, believing the balance to be sufficient to pay any foreseeable claims. However, the balance in the Recovery Fund has dropped to \$22.41, and the Department now anticipates that payment of pending claims will far exceed that amount.

The Department wishes to use the balance in the Education Fund to cover the anticipated deficit in the Recovery Fund, but needs statutory authorization to do so. This bill provides that authorization.

Your Committee finds that the Department's objectives relating to the Travel Agency Education Fund have been met and that the moneys remaining should be used as requested.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3304 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2653 Consumer Protection on H.B. No. 3430

The purpose of this bill is to establish regulation of health maintenance organizations (HMO's) in Hawaii pursuant to the Health Maintenance Organization Act.

Under this bill, the Insurance Commissioner would regulate HMO's through certificates of authority, and HMO's would have to comply with requirements relating to investments, fiduciary responsibilities, disseminating and reporting information, and other matters concerning their operations and obligations to enrollees and subscribers.

Your Committee is not convinced that HMO's require regulation at this point in time, or if they do, whether they require the kind of regulation provided in this measure. Therefore, your Committee has amended this bill by deleting its contents and inserting provisions requiring the Auditor to study the need for regulation of HMO's in Hawaii.

In conducting the study, the Auditor will consider the State's established policies relating to regulation, the draft of the bill that your Committee is amending, and any other information that will enable appropriate findings and recommendations. A report will be furnished to the Legislature prior to the 1995 Regular Session.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3430, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3430, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2654 Consumer Protection on H.B. No. 3484

The purpose of this bill is to ensure the financial ability of the Contractors License Board to carry out its responsibilities pursuant to Chapter 444, Hawaii Revised Statutes.

Specifically, the bill requires contractors license applicants to pay a fee to the Contractors Education Fund in addition to the \$150 fee to the Contractors Recovery Fund. The bill also repeals the additional \$250 license renewal fee triggered when the Recovery Fund dips below \$250,000, and replaces it with authority to assess every contractor up to \$500 per year under those circumstances.

Under current law, fees can only be assessed and collected at regularly scheduled dates and intervals, even if the balance in the Contractors Recovery Fund dips precariously low. This bill requires all regular fees to be paid by April 30 of each even-numbered year, and authorizes annual special assessments, thus providing for adequate and timely balances in the Contractors Recovery Fund and enabling the Board to conduct appropriate consumer education activities.

Your Committee has amended this bill by clarifying that all fees are mandatory. Language in this bill as received could have been construed as providing options, where none are intended.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3484, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3484, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2655 Consumer Protection on H.B. No. 1317

The purpose of this bill is to require the sellers of residential property to provide a written disclosure statement on the condition of the property to a prospective buyer.

After due consideration, your Committee is not convinced that a mandatory disclosure law as proposed by this bill is necessary. However, your Committee finds that proper disclosure with respect to time shares requires attention as complaints of violations of the time share laws continue to increase, with fifty-two being filed in 1993. Typically, these complaints involve potential consumers who attend time share presentations after being offered some type of remuneration such as opportunities to purchase other activities at discount rates.

Your Committee further finds that this kind of behavior has a pejorative effect on the image of Hawaii as the number one sunshine tourist destination in the world. Although selling time shares is a legitimate enterprise, it should be conducted in a straightforward manner without recourse to chicanery or misleading techniques.

Therefore, your Committee has amended the bill by deleting its entire contents and substituting provisions to strengthen the time share laws. The bill, as amended provides the following:

- (1) States in plain English the exact specifications to which time share signs must conform to be lawful, and the manner in which they must be posted;
- (2) Increases the penalties for violations of the time share laws or rules from the current range of \$500 to \$10,000 to a minimum of \$5,000 and a maximum of \$25,000;
- (3) Requires plan manager registrations and developer registrations to be renewed on December 31 of every even-numbered year, and acquisition agent, sales agent, or exchange agent registrations to be renewed on December 31 of each odd-numbered year. Concomitant with this amendment, your Committee has provided that plan manager or developer registrations that are valid for the 1994-1995 biennium shall be extended to December 31, 1996; and

- (4) Authorizes the Director of Commerce and Consumer Affairs to contract with consultants to review filings of plan managers, acquisition agents, sales agents, and exchange agents as well as time share developers.

Your Committee is firm in its resolve to protect our visitors from unscrupulous time share practices. Should complaints of such practices persist, even in the face of this legislation, your Committee will not hesitate to recommend further regulation. However, your Committee believes that the changes recommended herein will encourage better behavior in the time share community, and enable more effective regulation of time share activities and enforcement of violations of Chapter 514E.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1317, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1317, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2656 Consumer Protection on H.B. No. 2461

The purpose of this bill is to establish procedures for substantiating that a mortgage debt has been satisfied.

Under current law, when a mortgage is fully satisfied, the mortgagee is required to provide to the mortgagor a release of mortgage. If the mortgagee fails to do so, and fails to respond to a written request from the mortgagor, then the mortgagor or any new party at interest in the property such as an escrow company or new buyer can file a civil action.

This bill authorizes title insurers or underwritten title companies to execute mortgage releases on behalf of the mortgagee or record assignee, as long as the release is accompanied by an affidavit from an officer of the insurer or title company and proof such as a cancelled check or written confirmation. A title insurer or underwritten title company that negligently releases a mortgage in error will be liable to the mortgagee for treble damages and attorneys' fees.

Your Committee finds that thousands of borrowers who have paid their mortgages in full are unable to obtain a recordable release and thus remain on the books as mortgagors, unable to dispose of their freely owned property without going to court. This bill will help expedite the closing of mortgage loan transactions.

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

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2461, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2461, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2657 Consumer Protection on H.B. No. 2822

The purpose of this bill is to clarify tax law pertaining to insurers authorized to conduct business in Hawaii.

Specifically, this bill requires real property title insurers to pay a tax of 4.265 percent of the risk premium received for policies issued on real property situated in Hawaii, and clarifies that the risk premium is the amount actually received by the insurer for providing coverage under the underwriting agreement or contract with the title company.

Your Committee finds that this bill appropriately clarifies the intent of the Legislature regarding assessment of the premium tax on title insurers, and may help forestall potential lawsuits as well as reduce costs to home buyers.

Your Committee has amended this bill by changing a statutory reference in Section 431:7-207(e), Hawaii Revised Statutes, to conform with the changes made to Section 431:7-202 in this measure.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2822, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2822, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2658 Consumer Protection on H.B. No. 3210

The purpose of this bill is to extend and strengthen the regulation of nursing home administrators in Hawaii pursuant to Chapter 457B, Hawaii Revised Statutes.

Currently, Chapter 457B is scheduled to be repealed on December 31, 1994. This bill extends the Chapter until December 31, 2004.

Additionally, this bill incorporates a definition of nursing home into the Chapter, repeals the statutory qualifications an applicant must possess to be entitled to take the licensing examination and instead allows the Board of Examiners of Nursing Home Administrators to establish the qualifications by rule, and requires the Governor to appoint at least one person to the Board who will represent the general public.

Your Committee finds that continued regulation of nursing home administrators is needed to protect the consuming public and to ensure the State's continued eligibility for federal Medicaid funding.

Your Committee has amended this bill by clarifying the definition of nursing home and by making a technical change that has no substantive effect.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3210, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3210, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2659 Consumer Protection on H.B. No. 3211

The purpose of this bill is to continue regulation of nurse aides to December 31, 2000, pursuant to Chapter 457A, Hawaii Revised Statutes.

Chapter 457A is currently scheduled to be repealed as of December 31, 1994.

This bill also provides statutory authority to further implement 42 United States Code §1395i-3 and §1396R with respect to regulating nurse aides for Medicaid and Medicare purposes and establishing an agreement between the state agencies responsible for various aspects of the program. The bill further adds a definition of nurse aide.

Your Committee finds that continued regulation of nurse aides will serve the public interest, and that continued refinement of Hawaii's laws will help protect important federal funding sources.

Your Committee has amended this bill by clarifying that a nurse aide works specifically under the supervision of a nurse, not the entire medical staff, and by making several nonsubstantive technical changes for the purposes of clarity, style, and conformance with recommended drafting technique.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3211, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3211, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2660 Judiciary on H.B. No. 3466

The purpose of the bill is to raise the annual salary of the chairperson of the Hawaii Paroling Authority by allowing the governor to set the salary between the range of \$72,886 and \$77,966.

Your Committee finds that the scope of responsibility and workload of the chairperson is comparable to that of the chairperson of the Public Utilities Commission and equal compensation is appropriate.

Testimony in support of the bill was submitted by the Department of Public Safety.

Your Committee amended section 2 of the bill by changing the amount to be appropriated from \$1 to \$24,745 and added "and the hourly compensation of the two part-time members." The higher amount provides for the increase in salary for the chairperson and also for the increase in hourly compensation for the two part-time members of the Hawaii Paroling Authority. As provided under current law, whenever the salary of the chairperson increases, the compensation of the two part-time members also increases. The compensation of each part-time member is eighty per cent of the hourly wage paid to the chairperson.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3466, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3466, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 2661 Legislative Management on H.B. No. 2344

The purpose of this bill is to ensure funding for the publication of the replacement volumes of the Hawaii Revised Statutes by extending the existing funding period and the lapsing date of the appropriation.

Your Committee is aware that publication and sales of the Hawaii Revised Statutes represent key elements in providing broad dissemination of Hawaii's statutory laws to the legal community, governmental agencies and the general public. While it agrees that the current republication project is a worthwhile and necessary endeavor, your Committee is also mindful that increasing demands for broader public access and new forms of commercial development require more rigorous examination of the means by which the Hawaii Revised Statutes are disseminated. New technologies may allow more cost-effective distribution through such media as on-line computer services, CD-ROM diskettes or other combinations of the traditional hardbound versions and multimedia applications.

Your Committee, therefore, has amended the bill to include a requirement that the republication project include review of other media for distribution, and specific approval by the legislative leadership of the means by which the Hawaii Revised Statutes will be published and/or distributed.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 2344, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2344, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 2662 Legislative Management on H.B. No. 2730

The purpose of this bill is to establish the public access room of the Hawaii State Legislature (Legislature) as a permanent feature of state government.

At a time when public confidence in government is at an all-time low, the public access room, Olelo, and HITS' two-way, interactive broadcasts of legislative proceedings have emerged as high points in the drive to revitalize citizen participation in the legislative process. As one Waianae resident aptly put it:

"I am greatly in support of public access...The establishment of the access room at the current state capitol was a boon for the people. To the inexperienced public, the awesomeness of this building is somewhat softened by the helpful and friendly staff, who also prove to be efficient! To go to our public library in Waianae and have the capability of checking the status of legislation, and being able to get a copy of the bills and updates right there is marvelous...

With increasing awareness, more and more people are turning to the televised broadcasts of the legislative proceedings. We are getting used to the idea that this opportunity is available to us at the touch of the dial on the TV set. The ability to have all the people of this state -- from outlying areas on Oahu and from the neighbor islands -- view proceedings and see what's happening, cannot be overlooked...

This open government will take money, as will other worthwhile programs, but the outfitting of the meeting rooms and chambers in the State Capitol under renovation should be accomplished so we can continue with this more open and participatory government."

Similar testimony in support of this measure was received from the American Association of Retired Persons, Common Cause Hawaii, Hawai'i Green Party, Hawaii Audubon Society, Hawaii Right to Life, Hawaii State Student Council, Ka Lahui Hawai'i, League of Women Voters of Honolulu, Legislative Information Services of Hawaii, Inc., National Association of Retired Federal Employees, Waikiki Health Center, Waikiki Residents Association and numerous private citizens.

Your Committee acknowledges that these are tough economic times and that all proposed expenditures must be strictly scrutinized. The costs and benefits of increased public access and legislative participation must be measured against other critical funding priorities. Your Committee, therefore, has amended the bill to incorporate the provisions of S.B. No. 2071, S.D. 1, so that costs of funding the public access room on a year-round basis, broadcasts of public hearings for the 1995 session, and the necessary equipment and cabling infrastructure in the State Capitol renovation project can be clearly identified. Although it may not be possible to fund all requirements in Fiscal Year 1994-1995, listing and prioritizing these costs allow broader participation in shaping immediate and long-term actions.

Your Committee has also added the contents of H.B. No. 2731, H.D. 1, which comprises another component of the public access package of bills and takes a novel approach to funding public broadcasts of legislative proceedings by modifying the uses of a portion of the annual fees paid by cable operators pursuant to Section 440G-15, Hawaii Revised Statutes, for a three-year period.

While your Committee is concerned that the House's approach would effectively emasculate the state's cable television regulatory framework, it agrees that examination of other methods of funding public broadcasts of legislative proceedings warrants further discussion. This bill, as amended, requires that up to June 30, 1997, a small portion of the annual fees paid by cable operators on Oahu (rather than the amounts identified in the House draft) which have not been earmarked for a specific purpose be used to defray the costs of legislative cable coverage in order to develop a broader funding scheme than one that is based solely on general fund appropriations in the executive or legislative budgets.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 2730, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2730, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 2663 (Joint) Legislative Management and Consumer Protection on H.B. No. 3513

The purpose of this bill is to enable the State Auditor to spend more time on its primary mission of auditing all state agencies by modifying the Auditor's excessive responsibilities in sunset evaluations of numerous occupational licensing programs, and by eliminating the responsibility of the Auditor in maintaining and reviewing the rules adopted by different state agencies.

Your Committees have received testimony from the State Auditor and the Department of Commerce and Consumer Affairs in support of this bill.

The bill has been amended by replacing its contents with the contents of S.B. No. 2862, S.D. 1.

Your Committees find that by modifying the Auditor's responsibilities in the sunset evaluation process by limiting sunset evaluation to new regulatory programs, and to such agencies as may be requested by the legislature, and by removing the

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responsibility of maintaining and reviewing rules adopted by state agencies, more of the resources of the Auditor can be expended in its primary role of auditing state agencies.

As amended, the bill retains its basic intent to streamline the responsibilities of the Auditor to enable it to use its available resources more efficiently and effectively to better serve the needs of the public and the legislature.

Your Committees on Legislative Management and Consumer Protection are in accord with the intent and purpose of H.B. No. 3513, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3513, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2664 (Joint) Health and Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3456

The purpose of this bill is to eliminate existing financial restrictions to augment autonomous community hospital operations by providing financial management exemptions and establishing collections revolving funds for each of Maui Memorial Hospital, Hilo Hospital, and Kona Hospital.

Specifically, this bill establishes three collection revolving funds for each of the community hospitals to eliminate the delay in patient refunds. The bill allows the Division of Community Hospitals to transfer special fund appropriations among its programs. The bill also sets limits on increases and reductions on hospital rates, rents, fees, and charges. Additionally, this bill permits the community hospitals to deposit moneys in trust or revolving funds in depositories other than the state treasury.

Your Committees find that autonomy in the community hospital system has improved the delivery of health care. To improve administrative efficiency and lower hospital costs, community hospitals must be given greater control of their finances.

Testimony in support of the bill was received from the Director of Health.

Your Committees have adopted the recommendations of the Director of Health and have amended this bill by requiring that, before the division makes any reductions or increases in rates, rents, fees or changes, it must review the revisions with representatives from health benefit plans. Your Committees have also made technical, nonsubstantive amendments for the purpose of clarity and style.

Your Committees on Health and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 3456, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3456, 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 Fukunaga.

SCRep. 2665 (Joint) Health and Judiciary on H.B. No. 3461

The purpose of this bill is to transfer the mental health functions and authority exercised by the Department of Health in state community correctional centers to the Department of Public Safety.

This bill requires that all authority and functions of the Director of Health relating to mental health services in state correctional facilities, including personnel, facilities, and documents, be transferred to the Department of Public Safety as of July 1, 1994.

Your Committees find that the responsibility for providing mental health services to inmates should be placed appropriately with the Department of Public Safety. This transfer will eliminate the difficulty of having two departments involved in the same operation. This bill will also integrate the mental health programs and allow the Department of Public Safety to satisfy its obligation to provide health care to correctional inmates.

Testimony in support of this bill was received from the Departments of Health and Public Safety.

Your Committees have amended this bill by adding a statutory section to establish the responsibility of the Department of Public Safety for mental health services in community correctional centers and by making technical amendments which have no substantive effect.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 3461, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3461, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2666 Tourism and Recreation on H.B. No. 1827

The purpose of this bill is to transfer the International Tourism Consulting Center and Clearinghouse from the Office of International Relations to the Department of Business, Economic Development, and Tourism.

Your Committee finds that Act 358, Session Laws of Hawaii 1989, established the International Tourism Consulting Center and Clearinghouse originally in the Department of Business, Economic Development, and Tourism (DBEDT) to

promote the export of Hawaii's tourism-related expertise for consulting, training, and research. Your Committee further finds that the framework for the operation of the Clearinghouse has been adequately developed in the Office of International Relations, and the program can continue to be effective within the purview of the Department of Business, Economic Development, and Tourism.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 1827, 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. 2667 Tourism and Recreation on H.B. No. 2272

The purpose of this bill is to specifically direct the Office of Tourism to include promotion of sports and cultural events in the development of the State's tourism marketing plan.

Your Committee finds that Hawaii's visitor industry and sporting events are naturally linked due to the nationwide media coverage of sports and our naturally favorable environment to host these events. Your Committee further finds that the Office of Tourism's marketing plan should more closely reflect this link and thereby leverage the promotion of both industries.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Chamber of Commerce of Hawaii.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 2272, 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. 2668 Tourism and Recreation on H.B. No. 2333

The purpose of this bill, as received, is to expand the Convention Center Authority membership to include representatives of the Hawaii Visitors Bureau, the Hawaii Hotel Association, and the Hawaii Convention Park Council.

Your Committee finds that while the development of a convention center will provide economic benefits to our state economy, there are also attendant impacts upon the surrounding community which must be recognized and addressed. Your Committee further finds that these various concerns include impacts upon the environment, social structure, and infrastructure which can best be identified and communicated by those who are experiencing them, the residents of the surrounding communities.

Testimony regarding this measure was submitted by neighborhood boards, community representatives, and the Hawaii Visitors Bureau. Opposing testimony was submitted by the Convention Center Authority.

Your Committee has amended this bill by:

- (1) Establishing a convention center neighborhood advisory committee; and
- (2) Making technical, nonsubstantive amendments.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 2333, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2333, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2669 Judiciary on H.B. No. 3473

The purpose of the bill is to appropriate \$993,249.41 for compensation of certain persons or their providers of services for criminal injuries as awarded by the criminal injuries compensation commission.

Your Committee received testimony in support of the bill from the criminal injuries compensation commission.

Your Committee finds that qualified applicants were compensated by the commission for out-of-pocket medical expenses, lost earnings, funeral and burial expenses, and for their pain and suffering as a result of their victimization.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3473, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

SCRep. 2670 Judiciary on H.B. No. 2221

The purpose of the bill is to establish a missing children state clearinghouse three year pilot project within the Department of the Attorney General to centralize and coordinate efforts to locate, recover, and protect missing children.

Testimony in support of the bill was submitted by the attorney general, the prosecuting attorney for the city and county of Honolulu, the office of children and youth, the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Sexual Assault, the Hawaii Women's Political Caucus, the Sex Abuse Treatment Center, the Friends of

the Children's Advocacy Center of Oahu, the Honolulu police department, the Hawaii Green Party, and the National Center for Missing and Exploited Children.

Your Committee finds that the statistics maintained on missing children in Hawaii are inadequate to support a meaningful recovery process. The lack of both objective data and anecdotal information from custodial parents who have lost their children, make it apparent that existing resources and processes are not effectively coordinated at the state and national levels. Your Committee finds that the needs of missing children and their custodial parents can be meaningfully addressed by establishing clear statutory authority and with a relatively small investment of financial resources.

Upon further consideration, your Committee amended the bill to establish the missing children state clearinghouse center as a permanent program in the Department of the Attorney General. Your Committee finds that the needs of missing children will not dissipate in three years. Your Committee further amended the bill to establish the Hawaii missing children's clearinghouse trust fund, and to appropriate \$5,000 to the fund as principal. Your Committee finds it appropriate for the department to seek and receive financial assistance from private organizations and individuals in our State.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2221, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2221, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2671 Judiciary on H.B. No. 2553

The purpose of the bill is to authorize the Department of Health to adopt rules, regulations, and protocols permitting the rapid identification of adult persons who are terminally ill and have instructed in their written declaration not to be resuscitated.

Your Committee received testimony in support of the bill from the Hawaii Chapter of the American College of Emergency Physicians, The Hawaii Medical Association, the Department of Health, and the Executive Office on Aging. Although Hawaii Right to Life did not submit testimony, your Committee understands that it participated in the drafting of the language.

Your Committee finds that the medical treatment decisions of a terminally ill person not to be resuscitated should be respected by first responders, emergency medical services personnel, and other health care providers.

Your Committee amended the bill by deleting page 1, line 7 to page 2 line 19 and replacing with language jointly recommended by Hawaii Right to Life, American College of Emergency Physicians Hawaii Chapter, Hawaii Medical Association and Department of Health. Your Committee further amended the bill by making technical, nonsubstantive changes to the measure for the purpose of clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2553, H.D.2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2553, H.D.2, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2672 (Joint) Consumer Protection and Labor and Employment on H.B. No. 3431

The purpose of this bill is to authorize the Director of Consumer Affairs, acting in the capacity of Consumer Advocate pursuant to Part II of Chapter 269, Hawaii Revised Statutes, to appoint civil service exempt personnel in technical, professional, and administrative capacities, including telecommunications or energy utility planning specialists.

Under current law, all employees in the Division of Consumer Advocacy, except the Executive Administrator, must be employed pursuant to the civil service procedures and requirements set forth in Chapters 76 and 77. This bill will give the Division flexibility in obtaining the services of qualified personnel to perform highly specialized functions. Other positions in the Division such as engineers, accountants, investigators, clerks, and stenographers will remain in civil service.

Your Committees find that the flexibility authorized by this measure will help maximize the operational success of the Division, thereby benefiting both the regulatory process and consumers in general.

Your Committees have amended this bill by clarifying that the Director may employ up to two civil service exempt telecommunications or energy utility planning analysts who possess at least the minimum qualifications required of comparable experts in those industries. Additionally, your Committees have set the maximum salaries of these analysts at \$55,000 per year.

Your Committees have also amended this bill by making some technical changes that have no substantive effect.

Your Committees on Consumer Protection and Labor and Employment are in accord with the intent and purpose of H.B. No. 3431, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3431, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Ikeda and Graulty.

SCRep. 2673 Consumer Protection on H.B. No. 740

The purpose of the bill is to enumerate the conditions under which an action for negligence may be brought against a person engaging in the practice of public accountancy.

Your Committee received testimony in support of the bill from the Hawaii Society of Certified Public Accountants and the National Federation of Independent Business who urged favorable consideration based on the need to protect accountants from exposure to unlimited lawsuits, prohibitive insurance rates, and the probability of discontinuing audit work.

The Hawaii Bankers Association and the Hawaii Academy of Plaintiff's Attorneys opposed the measure as imposing unreasonable and unjustified restrictions on consumer protection and the rights of financial institutions and innocent third parties who rely on the audits and statements of independent accountants.

The bill requires that to maintain an action against an accountant, the plaintiff must be the issuer of the report in question and must have requested the services of the accountant to prepare the report. Otherwise, the accountant must be specifically identified with the plaintiff and be aware of or acknowledge in writing that the plaintiff intended to rely on the accountant's reports.

Your Committee has amended the bill by deleting the proviso for a disclaimer and finds that the remaining provisions of the bill provide a proper balance between competing interests.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 740, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 740, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 2674 Consumer Protection on H.B. No. 3209

The purpose of this bill is to extend and strengthen regulation of dental hygienists in Hawaii pursuant to Chapter 447, Hawaii Revised Statutes.

Currently, Chapter 447 is scheduled to be repealed on December 31, 1994. This bill would extend the repeal date to December 31, 2004.

Additionally, this bill deletes the provision that requires practicing dental hygienists to inform the Board of Dental Examiners of their employment. The bill also requires dental hygienists to prove to the Board that they are certified to administer intra-oral anesthesia, and adds two dental hygienists to the Board of Dental Examiners.

Although the parameters for practicing as dental hygienists are provided in the Hawaii Revised Statutes in Chapter 447, dental hygienists are regulated by the Board of Dental Examiners pursuant to Chapter 448. In effect, dental hygiene as a profession is statutorily constituted as an adjunct to dentistry that cannot exist, be carried out, or regulated on its own merits.

Your Committee agrees that the profession needs continued regulation, but is not convinced that it should continue to be provided by a board established to regulate a different profession. Therefore, your Committee has amended this bill by deleting the provision to restructure the Board of Dental Examiners and instead requiring the Auditor to study and report to the 1995 Legislature on the feasibility of establishing a separate board to regulate dental hygienists. Concurrent with these changes, your Committee has moved up the scheduled repeal of Chapter 448 from December 31, 1997 to June 30, 1995, which will require the Auditor to conduct a sunset evaluation on the Board of Dental Examiners, also for the 1995 Regular Session. Your Committee believes that a combination and synthesis of information and recommendations resulting from these studies and reports should provide sufficient information to appropriately resolve the dental hygienist/dentist dichotomy.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3209, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3209, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2675 Consumer Protection on H.B. No. 3303

The purpose of the bill is to establish what is commonly known as a "Lemon Law" covering used motor vehicles. The bill provides warranties and remedies for consumers who purchase used motor vehicles that are later found to be defective.

The Department of Commerce and Consumer Affairs and the Hawaii Automobile Dealers Association testified relative to the bill.

Your Committee finds that while most used motor vehicle dealers in the State are honest in their dealings with consumers, there are some who sell vehicles not in the condition represented to the buyer. Most of these vehicles are sold on an "as is" basis and consumers have limited recourse for defects that are later discovered. Your Committee finds that consumers need protection in the form of a limited warranty of the used vehicle's major mechanical parts and that the duration of the warranty be determined by the age, price, and mileage of the vehicle.

Your Committee has made the following amendments to the bill:

(1) Established the duration of written warranties at the time of sale as follows:

<u>Odometer reading</u>	<u>Whichever comes first</u>
(a) Less than 25,000 miles	90 days or 5,000 miles
(b) 25,000 to 50,000 miles	60 days or 3,000 miles
(c) 50,000 to 75,000 miles	30 days or 1,000 miles

(2) Extended the list of vehicle parts covered by the written warranty to include the following:

- (a) Brakes, including cylinders, boosters, hydraulic lines and fillings;
- (b) Radiator;
- (c) Steering, including gear housing and internal parts, power pump, valve body, piston, and rack; and
- (d) Alternator, generator, starter, and ignition system;

(3) Required that a copy of the written warranty be kept by the dealer for a period of two years; and

(4) Changed the effective date from December 1, 1994 to January 1, 1995.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3303, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3303, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 2676 Transportation on H.B. No. 2197

The purpose of this bill is to require proof of no-fault insurance and motor vehicle registration before shipping certain vehicles from one county to another in the State.

Your Committee finds that requiring proof of registration and no-fault insurance before interisland shipment of a motor vehicle, will assist in the elimination of potential trafficking of stolen motor vehicles and aid in the enforcement of registration and no-fault insurance requirements.

Your Committee amended the language on exemptions in this bill by clarifying that presentation of the current no-fault identification card would not be required for:

- (1) Unlicensed propelled vehicles not intended for on-road use; or
- (2) Vehicles that have been repossessed by a regulated financial institution as well as vehicles that have been voluntarily surrendered to a regulated financial institution or its agent;

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2197, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2197, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Nakasato, Tungpalan and George.

SCRep. 2677 Transportation on H.B. No. 3491

The purpose of this bill is to exempt drivers from having to prove financial responsibility for failure to have an effective no-fault policy.

Your Committee has deleted the contents of the bill and inserted the contents of S.B. No. 811, S.D. 2, which exempts first-time offenders from providing proof of financial responsibility.

At present, convicted first-time offenders are burdened with the collateral penalty of having to file an SR-22 in addition to their criminal sentence. The filing of an SR-22 is onerous because the offender must post \$25,000 in cash deposit, bond, or by insurance certification which usually costs several thousand dollars in additional premiums.

Consequently, the high cost of obtaining no-fault insurance, compounded by the cost of filing an SR-22, has forced a significant number of drivers to forego driving or more likely, to drive illegally as uninsured motorists.

Your Committee believes that the exemption for first-time offenders from filing an SR-22 is consistent with the argument that DUI offenses for first-time offenders do not warrant a jury trial. Furthermore, notable public good is achieved when more people are covered by insurance, rather than punishing people for their financial inability to obtain insurance.

Your Committee finds that requiring the filing of an SR-22 is a serious collateral penalty and should only be required upon a criminal conviction and not upon an administrative adjudication. This bill in its amended form would also revoke the authority of the administrator of the licensing bureau to suspend a license. This authority would remain the sole province of the sentencing court.

Your Committee has kept the amount of property damage at the current level of \$1,000 since other provisions of law would need to be amended for consistency's sake. Since those provisions are beyond the scope of the bill, your Committee did not increase the property damage amount as originally provided for in this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3491, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3491, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Nakasato and Tungpalan.

SCRep. 2678 Transportation on H.B. No. 2186

The purpose of this bill is to permit auto dealers to record a transfer within thirty days rather than twenty days before being assessed a \$50 late-filing penalty fee.

Your Committee finds that the dealers often have difficulty obtaining titles from mainland lending institutions so that they can record the transfer of ownership for a used vehicle that had been sold to them. The additional ten days provided by this bill would allow sufficient time to complete the recording without penalty.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2186, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by all members of the Committee except Senators Nakasato and Tungpalan.

SCRep. 2679 Transportation on H.B. No. 3729

The purpose of this bill is to create a misdemeanor offense for the possession, manufacture, sale, distribution, or use of any driver's license or identification appearing to be a driver's license which has been reproduced or imitated.

This bill is intended to ward off the problem of merchants manufacturing and selling identification cards resembling drivers' licenses. Your Committee finds that this bill, in deterring the availability and use of forged identification, will further deter counterfeiting activities such as the forging of checks and the purchase of liquor by minors.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3729, 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 Nakasato and Tungpalan.

SCRep. 2680 Transportation on H.B. No. 2361

The purpose of this bill is to clarify the Judiciary's authority to utilize driver education as a sentencing alternative.

Your Committee finds that although sentencing judges in district court traffic-related offenses currently utilize driver education as a sentencing alternative, this bill is necessary to provide clear legal authority for its continued use and for further application in appropriate traffic offense cases.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2361, 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 Nakasato and Tungpalan.

SCRep. 2681 Transportation on H.B. No. 2285

The purpose of this bill is to prohibit the manufacture, sale, or distribution of vehicle number plates, tags, or emblems of a design similar to the currently issued series authorized by the county Director of Finance.

This bill will close the present statutory loophole which prohibits the attachment of facsimile license plates to vehicles, but not their manufacture or sale. It will also prevent criminal use of these plates or the issuance of citations for fraudulent use of plates to unsuspecting purchasers.

Upon deliberation, your Committee has included "and size" to further define fraudulent plates, tags and emblems to better assist law enforcement officials in their work. Other amendments have been made for the purposes of style, clarity, and conformance with recommended drafting technique.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2285, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2285, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Nakasato and Tungpalan.

SCRep. 2682 (Joint) Transportation and Tourism and Recreation on H.B. No. 3171

The purpose of this bill is to reduce from \$10,000 to \$2,000 the maximum penalty for violations of ocean recreation rules of the State Department of Land and Natural Resources. The exception would be for dumping of petroleum products, hazardous materials, or sewage in violation of state water quality standards, for which the maximum fine would remain at \$10,000.

The Department of Land and Natural Resources testified in support of this measure, stating that the decrease in the maximum fine for the vast majority of violations would preclude the granting of jury trial for these relatively minor offenses. This would help to relieve the existing backlog of court cases as well as the concern of the majority of the boating public who believe that they are subject to the maximum \$10,000 fine for any offense.

Your Committees on Transportation and Tourism and Recreation are in accord with the intent and purpose of H.B. No. 3171 and recommend that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committees except Senators Nakasato, Tungpalan, George, Holt and Ikeda.

SCRep. 2683 Human Services on H.B. No. 3323

The purpose of this bill is to amend the age requirement for recovery against the estate of a deceased medical assistance recipient from age sixty-five to age fifty-five.

The Department of Human Services submitted testimony supporting this measure as necessary for compliance with the Omnibus Budget Reconciliation Act of 1993, P.L. 103-66, that mandates recovery of payments from the estate of individuals who were age fifty-five and older when receiving Medicaid.

The Department of Human Services also pointed out that further amendments to Chapter 346, Hawaii Revised Statutes, are necessary to fully comply with P.L. 103-66, relative to the recovery of payments from the estates of deceased Medicaid recipients confined to nursing home facilities.

Accordingly, your Committee has amended the bill to add provisions which will facilitate the recovery of payments to recipients confined to nursing homes and for claims against third parties or their insurance carriers resulting from legal proceedings by the recipient's estate and for the recovery of assets transferred within the "lookback" period as required by federal regulations. Further, amendments require the placing of liens against the real property of designated recipients of medical assistance.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3323, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 2684 (Joint) Health and Human Services on H.B. No. 3459

The purpose of this bill is to transfer all State Health Insurance Program positions to the Department of Human Services without loss of any employment benefits, seniority, or status.

Your Committees find that this measure facilitates the proposed merger of the State Health Insurance Program with the Hawaii Health QUEST Program, and transfers the appropriate staff to continue to provide services.

Testimony in support of this bill was received from the Department of Human Services and the Department of Health.

Your Committees have amended this bill by:

- (1) Deleting the reference to chapter 431N, Hawaii Revised Statutes, in Section 1;
- (2) Clarifying that the Director of Human Services or the Governor may approve the transfer of an employee whose position is abolished;
- (3) Authorizing the Director of Health to waive any provision of Hawaii Administrative Rules chapter 11-06, which would interfere with such transfers;
- (4) Authorizing the Department of Health to assign the insurance contracts for SHIP to the Department of Human Services; and
- (5) Changing the effective date from July 1, 1994, to July 1, 1999, because there is a need for further discussion, including the disclosure of bid business proposals submitted by prospective providers.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.B. No. 3459, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3459, 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 Grauly and Nakasato.

SCRep. 2685 Health on H.B. No. 3618

The purpose of this bill is to exempt from civil liability physicians who donate their time to treat indigent patients.

Specifically, this bill amends section 663-1.5, Hawaii Revised Statutes, by exempting any physician licensed in any state who treats or advises medically indigent patients, without compensation, from lawsuits based on medical negligence. However, the bill does not exempt the physicians for acts constituting gross negligence or wanton acts or omissions.

Your Committee finds that many practicing and retired physicians donate their medical services to the poor. However, many physicians who are willing to provide such services are reluctant to do so because of the risk of liability. This bill supports the efforts of physicians who volunteer their time and improves the access to primary care for the medically indigent.

Your Committee received testimony in support of this bill from the Director of Health, the Waikiki Health Center, and the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee has adopted the recommendations of the Hawaii Academy of Plaintiffs' Attorneys and has amended the bill by:

- (1) Allowing all health care providers, instead of just physicians, to be covered by the exemption;
- (2) Requiring health care providers to be licensed in this State and to do work in connection with a non-profit Hawaii corporation sponsored activity;
- (3) Requiring health care workers to submit a written application to the Director of Health describing the type of medical services provided and verifying the qualifications of the provider;
- (4) Providing for the State to stand in place for the provider in any civil liability suit, but allowing the State to recover damages from the provider, where the provider's acts or omissions were wanton or grossly negligent; and
- (5) Deleting "good faith" because this term applies to emergency treatment.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3618, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3618, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Grauly and Nakasato.

SCRep. 2686 Judiciary on H.B. No. 2366

The purpose of this bill is to create an additional source of funding for the delivery of civil legal services to Hawaii's indigent population.

The bill assesses a surcharge of \$25 on initial filings in circuit court and family court and a \$15 surcharge on initial filings in district court. No surcharge is assessed if a person is proceeding in forma pauperis. The moneys collected will be deposited into a special fund known as the Indigent Legal Assistance Fund to be administered by the Administrative Director of the Courts (Director). The bill allows the Judiciary to retain up to five percent of the total amount distributed each fiscal year to defray the costs of administering the provisions of this bill.

The Judiciary testified in support of the bill and many organizations such as the Hawaii State Commission on the Status of Women, Hawaii Justice Foundation, Hawaii State Bar Association Young Lawyers Division, Life Foundation, Native Hawaiian Legal Corporation, Hawaii Lawyers Care, Legal Aid Society of Hawaii, and the Protection and Advocacy Agency of Hawaii also testified in support. Your Committee finds that Hawaii is currently only meeting 9.6% of the civil legal needs of indigent people in our State and that this bill is vital to providing our indigent population with access to our system of justice.

Your Committee amended the bill at the recommendation of the Judiciary by deleting "including family court" on page 1 lines 8-9 and by changing the list of initial filings for which this surcharge shall be assessed to "complaints, petitions, and applications for special proceedings" on page 1 lines 10-13. The amendments were made for clarity.

Your Committee finds that the use of the surcharge to carry out such an important public purpose as providing legal services to Hawaii's indigent people should still conform to the constitutional requirement of Article VII, Section 4 that requires the grant of public money be for a public purpose and that they be made pursuant to standards provided by law.

Your Committee amended the bill to add language that the Director shall administer the Fund pursuant to Chapter 42D, HRS. Your Committee also amended the bill by deleting reference to the distribution formula for the Fund on page 6 lines 9-12, lines 16-23, and on page 7 lines 1-21 and by deleting the compliance requirements already provided for in Chapter 42D on page 4 line 11, page 4 lines 15-17.

Your Committee made other stylistic, drafting, and nonsubstantive amendments for clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2366, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2366, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2687 Tourism and Recreation on H.B. No. 3170

The purpose of this bill is to make various changes to the administrative process for the disposal of unclaimed and impounded vessels moored in small boat harbors.

Your Committee finds that existing law provides an administrative hearing process for the disposition of unclaimed and impounded vessels, including deadlines dictating hearing notice and scheduling. Your Committee further finds that the existing requirement of scheduling the hearing within seventy-two hours is not feasible, and further that there is no explicit directive about the disposal of the vessels once the hearing is held. Therefore, this measure is necessary to provide the agency with adequate time to schedule hearings and to provide a process for disposal of the vessels.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 3170, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 2688 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 724

The purpose of this bill is to establish, by rule, standards that apply statewide for the control of noise from stationary sources.

The bill received support from the Department of Health, and support with proposed amendments by the Sierra Club, Hawai'i Chapter and the Sierra Club Legal Defense Fund, Inc.

Your Committee finds a need for statewide control of noise levels from a variety of sources. Your Committee has declined to define the term "stationary sources" to include aircraft facilities such as helipads as was proposed at the hearing because your Committee believes the Department of Health has authority under existing statutes to regulate stationary sources such as helicopter facilities. Therefore, your Committee has amended the bill by specifying that no rule shall exempt any sources which the Department of Health otherwise has the authority to regulate. Additionally, your Committee has amended the bill to broaden the mandate to the Department of Health to adopt noise rules, rather than limiting the mandate to stationary sources.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 724, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 724, 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 Fukunaga and Tanaka.

SCRep. 2689 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2284

The purpose of this bill is to prohibit state agencies from expanding an existing program or implementing a new program unless the agency is able to demonstrate that the program expansion or new program:

- (1) Is an appropriate function of state government; and
- (2) Cannot be implemented by the private sector in a more cost-effective manner.

Your Committee has amended the bill by deleting Sections 2 and 3 and limiting the scope of the bill to the implementation of new programs.

Your Committee has also amended the bill by changing the prohibitory character of the bill to a permissive process. This change permits the implementation of new programs upon the demonstration that appropriate public sector activity is qualitatively equal to private sector activity. If the demonstration cannot be made, presumably the program will not be implemented or implemented with private sector resources.

Your Committee has also amended the effective date to July 1, 1996.

Your Committee finds that the amendments will provide state agencies with the necessary flexibility to expand existing services to the public while prohibiting the implementation of new programs unless the agency can demonstrate that the new program can be implemented by government as cost effectively as the private sector.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2284, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Fukunaga.

SCRep. 2690 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2391

The purpose of this bill is to designate the chairs of the county councils as the chief procurement officers for the respective county councils.

Your Committee finds that under current law, the county finance directors are designated as the chief procurement officers for the respective counties. Concerns have been raised regarding the propriety of the executive branch determining procurement needs for the legislative branch. These concerns are premised on the doctrines of separation of powers between legislative and executive branches of government and the concept of "home rule" which advocates delegation of authority to the lowest unit of government. Your Committee further finds that these are legitimate concerns which are addressed by this measure.

Testimony in support of this measure was submitted by the Maui County Council which also included a request for an amendment. After consideration of the request, your Committee has amended this bill by deleting the word "councils" and substituting therefor the words "legislative branch" to more clearly distinguish between the county executive and legislative branches. A nonsubstantive technical change has also been made to conform to recommended drafting style.

Your Committee has also amended the bill by adding a new section that requires contractors with contracts of \$2,500,000 or more to abide by the terms of the standard, industry-wide collective bargaining agreements of all AFL-CIO unions in the State. Your Committee believes that the bill as amended will provide government agencies with added protection in situations involving contracts of this scope.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2391, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2391, 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 Fukunaga.

SCRep. 2691 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3266

The purpose of this bill is to appropriate matching funds to obtain federal moneys that are available to support the efforts of the Nonpoint Source Pollution Control Program being carried out under the federal Clean Water Act and Coastal Zone Act by the Department of Health and the Office of State Planning.

Your Committee finds that the Nonpoint Source Pollution Control Program is critical to the water quality in the State. The Department of Health, the Office of State Planning, and the counties are subject to a myriad of regulations from the Environmental Protection Agency and require all available financial assistance to address nonpoint source pollution.

Your Committee has amended the bill by inserting \$240,000 and \$100,000 as the appropriated amounts to be matched by the federal government.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3266, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3266, 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. 2692 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3300

The purpose of this bill is to amend the State's procurement law by adding three new parts relating to preferences for Hawaii products; federal and state surplus property; and inventory management.

Your Committee finds that the Hawaii public procurement code was passed by the legislature during special session in 1993. The code contains general provisions relating to the purchase of goods and services by state and county purchasing agencies. This bill adds several new provisions to broaden the scope and coverage of the the State's procurement law.

Following its review, your Committee has amended this bill by including additional material adding a new part to chapter 103D, Hawaii Revised Statutes, relating to the purchase of products with recycled content.

Your Committee has also clarified that the interim rules which the policy office is authorized to issue under section 103D-202 may remain in effect for not more than eighteen months, and are subject to the Hawaii Administrative Procedure Act, but exempt from the public notice, hearing, and gubernatorial approval requirements. Your Committee finds that this change will enable the policy office to move quickly in establishing the rules that the agencies need to operate, while preserving public access by ensuring that the interim rules will be filed with the office of the lieutenant governor. The eighteen-month limitation on the life of the interim rules will ensure that the policy office will have adequate time to adopt permanent rules through formal rulemaking procedures.

Your Committee has further amended this bill by making several technical amendments to the state homeless assistance law to ensure conformance with the new state public procurement code and 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. 3300, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3300, 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 Fukunaga.

SCRep. 2693 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3333

The purpose of this bill is to appropriate \$3 million to be expended by the Department of Hawaiian Home Lands for repair or replacement of homes in Panaewa residential lots units 3 and 4 in Hilo, Hawaii.

Your Committee finds that homes in the Panaewa subdivision need substantial repair, and some may need to be replaced. Controversy regarding the appropriate course of action continues, and it is clear that something must be done by the State to provide relief to the homeowners.

Your Committee has amended the bill by:

- (1) Deleting the findings portion of Section 1;
- (2) Deleting the \$3 million appropriated amount;
- (3) Changing the source of funds from the Hawaiian Home Operating Fund to the General Fund;
- (4) Clarifying that the appropriation is to repair, remove, replace or restore the homes;
- (5) Adding a proviso that allows the appropriated funds to be used as direct payment to homeowners;
- (6) Adding a proviso that requires all settlements obtained from contractors associated with the project be paid into the general fund; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee recommends that the appropriation be determined after mediation, negotiation, and discussion between the department and the homeowners have provided more reliable estimates of the appropriate remedies.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3333, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3333, 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 Fukunaga.

SCRep. 2694 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3440

The purpose of this bill is to provide financial support mechanisms for the safe drinking water program.

Specifically, the bill authorizes the Director of Health to establish fees to augment general fund appropriations and prohibits any decrease in general funds for the safe drinking water program from the 1993-1994 level. The bill also provides for a clean water fee effective July 1, 1995, the proceeds of which are to be deposited in the environmental management fund for exclusive use by the safe drinking water program.

Your Committee heard testimony on several pieces of legislation this session on current inadequacies of the Department's Safe Drinking Water Program. Testimony indicates that the deficiencies are so severe that the Environmental Protection Agency is about to initiate proceedings to withdraw primary delegated authority to administer this program from the State of Hawaii. If this were to occur, it would result in substantial costs to both the regulated community and all the citizens of our State.

Your Committee finds that to avoid a withdrawal of this primary delegated authority the Safe Drinking Water Program must be adequately funded.

At the same time, your Committee is mindful of the overall fiscal and budgetary situation of the State and is therefore reluctant to recommend the imposition of additional taxes or fees which would burden the regulated community and the general public. However, your Committee does feel that a logical nexus exists between the hazards which can occur from the spillage of oil and the leaking of underground storage tanks and the problems associated with the lack of recycling of used oil and the contamination of our drinking water supply.

Current law allows the Department to utilize funds from the existing tax to address a variety of issues related to the environmental dangers of oil spills and improperly disposed used oil, but fails to clearly delineate the ability of the Department to utilize these funds to address problems associated with the contamination of our drinking water supply.

Additionally, your Committee feels that the same logical nexus exists between the aforementioned concerns and the environmental problems addressed by the Department of Health's Clean Water Branch. This branch is also in need of additional resources to expedite the processing of National Pollution Discharge Elimination Systems (NPDES) permits. Currently, there exists a backlog of several months to process these permits, the result of which has been the delay of several hundred million dollars worth of construction projects. If revenues generated by the existing taxes were utilized for these purposes, it would greatly benefit the economy of the State.

At the same time, your Committee is mindful of the importance of the initial reasons for establishing this tax and wishes to ensure that the integrity of the fund is protected and not depleted by allowing its use to be expanded for the purposes contained herein.

Therefore, your Committee has amended the bill to authorize the use of moneys in the environmental response revolving fund to address concerns relating to clean water and safe drinking water. The bill also provides that not more than fifty percent of the moneys in the revolving fund shall be used for clean water and safe drinking water purposes to protect the integrity of the fund.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3440, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3440, 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 Fukunaga.

SCRep. 2695 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment on H.B. No. 2259

The purpose of this bill is to establish a temporary commission on government organization and efficiency.

Your Committees find that in a recent report submitted to the Legislature by the Interim Commission on Government Redesign, the Commission concluded that an overall analysis of the efficiency of government is needed due to the ever increasing demand for government services. Your Committees further find that the temporary commission established by this measure will seek to clarify what role government should play and the kinds of services that should be provided.

Testimony in support of this measure was submitted by the Office of the Governor, the Hawaii Community Services Council, and a private citizen.

Your Committees have amended this bill by:

1. Modifying the preamble to clarify the Legislature's intent regarding this measure and the purpose of the Commission;
2. Changing the composition of the Commission to specifically include representation from the neighbor islands, local government, and the non-profit community, and to provide for the appointment of two commission members each by the Senate President and the Speaker of the House of Representatives, four by the Governor, and requiring that the ninth member, to be selected by the eight appointed members, serve as the chairperson; and
3. Deleting the appropriation amount.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment are in accord with the intent and purpose of H.B. No. 2259, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2259, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Fukunaga, Grauly and McCartney.

SCRep. 2696 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on H.B. No. 3716

The purpose of this bill is to require the county central coordinating agencies to schedule single joint public hearings, where any combination of state, county, and agency rules require public hearings for land development permits when requested by an applicant. The bill also permits state and county agencies to enter into memoranda of understanding and coordinate their actions regarding the scheduling and agenda of the public hearings.

Your Committees find that a single hearing, when multiple permits require public hearings, eliminates the duplicative process which slows housing construction and increases cost. With severe housing shortages and high costs of construction, this bill would streamline the process of land development approvals and decrease costs to consumers.

Testimony in support of this bill was received from the State Streamline Task Force, the Chamber of Commerce of Hawaii, and the Department of Land Utilization of the City and County of Honolulu.

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 H.B. No. 3716, 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 Senators Holt and Ikeda.

SCRep. 2697 (Joint) Consumer Protection and Human Services on H.B. No. 3427

The purpose of this bill is to clarify legislative intent regarding the provision of free no-fault motor vehicle insurance to recipients of government assistance.

Part IV of Article 10C of the Insurance Code requires the Joint Underwriting Plan to provide free no-fault, liability, and property damage policies to drivers receiving public assistance benefits consisting of medical services or direct cash payments. However, the proposed Health QUEST Program poised for enactment this year will provide medical benefits to persons whose incomes would be too high to qualify for public assistance under the State's Welfare Program.

This bill deletes the public assistance medical services criterion for eligibility under the Joint Underwriting Plan, thereby requiring that to be eligible for free coverage, a driver must be receiving direct cash payments from the State or a federal program. However, the bill also enables drivers who were receiving public assistance in the form of medical benefits prior to July 1, 1994, the anticipated effective date of Health QUEST, to continue to be eligible under the Joint Underwriting Plan.

A basic premise of the State's welfare program is that to qualify for public assistance, a person must be in need of financial assistance from the government. This same individual may or may not need financial help with medical bills depending on the person's health, but if medical assistance is needed, the government will provide it.

Your Committees find that the intent of this measure is to prohibit medical benefit recipients under Health QUEST, whose incomes are too high to qualify for public assistance, from receiving free insurance under the Joint Underwriting Plan. Therefore, your Committees have amended this bill by clarifying that any driver who does not qualify for cash assistance from the State or federal government does not qualify for free insurance under the Joint Underwriting Plan.

Your Committees on Consumer Protection and Human Services are in accord with the intent and purpose of H.B. No. 3427, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3427, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Ikeda and Nakasato.

SCRep. 2698 Consumer Protection on H.B. No. 3453

The purpose of this bill is to provide additional relief to hurricane victims by making various changes to delineate eligibility for and servicing from the Hawaii Hurricane Relief Fund.

Your Committee finds that a Plan of Operation for the Hawaii Hurricane Relief Fund has been adopted, but policies have yet to be provided to hurricane victims. Your Committee further finds that after careful review of the enacting legislation, the various amendments proposed by this measure are necessary to expedite the development of the Fund and delivery of the insurance policies.

Testimony in support of this measure was submitted by the Hawaii Hurricane Relief Fund, the Hawaii Insurers Council, Hawaii Independent Insurance Agents Association, Hawaii Association of Realtors, and the Hawaii Insurance Claim Managers Association.

Your Committee has amended this bill by:

1. Inserting and changing the definition of "policy of hurricane property insurance" to include condominiums, apartments, and cooperative housing corporations;
2. Deleting SECTION 2 which changes the composition of the members of the Board of Directors of the Fund;
3. Providing for the issuance of policies in unspecified amounts of coverage for condominiums, associations, and cooperative housing corporations under section 431P-10;
4. Deleting all amounts specified for the issuance of revenue bonds and general obligation bonds, to allow for negotiation of the amounts in consideration of expanding the Fund to include policies for condominiums, apartments, and cooperative housing corporations; and
5. Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3453, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3453, 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 Ikeda.

SCRep. 2699 Labor and Employment on H.B. No. 1241

The purpose of this bill is to help reorganize and streamline state government by eliminating several unnecessary appointive positions in the Executive Branch.

Specifically this bill amends Section 76-16(16), Hawaii Revised Statutes, by deleting the following twelve positions:

- (1) One deputy director each from the Departments of Transportation, Human Services, Budget and Finance, Land and Natural Resources, and Taxation;
- (2) One Administrative Assistant to the Superintendent of Education;
- (3) Two deputy directors from the Department of Business, Economic Development, and Tourism; and
- (4) Four deputy directors from the Department of Health.

Your Committee finds that in recent years, state government has grown considerably faster than the tax base needed to support it. It is the duty of the Legislature to adjust public sector imbalances by making policy decisions such as the one reflected in this measure.

Your Committee has amended this bill by making a technical change that has no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 1241, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1241, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2700 Labor and Employment on H.B. No. 3144

The purpose of this bill is to provide salary increases and other cost adjustments for fiscal biennium 1993-1995 for officers and employees of the State's Executive Branch, the Department of Education, the University of Hawaii, and the Judiciary who are excluded from collective bargaining.

Section 89C-2, Hawaii Revised Statutes, provides that the compensation, terms, conditions of employment, and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted by the Governor, the Board of Education, the Board of Regents, or the Chief Justice, as applicable. Section 89C-5 further stipulates that any adjustments that constitute cost items shall be subject to appropriation by the Legislature.

This bill constitutes the legislative vehicle by which those appropriations will be made.

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

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 3144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3144, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2701 Labor and Employment on H.B. No. 2925

The purpose of this bill is to preserve Hawaii's Prepaid Health Care law regardless of enactment of any national health care plan.

Under current law, Part V of Chapter 393, Hawaii Revised Statutes, provides that Hawaii's law will terminate upon the effective date of federal legislation that provides for mandatory prepaid health care for the people of Hawaii. The Employee Retirement Income Security Act (ERISA), on the other hand, precludes Hawaii from making substantive changes to Chapter 393.

This bill would repeal Part V of Chapter 393 upon the effective date of a federal act permitting amendment of Chapter 393. The state administration is actively pursuing a federal exemption that would permit this repeal to take effect.

Your Committee finds that in terms of benefits and costs, Hawaii's current law will most likely continue to surpass any federal health care law that might be enacted on a universal basis. This bill will give the State the flexibility needed to provide the best possible coverage for its people, regardless of the federal outcome.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2925, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2925, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2702 Labor and Employment on H.B. No. 3143

The purpose of this bill is to repeal the County Special Fund for Certification and Payment of County Contributions to the Employees' Retirement System (ERS).

Recently the Auditor recommended that the Legislature repeal the Special Fund because the counties have been making their payments directly to the ERS and the Special Fund had become inactive.

In addition to repealing the County Special Fund, this bill:

- (1) Repeals the requirement that the Board of Trustees of the ERS certify to the Comptroller the amount due from a county on account of the county's employees who are members of the ERS; and
- (2) Requires the counties to pay the amount due to the ERS before October 1 and April 1 of each fiscal year, rather than before April 2 of each calendar year.

Your Committee has amended this bill by making technical nonsubstantive amendments for purposes of clarity and style.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 3143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3143, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2703 Labor and Employment on H.B. No. 3169

The purpose of this bill is to establish a worker profiling system under the Employment Security law.

Public Law 103-152 requires state Unemployment Insurance programs to establish a program to identify individuals likely to exhaust benefits, and refer them to reemployment services available under state and federal law. As a condition of eligibility, the claimant must participate in the service or lose benefits. Failure to comply with the provisions of P.L. 103-152 will result in loss of the federal funds required to operate Hawaii's Unemployment Insurance program.

Your Committee finds that early intervention is effective in helping potentially chronically unemployed persons return to the work force.

Your Committee also finds that within the past four years, thousands of workers have lost their jobs due to plant closures or mass lay-offs, and more such multiple terminations, which are in no way the fault of the employees, are expected in the near future. Early intervention alone may not be sufficient to help some of these individuals who have already exhausted their unemployment benefits while searching for work.

Therefore, your Committee has amended this bill by doubling the maximum benefits a worker who is unemployed due to a plant closure or mass lay-off may receive, retroactive to June 1, 1993 and running through May 31, 1997. A plant closure or mass lay-off is defined as an arbitrary decision on the part of an employer, made for economic reasons, that results in a multiple termination of at least one hundred of the employer's employees for reasons unconnected with the employees' work performance.

Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 3169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3169, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2704 Labor and Employment on H.B. No. 3151

The purpose of this bill is to preserve the death benefit payable to the beneficiaries or estate of Department of Education employees who die during the transition from a year round school schedule to a traditional ten-month school year.

Currently, a few schools are already on the year round basis, and others are poised to convert from the traditional school year (two months off during the summer) to the year round schedule. However, an employee of a year round school who is transferred back to a ten-month schedule might have to wait for a month or more on non-paid status before the new school year starts in the fall. If the person dies during this non-paid period, the death benefit under the Employees' Retirement System would not be payable because the person was technically not in service.

This bill closes that loophole.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 3151, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3151, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2705 Labor and Employment on H.B. No. 3191

The purpose of this bill is to repeal the general excise tax exemption on an employee benefit plan's real estate investment income received after June 30, 1994.

Investment income received after June 30, 1994, under a contract executed prior to July 1, 1994, will not be taxed until the contract is renegotiated, renewed, or extended, or until December 31, 1998, whichever is earlier.

Currently, all amounts received by an employee benefit plan are tax exempt; however, your Committee believes that when this exemption was enacted, it was not envisioned that benefit plans would be making money on real estate investments.

Your Committee has amended this bill by clarifying its intent to make the excise tax applicable only to gross rental income derived by an employee benefit plan from investment in real property.

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

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 3191, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3191, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2706 Labor and Employment on H.B. No. 3443

The purpose of this bill is to enhance the Department of Labor and Industrial Relations' activities with respect to occupational safety and health.

The bill establishes a special fund, with moneys derived from penalties collected pursuant to Section 396-10, Hawaii Revised Statutes, to be used for grants, training programs, safety and health conferences, and consultants needed to advise employers on matters relating to safety and health in the workplace. The bill also expands the overall scope of the Department's occupational safety and health education and training component.

The safety and health of Hawaii's workers is of primary concern to your Committee, and this bill is an appropriate means of improving the State's efforts in this area.

Your Committee has amended this bill by requiring that consultants paid for out of the special fund be available to unions and employees as well as to employers.

Your Committee has also amended this bill by adding a new section to Chapter 396 requiring the Department to report each year on occupations and other employment activities that are considered unsafe and are predominantly performed by women. While there are many studies on hazardous work customarily performed by men, your Committee finds that there is insufficient information available on the safety and health of women who perform hazardous employment tasks. This amendment will help fill this information gap. The additional annual reports required by this amendment will be paid for out of the Occupational Safety and Health Training and Assistance fund created by this measure.

Your Committee has further amended this bill by making several nonsubstantive technical changes for the purposes of clarity, style, and conformance with recommended drafting technique.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 3443, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3443, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2707 (Joint) Labor and Employment and Judiciary on H.B. No. 3472

The purpose of this bill is to increase the retirement allowance of public safety investigations staff investigators.

Currently, these personnel are noncontributory class C members of the Employees' Retirement System and entitled to a retirement allowance of one and one-quarter percent of their average final compensation for each year of credited service. Under this bill, they will be designated as contributory class A members effective July 1, 1994, and entitled to a retirement allowance of two and one-half percent. They will contribute twelve and two-tenths of their monthly compensation towards this increased benefit. Those currently in the noncontributory classification will have an opportunity to convert their years to class C by making additional contributions or a lump sum payment.

Other public employees currently afforded the two and one-half percent retirement allowance include firefighters, police officers, corrections officers, investigators of the Departments of the Prosecuting Attorney and the Attorney General, narcotics enforcement investigators, and water safety officers. All are distinguished by the dangerous nature of their work.

Your Committees find that public safety investigations staff investigators conduct investigations comparable to those conducted by investigators in the Departments of the Attorney General and the Prosecuting Attorney, and should be afforded the same retirement allowance.

Your Committees have amended this bill by adding a provision to allow eligible investigators of the Department of the Attorney General, who were class A members prior to July 1, 1984 and then converted to class C, to convert their noncontributory service to class A.

Your Committees have further amended this bill by making technical changes that have no substantive effect.

Your Committees on Labor and Employment and Judiciary are in accord with the intent and purpose of H.B. No. 3472, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3472, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2708 Human Services on H.B. No. 3158

The purpose of the bill is to authorize the Department of Human Services to establish income eligibility standards for chore services without regard to whether the individual is eligible for Medicaid.

Under present law, individuals who are eligible for the State's Medicaid program are also eligible to receive chore services. This bill deletes reference to the Medicaid program in anticipation of the passage of the Hawaii Health QUEST Program.

This would give the Department of Human Services the needed flexibility to determine eligibility standards for chore services. However, your Committee wishes to ensure that present recipients of those services do not lose coverage and has amended the bill accordingly.

Your Committee is also aware of views expressed by the public that chore services often enable individuals to remain at home and avoid institutionalization. From a social and fiscal viewpoint, this is a highly desirable result; therefore, your Committee has amended the bill to require the Department of Human Services to provide up to forty hours of service when necessary to avoid institutionalization. To cut back on hours for those individuals, as has been done in some cases and will be done in more, is "penny wise and pound foolish."

Your Committee has further amended the bill to provide that the amendment clarifying the eligibility for chore services becomes effective only if the Hawaii Health QUEST Program becomes law or is otherwise implemented. Other technical changes have been made for the purpose of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3158, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3158, 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 Nakasato and Reed.

SCRep. 2709 Labor and Employment on H.B. No. 2515

The purpose of this bill is to clarify the intent and purpose of Act 357, Session Laws of Hawaii 1993, relating to the retirement of water safety officers.

Act 357 was intended to grant retirement eligibility to water safety officers (lifeguards) without reduction in benefits for age upon twenty-five years of service. However, the bill also required water safety officers to become contributory members of the Employees' Retirement System, obligating them to monthly payroll deductions of 12.2 percent in return for a higher retirement benefit. Your Committee believes that the Legislature did not intend to make this conversion unequivocal.

This bill offers water safety officers the opportunity to return to noncontributory status and retire after twenty-five years at any age, but with a substantially lower benefit amount, or remain in the contributory plan and receive the higher retirement benefit. All water safety officers first employed after the effective date of the bill will be in the noncontributory plan.

Your Committee finds that this measure appropriately resolves the confusion resulting from Act 357.

Your Committee has amended this bill by extending the increase in the Pensioners Bonus (Section 88-11, Hawaii Revised Statutes) provided by Act 339, Hawaii Revised Statutes, until June 30, 2000. Currently, the Pensioners Bonus increase is scheduled to expire on June 30, 1995.

Your Committee has also amended this bill by making some technical changes that have no substantive effect.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 2515, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2515, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2710 Labor and Employment on H.B. No. 3179

The purpose of this bill is to make permanent the State's recruitment flexibility law enacted pursuant to Act 32, Session Laws of Hawaii 1992, and codified as Section 76-22.5, Hawaii Revised Statutes.

Section 76-22.5 grants to the Director of Personnel Services discretion in determining, establishing, and maintaining the manner in which civil service positions in the State will be filled, under the general policy guidelines currently applicable to civil service employment. However, this authority is scheduled to expire on June 30, 1994.

Your Committee finds that the State needs continued flexibility in personnel recruitment in order to effectively compete with the private sector for the best available workers. This bill repeals the provision in Act 32 that would have terminated that flexibility.

Upon further consideration, your Committee has amended this bill by extending Act 32 one year to June 30, 1995, to provide time for further discussion.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 3179, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3179, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2711 Labor and Employment on H.B. No. 3425

The purpose of this bill is to require the Public Employees Health Fund (PEHF) to cover children of noncustodial employee-beneficiaries recognized under a "qualified medical child support order."

Current law provides for coverage of an employee-beneficiary's children who live at home; however, the federal Omnibus Budget Reconciliation Act of 1993 now requires states to change their laws so as to cover children recognized under qualified medical child support orders, or lose Medicaid funding.

This bill conforms to the intent of the federal legislation by providing for coverage of an employee-beneficiary's children who, by order of a court, have been found eligible for medical support; provided that the court order clearly identifies the child and specifies the kinds of coverage to which the child is entitled, the duration of the coverage, and the specific health plan to which it applies.

Your Committee concurs with the public policy expressed by Congress in its recent federal legislation, and welcomes the opportunity to provide additional medical coverage for these vulnerable young citizens.

Your Committee has amended this bill as follows:

- (1) Inserted an amendment to Section 87-3(a) requiring that surplus moneys returned from health plans for retired employees or other beneficiaries whose coverage is financed in whole or in part by the State or county be returned to the State or county for deposit into the appropriate general fund;
- (2) Inserted an amendment to Section 87-11, Hawaii Revised Statutes, deleting from the PEHF's Board of Trustees the member representing the clergy and adding a retirant of the Employees' Retirement System;
- (3) Required the PEHF Administrator to study and report to the 1995 Regular Session on proposals to (A) require retirees with less than twenty-five years of credited service to pay a share of their monthly premiums, and (B) suspend policies of retirees who are covered by another employer after returning to work; and
- (4) Made several nonsubstantive technical changes for the purposes of style, clarity, and conformance with recommended drafting technique.

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 3425, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3425, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2712 (Joint) Higher Education, Culture and Arts and Historic Preservation and Labor and Employment on H.B. No. 3336

The purpose of the bill is to include compensation of the permanent staff in the authorized expenditures from the Center for Labor and Education and Research Revolving Fund.

Your Committees find a need to clarify the number of permanent staff positions authorized for the Center for Labor Education and Research and have amended the bill to allow the number of staff positions to be no less than five persons in addition to the Director.

Your Committees have also amended the bill by making technical, nonsubstantive changes for the purpose of clarity and style.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Labor and Employment are in accord with the intent and purpose of H.B. No. 3336, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3336, 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 Aki and McCartney.

SCRep. 2713 (Joint) Higher Education, Culture and Arts and Historic Preservation and Agriculture on H.B. No. 3446

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to designate community based subsistence fishing areas, carry out fishery management strategies in those areas, and establish a subsistence pilot fishing demonstration project on Molokai.

Community based subsistence fishing areas are for the purpose of protecting those rights customarily and traditionally exercised for purposes of native Hawaiian subsistence, culture, and religion.

The bill also provides procedures for submitting proposals to the DLNR for designation of community based subsistence fishing areas.

The Molokai demonstration project is a recommendation of the Governor's Molokai Subsistence Task Force which documented the importance of subsistence fishing to Molokai families and the amount of food provided by subsistence fishing.

Your Committees received testimony in support of this bill from the DLNR and the Office of Hawaiian Affairs, and the residents of Hana, Maui.

Your Committees are cognizant that there are communities where subsistence fishing is necessary for the economic viability of its residents. In Hana, Maui, for example, subsistence fishing is essential for providing jobs, food, and economic opportunities.

Your Committees recognize the invaluable use of subsistence fishing and wish to encourage its development and continued practice in other island areas, such as in Hana, Maui. Your Committees also recognize that the practice of subsistence fishing can and should be utilized by all island people, and have therefore amended this bill by deleting "native Hawaiian" at page 1, line 5, so as not to exclude other races from establishing community based subsistence fishing areas as long as customary and traditional native Hawaiian practices are used.

Your Committees have further amended this bill by:

- (1) Deleting the authority of Hui O Malama O Moomomi to enforce rules for the demonstration project since enforcement is a DLNR function;
- (2) Making the pilot demonstration project part of the session laws because it is experimental and temporary; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Agriculture are in accord with the intent and purpose of H.B. No. 3446, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3446, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2714 (Joint) Higher Education, Culture and Arts and Historic Preservation and Education on H.B. No. 3447

The purpose of this bill is to allow the University of Hawaii to retain, until June 30 of the following fiscal year, not more than five per cent of any appropriation of general funds for operating purposes at the close of each fiscal year, and to make permanent those amendments granting the Department of Education and the University of Hawaii fiscal flexibility under the budget law.

In addition to allowing the University of Hawaii to use these carryover funds to supplement the appropriation for any program of the university, and prohibiting the retention of an appropriation from being used as the basis for reducing the future budget requests or allotments of the University of Hawaii without the consent of the university, this bill exempts the University of Hawaii from the quarterly allotment process prescribed by the budget law.

Your Committees received testimony in support of this measure from the Department of Education and comments regarding the same from the University of Hawaii.

Your Committees have amended this bill by:

- (1) Codifying the provision:
 - (A) Allowing the governor to suspend, for not more than twelve months in any one fiscal year, any allowance or exception conferred upon the University of Hawaii by specific provisions of the budget law when the governor determines that the allowance or exception will impair the governor's ability to promote and ensure the economic and efficient management of the State's financial resources; and
 - (B) Requiring the governor to report the suspension of any such allowance or exception to the legislature;
- (2) Specifying that carryover appropriations of the University of Hawaii (in the manner authorized for the Department of Education under section 37-41.5, Hawaii Revised Statutes), remaining unexpended and unencumbered at the close of any fiscal year shall not lapse and be returned to the general fund in the manner prescribed by the audit and accounting law;
- (3) Repealing those amendments granting the Department of Education fiscal flexibility under the budget law. Your Committees wish to note that fiscal flexibility for the Department of Education is being specifically addressed in H.B. No. 3657 (the omnibus education reform bill), which has been referred to the Committees on Education and Ways and Means;
- (4) Repealing the provision:
 - (A) Allowing the University of Hawaii to retain not more than five per cent of any appropriation of general funds for operating purposes at the close of each fiscal year;
 - (B) Exempting the University of Hawaii from the quarterly allotment process; and
 - (C) Prohibiting carryover appropriations of the University of Hawaii remaining unexpended and unencumbered at the close of any fiscal year from lapsing and being returned to the general fund;

one year after the approval of this measure in order to reevaluate the effectiveness of this proposal during the 1995 regular session; and

- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Education are in accord with the intent and purpose of H.B. No. 3447, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3447, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 2715 (Joint) Higher Education, Culture and Arts and Historic Preservation and Tourism and Recreation on H.B. No. 3502

The purpose of this bill is to appropriate funds for the establishment of a statewide information clearinghouse and database for local arts and cultural activities, sports, ethnic festivals, and other special events unique to Hawaii.

The bill also provides that the Department of Business, Economic Development, and Tourism shall develop the database in partnership with the State Foundation on Culture and the Arts, local arts organizations, and county agencies.

Your Committees find that culture and the arts positively influence the lives of Hawaii's rich multi-cultural society through local dance, drama, music, poetry, ethnic festivities, sports, and other cultural activities.

Your Committees have amended this bill to expand the purpose section in order to further effectuate the intent of the program. Your Committees have also amended this bill by increasing the amount of the appropriation from \$10,000 to \$250,000, and by including Hawaii INC., as a participant in the development of the database. Your Committees have further amended this bill by requiring the Department of Business, Economic Development, and Tourism to submit the costs of ongoing media production and distribution costs in their status report on the database project. Your Committees have further amended this bill by making nonsubstantive technical changes for the purposes of style and clarity.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Tourism and Recreation are in accord with the intent and purpose of H.B. No. 3502, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3502, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator George.

SCRep. 2716 (Majority) Education on H.B. No. 598

The purpose of this bill is to propose an amendment to the Hawaii State Constitution to give voting authority to the student member of the Board of Education.

Your Committee finds that the existing composition of the Board of Education includes a non-voting student member to be selected by the Hawaii State Student Council. Your Committee further finds that the intent of adding a student member to the Board was to provide student input through active participation on the Board of Education. Your Committee believes that giving voting authority to the student member will enhance the student's ability to fully participate in Board actions, and will not increase the level of responsibility required of the student nor invalidate the Board's ability to make decisions. Finally, your Committee believes that this measure is closely linked to other school reform efforts which seek to empower the schools and make students and the community partners in education policy decisions to the ultimate benefit of our students.

Testimony in support of this measure was submitted by the Hawaii State Student Council, student representatives of many student councils, the Education Alliance, the Hawaii State Parent-Teacher-Student Association, the California State Board of Education, the Hawaii State Teachers Association, and the Hawaii Business Roundtable.

Your Committee has amended this bill by:

1. Providing full voting authority to the student member by deleting the language restricting the issues upon which a student may vote; and
2. Rewording the question to be placed on the ballot to reflect providing the student member with full voting authority.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 598, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 598, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 2717 Education on H.B. No. 3329

The purpose of this bill is to authorize the state librarian to issue licenses and permits for concessions to the Hawaii State Library Foundation and to require that income derived from such concessions be deposited into the Hawaii State Library Foundation trust fund.

Your Committee finds that Act 328, Session Laws of Hawaii 1993, established the Hawaii State Library Foundation to generate income from private activities for the support of the public libraries and created the trust fund to allow the Foundation to expend such income as it determined. Your Committee further finds that Act 328 did not provide specific

statutory authority authorizing the operation of for-profit concessions by the Foundation and directing the deposit of concession income into the trust fund. This measure is necessary to provide such authority and intent.

Testimony in support of this measure was submitted by the Hawaii State Library Foundation.

Your Committee has amended this bill by making non-substantive changes for the purposes of clarity and conformance with existing statutory language.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3329, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2718 Education on H.B. No. 3739

The purpose of this bill is to institute a five-year moratorium on the applicability of state and county zoning and building requirements with regard to the construction of educational facilities.

Your Committee finds that the State's ability to meet the growing need for educational facilities is becoming further delayed due to existing state and county regulations requiring the review of school facility plans and construction projects by various governmental bodies. Your Committee further finds that the various state agencies with purview over the school construction program have been working to reduce the timelines to accelerate the completion of school construction projects, and this measure will greatly assist in their efforts.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3739, H.D. 3, and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committee.

SCRep. 2719 Education on H.B. No. 3742

The purpose of this bill is to extend the Hawaii Young Scholars pilot program from two to five years.

Your Committee finds that the Hawaii Young Scholars Program was established by Act 299, Session Laws of Hawaii 1992, to encourage certain students who are economically and educationally disadvantaged to pursue higher education opportunities. Your Committee further finds that the initial sites for the program have just been chosen this semester with the help of private donations and, therefore, it is necessary to extend the pilot program beyond the two-year period initially provided by Act 299.

Testimony in support of this measure was submitted by the Department of Education and the University of Hawaii.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3742 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2720 (Joint) Education and Judiciary on H.B. No. 2692

The purpose of this bill is to propose an amendment to the Hawaii State Constitution to authorize the State to use the proceeds of special purpose revenue bonds (SPRBs) to assist not-for-profit corporations providing early childhood education and care facilities serving the general public.

Your Committees find that there is a lack of financial resources available for the development of early childhood education and care facilities to meet the present and future need for such services. In a 1993 study by the Office of Children and Youth, the lack of early childhood education and care facilities was one of the primary barriers to meeting the expected demand for services in the year 2000. Your Committees further find that early childhood education and care facilities serve the public interest by providing care for children while their parents are at work as well as providing developmentally appropriate programs which improve these children's readiness for school.

Testimony in support of this measure was submitted by the Governor's Office of Children and Youth, Hawaii Association for the Education of Young Children, and Keiki's First (a grassroots coalition of parents and children's advocates).

Your Committees have amended this bill by:

1. Proposing an amendment to Article VII, section 12, relating to the authorization and issuance of SPRBs to include early childhood education and care facilities as one of the category of facilities that may be financed by SPRBs;
2. Inserting a new Part in Chapter 39A, to provide statutory authority to issue SPRBs to assist not-for-profit corporations that provide early childhood education and care facilities serving the general public, including a definition that such facilities shall not include property used primarily for sectarian activities or religious worship;

3. Changing the effective date to require the ratification of the constitutional amendments in order to effectuate the new part added to Chapter 39A; and
4. Making technical, nonsubstantive changes for the purposes of clarity and conformance with proper drafting style.

Your Committees on Education and Judiciary are in accord with the intent and purpose of H.B. No. 2692, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2692, 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 Levin and Reed.

SCRep. 2721 Human Services on H.B. No. 3156

The purpose of this bill is to ensure that the determination and certification of mental impairment is done by a psychiatrist or psychologist who has been oriented to the Department of Human Services' guidelines and objective criteria for mental impairment, and to delete certain requirements in the treatment of a general assistance individual who has been determined to be mentally impaired.

Your Committee finds that under the Health QUEST waiver, the current fee-for-service system will be replaced in some instances by qualified health plans that will provide all services for a capitated fee, including conducting the examination for mental impairment for general assistance recipients. The current procedural requirements specified in the statutes will therefore not be applicable if the Health QUEST waiver is implemented.

Your Committee has amended the bill to add provisions for the establishment by the Department of Human Services of a demonstration project for transferring persons receiving general assistance benefits under Chapter 346, Hawaii Revised Statutes, to public assistance provided by the Federal Supplemental Security Income program when the person becomes eligible for the federal benefits.

Further amendments to the bill creates a two-year demonstration project in which assistance payments made to individuals with a primary diagnosis of drug addiction shall not be made directly to the eligible person, but shall be made instead to a representative acting as a guardian.

Your Committee has also amended the bill to provide that section 1, pertaining to certification of mental impairment, becomes effective only if the Hawaii Health QUEST Program becomes law.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3156, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Nakasato and Reed.

SCRep. 2722 Ways and Means on H.B. No. 3090

The purpose of this bill is to make housekeeping amendments to the cigarette and tobacco tax law.

This bill clarifies the definitions of the terms "dealers" and "wholesalers" to include persons who possess or use cigarettes or tobacco in order to include in the tax law those dealers and wholesalers who purchase the products from out-of-state sources for distribution in Hawaii. This bill also clarifies the imposition of taxes, the filing of returns, and the record keeping requirements with regard to those who possess or use cigarette and tobacco products. Your Committee finds that these amendments will promote the consistent application of the tobacco tax law.

Your Committee has amended this bill to allow a refund of cigarette and tobacco taxes paid in the event the cigarettes or tobacco products become the subject of a casualty loss.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3090, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3090, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2723 Ways and Means on H.B. No. 3137

The purpose of this bill is to simplify and streamline the Department of Taxation's procedure for figuring the interest due on the underpayment or nonpayment of taxes.

Currently, if such a tax falls due on a weekend or holiday, the start of the interest computation period is required to be shifted to begin on the first business day after the due date. As a result, the Department of Taxation must constantly re-program its computers each time a due date falls on a weekend or holiday. This cumbersome procedure can be streamlined by fixing the start of the interest computation period on the first calendar day after the due date in all cases, regardless of whether it falls on a weekend or holiday.

In addition to streamlining the process, the amendments made by this bill make the computation of interest under state tax laws comparable to the Internal Revenue Code.

Your Committee finds that this bill, which is a companion bill to S.B. No. 2969 which your Committee previously approved, is necessary and desirable to streamline the computation of interest on the underpayment and nonpayment of taxes due.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3187 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2724 Ways and Means on H.B. No. 3192

The purpose of this bill is to repeal the tax administration fund, which was established by Act 30, Session Laws of Hawaii 1993.

The purpose of the fund is to defray the Department of Taxation's expenses for employees' overtime, emergency and temporary hires, filling vacant civil service positions, or conducting out-of-state audits of taxpayers. Moneys in this special fund are derived from delinquent taxes collected by the department.

Your Committee finds that the Department of Taxation requested and received approval from the Department of Budget and Finance to have the moneys in the fund converted from the special fund to the general fund, in which the moneys will become a permanent part of the budget of the Department of Taxation. As part of the department's budget, your Committee finds that the moneys will provide a consistent and stable funding source for the collection of delinquent taxes, and will enable the department to retain personnel in the delinquent tax collection program.

Your Committee further notes that this measure is a companion bill to S.B. No. 2974, which your Committee has previously approved.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3192 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2725 Ways and Means on H.B. No. 3350

The purpose of this bill is to repeal the tax relief for natural disasters law.

This bill repeals the chapter of the law that provides tax credits under the general excise tax and real property tax laws when a natural disaster has been proclaimed by the governor. The credits are based on a formula that adds the amount of losses and subtracts the amounts received from insurance and other sources to determine the amount of the credit allowed. The allowable amount of the credit is determined by an appointed claims commission. The bill also makes conforming amendments to other provisions of the law to delete references to the repealed chapter 234, Hawaii Revised Statutes.

A study completed by the legislative reference bureau found the tax relief for natural disasters law to be an ineffective and inequitable way to meet the policy for which it was enacted; namely, to help people recover the losses incurred in a natural disaster. Providing taxpayers relief under the tax relief for natural disasters law allows only those who own real property or a business to recover anything at all. Additionally, with the administration of the real property tax law now in the hands of the counties, it is inappropriate for the State to dictate the type and amount of real property tax relief that should be granted by the counties.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3350, 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. 2726 Ways and Means on H.B. No. 3417

The purpose of this bill is to conform the treatment of revocable trusts under the general excise tax law with the treatment under the state and federal income tax laws.

This bill releases certain revocable trusts from the licensing, registration, and filing requirements of the general excise tax law. The release is contingent on the following three conditions of the trust:

- (1) There is no registration or filing requirements under state and federal income tax laws separate from the grantor;
- (2) All income, deductions, and credits of the trust are reported by the grantor; and
- (3) The trust is revocable by the grantor.

The bill clarifies this release from licensing, registration, and filing requirements for the revocable trust by further declaring that the grantor is required to be licensed and pay any general excise tax due on any income generated from engaging in business by the trust. The effect of these changes is to make the grantors liable for the tax rather than the trust itself.

Your Committee finds that assigning responsibility for the general excise tax to the grantor is appropriate because the assets of the revocable trust are subject to the control of the grantor and the disposition of the income is subject to allocation by the grantor.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3417 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2727 Ways and Means on H.B. No. 3675

The purpose of this bill is to diversify the uses to which previously appropriated funds may be used for Hurricane Iniki relief.

Act 335, Session Laws of Hawaii 1993, previously appropriated the combined amount of \$8,500,000 for fiscal years 1993-1994 and 1994-1995 to be used only to reimburse the county of Kauai for real property taxes remitted, refunded, or forgiven under the tax relief for natural disasters law, chapter 234, Hawaii Revised Statutes.

This bill allows designated amounts of the appropriated sums to be used also for the following purposes:

- (1) The twenty-five per cent of state matching funds to the county of Kauai required under the State's contractual arrangement with the Federal Emergency Management Agency;
- (2) Replacement or repair of all hurricane damaged county facilities;
- (3) School-based psychological support in the public schools on Kauai;
- (4) Post-traumatic distress of Kauai's children and youth; and
- (5) "Good faith moneys" to secure federal matching funds for economic recovery programs on Kauai.

Your Committee finds that this bill provides additional flexibility in the use of the appropriated funds to take care of a variety of pressing needs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3675, 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. 2728 Human Services on H.B. No. 2949

The purpose of this bill is to statutorily establish "Children's Day" and "Children's Week" to honor the children of Hawaii in recognition that children are the State's most important resource.

Your Committee finds that the youth of Hawaii represent the future of the State. The designation of a "Children's Day" and a "Children's Week" is necessary to remind the public at large of the importance of child welfare, health, and happiness.

Your Committee has amended the bill by making technical changes that have no substantive effect.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2949, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

LCRep. 2729 Executive Appointments on Gov. Msg. No. 200

Recommending that the Senate consent to the nomination of SHACKLEY F. RAFFETTO for 1st Judge of the Circuit Court of the Second 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.

SCRep. 2730 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations. Environmental Protection and Hawaiian Programs on S.R. No. 40

The purpose of this resolution is to request that the Governor appoint fifteen members to be part of a commission for the purpose of observing the 50th anniversary of the end of World War II. The commission's goal is to bring the battleship Missouri to Pearl Harbor as a permanent exhibit to be placed alongside the battleship Arizona and the submarine Bowfin.

The members of the commission are also requested to prepare for the observance of the 50th anniversary of General Douglas MacArthur's acceptance of Japan's formal surrender on September 2, 1945.

The resolution places the commission within the Department of Business, Economic Development, and Tourism, with its term ending on June 30, 1996. The resolution also requests the commission to report to the 1995, 1996, and 1997 Regular Legislative Sessions. The commission is further requested to submit a plan for the observance of the 50th anniversary of the end of World War II, by inviting state representatives whose states had namesake ships berthed in Pearl Harbor on December 7, 1941, and in Tokyo Bay on September 2, 1945.

Your Committees find that the 50th anniversary of the end of World War II should be commemorated and memorialized.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of S.R. No. 40, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 2731 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 49

The purpose of this concurrent resolution is to request that the Governor appoint fifteen members to be part of a commission for the purpose of observing the 50th anniversary of the end of World War II. The commission's goal is to bring the battleship Missouri to Pearl Harbor as a permanent exhibit to be placed alongside the battleship Arizona and the submarine Bowfin.

The members of the commission are also requested to prepare for the observance of the 50th anniversary of General Douglas MacArthur's acceptance of Japan's formal surrender on September 2, 1945.

The concurrent resolution places the commission within the Department of Business, Economic Development, and Tourism, with its term ending on June 30, 1996. The concurrent resolution also requests the commission to report to the 1995, 1996, and 1997 Regular Legislative Sessions. The commission is further requested to submit a plan for the observance of the 50th anniversary of the end of World War II, by inviting state representatives whose states had namesake ships berthed in Pearl Harbor on December 7, 1941, and in Tokyo Bay on September 2, 1945.

Your Committees find that the 50th anniversary of the end of World War II should be commemorated and memorialized.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of S.C.R. No. 49, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 2732 Housing on H.B. No. 2460

The purpose of this bill is to require condominium bylaws to allow condominium board directors to expend "reasonable" travel expenses to attend educational seminars without requiring the approval of a majority of owners; provided that the expenses directly pertain to the director's duties and that the costs are specifically outlined in the board's annual operating budget.

Your Committee finds that condominium board directors should be reimbursed for their in-state economy travel, purchase of educational material, and registration fees without requiring owner approval and that the expenses should be disclosed to owners by including them as line items within the annual operating budget. Your Committee also finds that other travel expenses should remain subject to the approval by a majority of owners.

Your Committee has made technical, non-substantive amendments for purposes of style and clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2460, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2460, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2733 Housing on H.B. No. 3145

The purpose of this bill is to allow present owners of Housing Finance and Development Corporation (HFDC)-sponsored affordable dwelling units to purchase a larger HFDC-sponsored dwelling unit if the owner's family size has increased beyond the occupant capacity permissible for the owner's existing dwelling unit.

Your Committee finds that under existing law, purchasers of HFDC-sponsored affordable dwelling units are only allowed to purchase HFDC-sponsored affordable units once. The existing law does not allow for the potential growth of a purchaser's family, nor does it allow for the possibility that the purchaser in subsequent years, still may not be able to afford a market-priced dwelling unit.

Your Committee believes that the bill is necessary to accommodate the growing needs of low and moderate income families and at the same time allow the HFDC to recycle "starter homes." It is your Committee's intent, however, that when an owner of a HFDC-sponsored dwelling unit purchases a larger dwelling unit as provided for in the bill, the owner shall be allowed to reside in the owner's existing unit until the new unit is available for habitation. Accordingly, your

Committee requests that the HFDC add this provision into its Administrative Rules and to initial purchase contracts with homeowners.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3145, 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. 2734 Housing on H.B. No. 2873

The purpose of this bill is to provide clarification with regard to housing agreements during periods of disaster relief and rehabilitation.

Specifically, the bill protects a tenant from being indiscriminately evicted after a natural disaster occurs unless:

- (1) The owner serves the tenant with a written notice at least forty-five days in advance;
- (2) The owner is selling the property;
- (3) The owner or a member of the owner's immediate family will occupy the dwelling; or
- (4) The dwelling requires repair in order to restore it to habitable standards.

Your Committee finds that the bill protects tenants from being evicted at a time when they can least afford to be dislocated from shelter, while still maintaining the basic property rights of real property owners.

Your Committee has amended the bill by adding definitions for the terms "breach of a material term," "fixed-term lease," "periodic tenancy," and "unfit for occupancy," and by making nonsubstantive, stylistic changes for the purpose of clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2873, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2873, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2735 Ways and Means on H.B. No. 3090

The purpose of this bill is to make housekeeping amendments to the cigarette and tobacco tax law, and to allow a refund of cigarette and tobacco taxes paid in the event the cigarettes or tobacco products become the subject of a casualty loss.

Specifically, this bill clarifies the definitions of the terms "dealers" and "wholesalers" to include persons who possess or use cigarettes or tobacco in order to include in the tax law those dealers and wholesalers who purchase the products from out-of-state sources for distribution in Hawaii. This bill also clarifies the imposition of taxes, the filing of returns, and the record keeping requirements with regard to those who possess or use cigarette and tobacco products. Your Committee finds that these amendments will promote the consistent application of the tobacco tax law, and the fair application of the same in the event of a casualty loss.

Your Committee has amended this bill to correct its title, which was inadvertently changed to include the word "law" (i.e., relating to the cigarette and tobacco tax law).

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3090, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3090, H.D. 1, S.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2736 Judiciary on S.R. No. 132

The purpose of this resolution is to establish a Model Drug Laws Task Force to conduct a comprehensive review of the Model Drug Laws submitted to the Senate Committee on Judiciary, 1994 Regular Session.

The resolution calls for a comparison of the Model Drug Laws with current Hawaii laws and requests the Task Force to make specific recommendations on which provisions of the Model Drug Laws should be considered by the Legislature for enactment.

Your Committee received testimony in support of the resolution from the Department of Public Safety, the office of youth services, the Maui Hotel Association, and the Hawaii Drug Policy Options Group. The public defender submitted testimony supporting the intent of the resolution, however, recommending that the Committee on Penal Code Review established by Act 284, 1993 Session Laws of Hawaii, perform the review of the Model Drug Laws.

Your Committee finds that alcohol and other drug problems are among the most significant social issues the nation faces in the 1990's.

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Your Committee amended the resolution at the request of those who testified to expand the membership of the task force to include representatives from the Department of Health, the hawaii paroling authority, the hawaii advisory commission on drug abuse and controlled substances, and the hawaii drug policy options group. Your Committee also amended the resolution by requesting the Commander in Chief of the Pacific to appoint representatives from various branches of the military to participate in the Task Force meetings.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 132, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 132, S.D. 1.

Signed by all members of the Committee.

SCRep. 2737 Judiciary on S.C.R. No. 172

The purpose of the resolution is to establish a task force to design and implement an enforcement program to increase compliance with existing statutes regulating the sale of tobacco products to minors, or to propose a new regulatory mechanism for such purpose.

Your Committee received testimony in support of the bill from the Department of Health, American Cancer Society Hawaii Pacific Division, and the American Lung Association of Hawaii.

Federal law under the Synar Amendment requires states to enforce laws restricting the sale of tobacco to minors in a manner that can be reasonably expected to reduce the extent to which tobacco products are available to minors and requires the states to annually conduct random, unannounced inspections to ensure compliance. Noncompliance with federal law could result in substantial cuts in federal funding to our Department of Health.

Your Committee amended the resolution at the request of the County Liquor Commissions and the Department of Health to clarify that the representative from the Department of Health would be the convening authority for the task force.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 172, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. 172, S.D.1.

Signed by all members of the Committee.

SCRep. 2738 Judiciary on H.B. No. 2319

The purpose of the bill is to establish that a man's voluntary acknowledgement of paternity with the Department of Health is admissible as evidence of paternity in any family court proceeding.

Testimony in support of the bill was submitted by the Department of the Attorney General and the corporation counsel of Hawaii county.

Your Committee finds that this bill will assure compliance with Section 13721 of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), which requires the states to implement procedures similar to those proposed herein.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2319 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2739 Judiciary on H.B. No. 2318

The purpose of the bill is to require that paternity determinations from other states and U.S. territories be treated the same as paternity adjudications in the state of Hawaii.

Your Committee received testimony in support of the bill from the attorney general, the Department of Health, and the corporation counsel Hawaii county.

Your Committee finds that this bill will facilitate requests to prepare new birth certificates by the Vital Records Section of the health department upon receipt of paternity determinations from other states. Your Committee believes that there will be less of a need to consult with the attorney general to determine whether an unusual out-of-state paternity determination document is acceptable.

Your Committee further finds that this bill will ensure that the State remains in compliance with federal law. Pursuant to §13721(b) of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), the states are required to give full faith and credit to a determination of paternity made by any other state, whether established through voluntary acknowledgement or through administrative or judicial process.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2318, 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. 2740 Judiciary on H.B. No. 1642

The purpose of the bill is to allow the family court to use certified copies of school attendance records as prima facie evidence of a child's nonattendance at school or nonreceipt of educational services.

Your Committee received testimony in support of the bill from the Department of Education.

Your Committee finds that having school personnel testify in person about their certification of the child's nonattendance in school is both burdensome and unnecessary. Attendance records are maintained on a daily basis by school personnel and are similar to other certified official records that are allowed to be entered into evidence without the need for personal testimony. Allowing the admissibility of attendance records would greatly simplify the procedure involved in verifying that a student is in violation of the statute requiring mandatory school attendance.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1642 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2741 Judiciary on H.B. No. 1590

The purpose of the bill is to provide statutory authority for:

- 1) the attorney general to be counsel for the civil service commission of the city and county of Honolulu during an appeal hearing before the civil service commission of the city and county of Honolulu;
- 2) the corporation counsel for the city and county of Honolulu to be counsel for the state civil service commission during an appeal hearing before the state civil service commission when the appeal hearing is being conducted in the city and county of Honolulu; and
- 3) to allow counsel for each commission to continue to be that commission's counsel in the event the commission's decision and order is appealed in circuit court as provided in chapter 91.

Your Committee received testimony in support of the bill from the attorney general.

Your Committee finds that this bill will eliminate the appearance of impropriety that exists when:

- 1) the attorney general and the corporation counsel for the city and county of Honolulu represent both the appointing authority and their respective civil service commissions during appeal hearing; and
- 2) the attorney general and the county attorney or corporation counsel represent both the appointing authority and their respective civil service commissions during a chapter 91 appeal.

Your Committee amended the bill by adding a new section as recommended by the attorney general to identify the representing counsel in certain situations as it relates to the county civil service commission and chapter 91.

Your Committee further amended the bill by adding the phrase "Any other law withstanding" page three line six. This phrase would allow the attorney general to represent the county civil service commission without conflicting with section 26-7, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1590, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1590, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2742 Judiciary on H.B. No. 3138

The purpose of this bill is to extend Title IV-D (Social Security Act) child support enforcement services to parents who are parties to support orders entered by the courts, the child support enforcement agency, or the office of child support hearings; to clarify that parent locator services extend to both absent parents and custodial parents; to clarify that withholding of unemployment compensation is also applicable to non-delinquent child support obligors; and to authorize the child support enforcement agency, rather than only investigators, access to information to carry out the agency's mandates.

Your Committee received testimony in support of the bill from the Department of the Attorney General.

Your Committee finds that this bill enables the agency to obtain federal funding by complying with federal regulations and facilitates the operations of the agency to secure child support payments.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3138, 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. 2743 Judiciary on H.B. No. 3470

The purpose of the bill is to clarify the procedure for revoking the release status of pretrial inmates by the Director of Public Safety pursuant to Act 305, Session Laws of Hawaii 1993.

Your Committee received testimony in support of the bill from the Department of Public Safety, Corrections Population Management Commission, and Public Defender.

Your Committee finds that the interest of public safety is met by expeditious adjudication of the return of a pretrial inmate when the inmate has violated the conditions of release.

Your Committee believes that the revocation procedures must meet constitutional due process safeguards. Your Committee amended the bill by deleting the provisions on page 3, line 9 from the sentence beginning with "The" to page 4, line 3, and providing new language consistent with the need to meet due process concerns.

The amendment provides for notice of the violation giving rise to the arrest and temporary return to custody; establishes "sufficient cause" as the standard for revoking the release status; requires the prompt convening of the revocation hearing; and provides that the rights as set forth in subsections 706-670(3)(a), (3)(b), (3)(c), and (3)(d) apply.

The amendment further provides that if sufficient cause for the alleged violation is found, the director or director's designee may impose different or additional conditions of release or revoke the pretrial inmate's release. Notice of reincarceration shall be filed with the court.

Your Committee amended the bill on page 2 lines 9-10 by deleting the granting of criminal immunity because this provision infringes on the prosecuting attorneys' authority to grant or deny criminal immunity.

Upon further consideration, your Committee also amended the bill by requiring the the Department of Public Safety to submit a report on the recidivism rate of pretrial inmates released under this program 20 days prior to the convening of the 1995 Regular Session of the legislature and by adding a sunset provision in section 4.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3470, H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3470, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2744 Judiciary on H.B. No. 3511

The purpose of the bill is to delete gender-specific pronouns in Hawaii Rules of Evidence 404 and to add a notice provision to rule 404(b) in criminal cases.

The bill provides that the proponent of character evidence to be offered in a criminal case under Rule 404(b) shall provide reasonable notice in advance of trial, or during trial if the court excuses pretrial notice on good cause shown, of the date, location, and general nature of any such evidence it intends to introduce at trial.

Your Committee received testimony in support of the bill from the judiciary and the public defender.

The notice provision parallels the change made in 1991 to the Federal Rules of Evidence. The amendments in this bill are unanimously recommended by the Hawaii Supreme Court's Standing Committee on Rules of Evidence.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3511, 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. 2745 Judiciary on H.B. No. 2322

The purpose of the bill is to clarify that attorneys' fees may be taxed by the court in assumpsit actions where there is no writing and in actions on a promissory note or other contract in writing.

Your Committee received testimony in support of the bill from several attorneys in private practice.

Your Committee finds that the amendment to §607-14, Hawaii Revised Statutes (HRS), by Act 200, Session Laws of Hawaii 1993, has caused confusion in the courts whether attorneys' fees may be taxed in assumpsit actions. As a result of Act 200, attorneys' fees were not permitted without a written instrument requiring payment of the fees and signed by the debtor.

This bill addresses the confusion by deleting the language on page 2 lines 8-17 and substituting clarifying language on page 2 lines 18-24. These changes make clear that attorneys' fees may be awarded in assumpsit. The new language precludes one party to force the other party to pay attorneys' fees incurred in the pursuit of a prior debt not at issue before the court, unless a writing providing for attorneys' fees was signed by the debtor before the debt was incurred.

The bill provides for retroactive effect of its provisions.

Your Committee amended the bill to provide, in the alternative, the award of attorneys' fees by way of a fee schedule. Under either provision, by way of affidavit under current law or by way of the fee schedule, the award of attorneys' fees cannot exceed twenty-five per cent of the amount of the judgment. Your Committee finds that this amendment provides flexibility to the attorney by saving time and work.

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

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2322, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2322, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2746 Housing on H.B. No. 2760

The purpose of this bill is to amend the qualification requirements for purchasing a houselot under Chapter 516, Hawaii Revised Statutes (Land Reform Act), by:

- (1) Requiring that the applicant qualify for a homeowner's real property tax exemption;
- (2) Disqualifying applicants that falsify information on their applications for houselot purchase; and
- (3) Requiring the disqualified applicant to reimburse the lessor for the costs incurred by the lessor in defending against the falsified application.

Your Committee finds that applicants for the purchase of residential houselots should have to qualify for a homeowner's real property tax exemption as a part of the purchase requirements. While a disincentive for filing false applications for the purchase of residential houselots is not inappropriate, your Committee believes that the intent of the bill is to prevent lessees from circumventing the qualification requirements of the Land Reform Act with regard to the purchase of fee interests on leasehold property.

It is your Committee's understanding that the Land Reform Act prohibits a person from purchasing the leased fee interest of a residential houselot if that person does not reside on the houselot and is already an owner of a fee interest of a residential houselot. However, the law does not currently prohibit a fee owner from transferring the fee title to another for the sole purpose of qualifying to obtain the leased fee property.

Therefore, your Committee has amended the bill by deleting the existing disqualification language in the bill and inserted in its place, language that prevents lessees from acquiring the leasehold interest to their properties solely for the purpose of assisting another person in acquiring that leased fee interest by circumventing the qualification requirements under the Land Reform Act. Your Committee believes that this amendment will more effectively address the intent of the bill.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2760, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2760, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2747 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Ways and Means on H.B. No. 2639

The purpose of this bill is to allow the Director of Health to review the past environmental record of a solid or hazardous waste permit applicant for the purpose of imposing conditions on the permit to be issued to the applicant.

Your Committees find that this type of legislation is typically referred to as a "bad actor law" and is intended to deter persons or entities with poor records of compliance to environmental regulations in other jurisdictions from attempting to obtain permits to contract environmentally-related work in the State.

Your Committees agree with the intent of the bill. However, your Committees believe that further action must be taken to preserve the integrity of the State's precious and fragile environment. Therefore, your Committees have amended the bill by:

- (1) Adding an appropriation section to the bill to ensure that the Department of Health will have adequate funding to carry out the purpose of the bill;
- (2) Adding a new part to the bill that establishes a Department of the Environment;
- (3) Adding a new part to the bill that establishes a Glass Container Recovery Program within the Department of Health; and
- (4) Adding a new part to the bill that establishes a Clean Hawaii Center within the Department of Business, Economic Development, and Tourism to be responsible for the market development of local processing and manufacturing industries for collected recyclables.

Your Committees believe that this comprehensive approach to environmental protection not only provides added protection for the State's environment, but assists in the creation of new economic opportunities within the State as well.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Ways and Means are in accord with the intent and purpose of H.B. No. 2639, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2639, H.D. 1, S.D. 1, and be recommitted to the Committees on Government Operations, Environmental Protection and Hawaiian Programs and Ways and Means.

Signed by all members of the Committees.

SCRep. 2748 Judiciary on H.B. No. 2320

The purpose of the bill is to set a standard for genetic testing for paternity. Tests used must have a power of exclusion greater than ninety-nine percent and a minimum combined paternity index of five hundred to one.

Your Committee received testimony in support of the bill from the attorney general and the corporation counsel of Hawaii county.

Your Committee finds that this measure would establish certain baseline requirements to be met by the laboratory or expert appointed by the court to perform the genetic testing.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2320, 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.

LCRep. 2749 Executive Appointments on Gov. Msg. No. 180

Recommending that the Senate advise and consent to the nominations of ROBYN AU and LYNN HIGASHI HIATT to the Defender Council, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2750 Executive Appointments on Gov. Msg. No. 192

Recommending that the Senate advise and consent to the nomination of JOHN A. CHANIN to the Commission to Promote Uniform Legislation, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2751 Executive Appointments on Gov. Msg. No. 194

Recommending that the Senate advise and consent to the nomination of LAWRENCE WAKUI to the Western Interstate Commission for Higher Education, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2752 Executive Appointments on Gov. Msg. No. 212

Recommending that the Senate advise and consent to the nomination of EUGENE K. JIMENEZ to the Advisory Council for Community Services, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2753 Executive Appointments on Gov. Msg. No. 227

Recommending that the Senate advise and consent to the nominations of GLENN T. NISHIMITSU, ASAKO T. IWAMOTO and ROBERT WALLACE LOW to the Board of Human Services, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2754 Executive Appointments on Gov. Msg. No. 228

Recommending that the Senate advise and consent to the nominations of the following to the Oahu Library Advisory Commission:

CHARLES WARREN BRENNAN, term to expire June 30, 1995; and

ALAN N. ISOBE, PATRICIA A. NISHIMOTO and KATHARINE L. TOTTO, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2755 Executive Appointments on Gov. Msg. No. 229

Recommending that the Senate advise and consent to the nominations of FRANK G. NELSON and JEAN S. SHIMOSE to the Hawaii Library Advisory Commission, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2756 Executive Appointments on Gov. Msg. No. 230

Recommending that the Senate advise and consent to the nominations of SUSAN K. HAMADA, JENNIE W.Y. AHN, TAKEKO Y. YAMANE, LEO MIYAJIMA and SANDRA L. SMITH to the Kauai Library Advisory Commission, terms to expire June 30, 1988.

Signed by all members of the Committee.

LCRep. 2757 Executive Appointments on Gov. Msg. No. 231

Recommending that the Senate advise and consent to the nominations of ROGENE K. RADNER and TATIANA TRAILOV to the Maui County Library Advisory Commission, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 2758 Executive Appointments on Gov. Msg. No. 232

Recommending that the Senate advise and consent to the nominations of WAYNE MATSUYAMA, CALVIN C.M. KAM and NEAL JUN SHIKUMA to the Medical Advisory Board, terms to expire June 30, 1998.

Signed by all members of the Committee.

SCRep. 2759 Health on S.R. No. 58

The purpose of this resolution is to request the Nutrition Branch of the Department of Health to develop recommendations, in consultation with related organizations, on the definition of qualified nutritionist and on the most feasible way to protect the public from nutrition fraud.

Your Committee finds that registered nutritionists provide individuals with cost-effective nutrition care services. Training for nutritionists is quite extensive and they must pass a comprehensive national exam. With the increase in the need for qualified nutritionists, people without the proper education or training are calling themselves "nutritionists" and are providing nutrition counseling. This Resolution requests the Department of Health to develop a definition of "nutritionist" to prevent public confusion, and thereby also assist in determining insurance reimbursement for medical nutrition therapy.

Testimony in support of this resolution was received from the Director of Health, the Department of Food Science and Human Nutrition at the University of Hawaii, the Hawaii Dietetic Association, and the Hawaii Nutrition Council.

Your Committee on Health concurs with the intent and purpose of S.R. No. 58 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 2760 Health on S.C.R. No. 79

The purpose of this concurrent resolution is to request the Nutrition Branch of the Department of Health to develop recommendations, in consultation with related organizations, on the definition of qualified nutritionist and on the most feasible way to protect the public from nutrition fraud.

Your Committee finds that registered nutritionists provide individuals with cost-effective nutrition care services. Training for nutritionists is quite extensive and they must pass a comprehensive national exam. With the increase in the need for qualified nutritionists, people without the proper education or training are calling themselves "nutritionists" and are providing nutrition counseling. This concurrent resolution requests the Department of Health to develop a definition of "nutritionist" to prevent public confusion, and thereby also assist in determining insurance reimbursement for medical nutrition therapy.

Testimony in support of this concurrent resolution was received from the Director of Health, the Department of Food Science and Human Nutrition at the University of Hawaii, the Hawaii Dietetic Association, and the Hawaii Nutrition Council.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 79 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 2761 Ways and Means on H.B. No. 2990

The purpose of this bill is to provide supplemental appropriations to the judiciary for fiscal year 1994-95.

In formulating the judiciary's supplemental budget, your Committee appropriated funds necessary for the judiciary to meet its current program and operational requirements. For FY 1994-95, your Committee has determined that a total appropriation in the amount of \$89,500,000 is warranted.

In developing the judiciary budget, your Committee weighed the uncertainty of the State's economic future with the judiciary's immediate and future budget needs in certain program areas. Your Committee thoroughly examined the judiciary's total request of \$95,100,000 for fiscal year 1994-95 and examined the judiciary's actual expenditures in fiscal years 1990-91, 1991-92, and 1992-93.

After this examination, your Committee based its funding decisions on several factors: (1) the premise of zero growth for all programs, (2) a review of other information requested from the judiciary, (3) a historical review of the judiciary's 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 with surplus funds at the end of the fiscal year, (4) the legislative intent under Acts 253 and 316, Session Laws of Hawaii 1993, and (5) the impact of prior budget

cuts for FY 1992-93 in the amount of \$4,000,000 and for FY 1993-94 in the amount of \$2,100,000. Based on these factors, your Committee recommends a judiciary budget of \$89,500,000.

After reviewing the judiciary's budget request, your Committee was disappointed for the second year in a row by the judiciary's lack of sound fiscal management and accountability. Your Committee finds that budget autonomy for the judiciary was the result of legislation adopted by the Senate in 1974. Without executive control, the judiciary gained budgetary independence with the expectation that it would develop sound fiscal controls and accountability. Over the past few years, this has not been the case.

The judiciary has shown a disregard for established budgetary and management practices that are essential to the state budget process. Your Committee finds that proper budget planning should focus management attention on formulated goals and objectives and the resources needed to achieve those objectives. Proper budgeting should also control, integrate, and guide the activities of an organization for purposes of financial and program decision-making as well as assign responsibility and provide accountability.

Your Committee finds that the judiciary should develop better spending plans with stricter controls that utilize limited resources in a more effective and efficient manner. These expenditure plans should be developed for each program and contain monthly financial balances to allow program administrators the flexibility of making necessary budgetary adjustments to achieve formulated program goals and objectives.

Your Committee also finds that the judiciary should incorporate historical spending trends, workload increases, program changes, cost saving changes to current procedures and procurement, and short and long term planning in its budget preparation and justification.

Your Committee also recognizes the need for the judiciary to develop, communicate, and execute operational expenditure plans before the fiscal year begins. These plans should be strictly controlled, communicated to all those involved, and be accountable to the legislature. Your Committee strongly recommends that the judiciary develop and implement policies and procedures that better utilize its allocated resources.

It should be noted, however, that Judge Marie Milks has taken the initiative to better utilize her limited resources by developing and implementing procedures that have kept the daily caseload of criminal cases current and has made notable progress in reducing the backlog of over 700 criminal cases. Judge Milks and her staff are commended for their good work.

Your Committee has thoroughly reviewed the numerous and varied supplemental funding requests and concerns of the judiciary, the House of Representatives, the Senate, and the public, and believes it has fashioned a judiciary budget that is fiscally responsible and provides an equitable allocation of limited state resources.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2990, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2990, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2762 Ways and Means on H.B. No. 2780

The purpose of this bill is to provide supplemental appropriations for the office of Hawaiian affairs (OHA) by amending OHA's biennial budget (Act 276, Session Laws of Hawaii 1993).

In the past, the legislature has raised several concerns over OHA's ability to develop a budget which was accurate, consistent, and fiscally prudent. While improvements were made in the development of the supplemental budget, concerns continue to exist. Of particular concern to your Committee is OHA's treatment of special funds.

In reviewing OHA's supplemental budget request, many discrepancies and inconsistencies in the use of special funds were revealed. While OHA maintains that their operational expenses must be equally funded with general funds and special funds in order to serve both native Hawaiian and Hawaiian constituents, OHA does not adhere to this practice. OHA has used special funds at their discretion to increase staff, expand office space leased, and increase salaries for their employees.

Upon discussing these discrepancies with OHA, it has become apparent that OHA has no clear policy or guidelines in the use of special funds. Thus, it is unclear at this time which areas should appropriately be funded solely with special funds and which areas should appropriately be funded equally with special funds and general funds. Without these guidelines, a consistent, cohesive budget cannot be developed.

Your Committee is cognizant of the fact that many of OHA's budgetary problems have been long standing and will take considerable time and effort to resolve. Compounding this problem is the fact that OHA is in a period of great change. OHA is no longer a minor state agency. The recent settlement of back payments of ceded land revenues has significantly altered the size and the complexity of the organization. OHA is now a major organization with substantial resources to use at its discretion.

In addition, a new administrator has recently taken over the helm of OHA. With the new administration, it is inevitable that OHA will undergo significant operational and organizational changes.

The new administrator's responsibilities are formidable as he must grapple with rectifying OHA's long standing problems while at the same time guiding OHA during this important transition period. Your Committee encourages the

administrator to make the budget preparation process a priority so that for the fiscal biennium 1995-1997 a budget is developed which is prudent and responsible.

Aside from the noted concerns regarding OHA's budget, your Committee is keenly aware that economic conditions dictate that all budget requests be reviewed in a fiscally responsible manner. Although the recent council on revenues report released in March 1994 projected slight increases in the state revenues, the economic outlook continues to remain uncertain. Equally uncertain are future costs for critical items which the State must fund. If efforts are not made at this time to curtail general fund expenditures, the State's financial integrity may be compromised. It is in light of this situation that your Committee has reviewed the supplemental budget request submitted by OHA.

Despite the uncertainty of the present economic situation, your Committee acknowledges that OHA provides many important programs for the Hawaiian and native Hawaiian community and is therefore committed to continue funding these programs through fiscal year 1995. The budget developed by your Committee maintains funding level for noteworthy projects such as the Waianae Diet program in the health and human services division; the Operation Ohana project, which has been centralized with the planning and research office; the voter registration program (Hui Ho'ala) in the government affairs office; Operation Blue Print in the land and natural resources division; the community based economic development projects and the management and technical assistance services provided by the economic development division; the scholarship program, the tutorial program, and the Center for Gifted Native Hawaiian Children (Na Pua No'eau) in the education division; and the self-help housing project within the housing division.

In addition to maintaining current programs, the budget restores funding for OHA's evaluation program. This program is essential in order for OHA to determine which activities should be expanded, modified, or eliminated and enables OHA to develop and maintain effective and worthwhile programs.

Although OHA had submitted funding request for other items which would have expanded their staff and operations, these requests were deemed to be noncritical at this time. As such, your Committee was unable to accommodate these requests.

SUMMARY

Your Committee believes that the budget was carefully considered to ensure that critical programs are maintained for the fiscal year 1995. Although your Committee was unable to fund any expansion of services and programs, your Committee believes that the current funding is sufficient and will enable OHA to meet their program objectives.

Your Committee has amended this bill by correcting several technical errors.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. 2780, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2780, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2763 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 6

The purpose of this concurrent resolution is to request the Department of Health to establish groundwater monitoring and reporting programs in each county of the State.

Your Committee finds that the heavy use of chemical pesticides for agricultural purposes has resulted in the infiltration of a wide array of chemicals into the groundwater supplies of the State.

Your Committee has amended the concurrent resolution, including the title, to require that ground monitoring programs be established on each island rather than in each county. The Concurrent Resolution has also been amended to make the reporting requirements more specific.

Your Committee believes that groundwater monitoring, testing, and reporting will result in safer groundwater supplies and a well-informed citizenry knowledgeable in matters pertaining to groundwater purity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 6, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 6, S.D. 1.

Signed by all members of the Committee.

SCRep. 2764 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 3

The purpose of this resolution is to request the Department of Health to establish groundwater monitoring and reporting programs in each county of the State.

Your Committee finds that the heavy use of chemical pesticides for agricultural purposes has resulted in the infiltration of a wide array of chemicals into the groundwater supplies of the State.

Your Committee has amended the resolution, including the title, to require that ground monitoring programs be established on each island rather than in each county. The Resolution has also been amended to make the reporting requirements more specific.

Your Committee believes that groundwater monitoring, testing, and reporting will result in safer groundwater supplies and a well-informed citizenry knowledgeable in matters pertaining to groundwater purity.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 3, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 3, S.D. 1.

Signed by all members of the Committee.

SCRep. 2765 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 70

The purpose of this concurrent resolution is to express legislative support for the recommendations of the Hui 'Imi Task Force's 1991 Report by authorizing the reinstatement of the Hui 'Imi Task Force.

Your Committee finds that the Hui 'Imi Task Force was originally created in 1989 by S.C.R. No. 106, S.D. 1, as the Task Force for Hawaiian Services, to make findings and recommendations concerning the coordination of services to Hawaiians in eight service categories, with project funding through a proviso in the budget of the Office of Hawaiian Affairs. Your Committee further finds that the Task Force submitted reports to the 1990 and 1991 Legislatures that included a comprehensive inventory of needs in Phase I and made more than thirty major recommendations in Phase II of its reports.

Upon receipt of these recommendations, the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, adopted H.C.R. No. 260 which contained the findings and recommendations of the Hui 'Imi Task Force, thus pledging the Legislature's support to implementing the recommendations set forth by the Hui 'Imi Task Force.

In order to implement these recommendations, your Committee believes that the Legislature needs the assistance of the Hui 'Imi Task Force and therefore recommends adoption of this concurrent resolution.

Your Committee has amended this concurrent resolution by requiring the Task Force to submit a report to the Legislature prior to the convening of the 1995 legislative session and by making technical amendments that have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 70, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 70, S.D. 1.

Signed by all members of the Committee.

SCRep. 2766 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2640

The purpose of this bill is to enable the State to better monitor the activities of hazardous waste brokers.

Specifically, the bill:

- (1) Defines "hazardous waste brokers";
- (2) Requires these brokers to obtain an identification number from the Department of Health (DOH); and
- (3) Further requires these brokers to file a notification with the DOH that includes, among other things, the location and general description of the hazardous waste handling activity, as well as a notarized written statement approving the activity of the broker.

Your Committee finds that hazardous waste brokers are currently not regulated under federal regulations. As a result, the DOH has had difficulty in tracking and monitoring the existence and activities of this type of business. Your Committee believes that the bill as currently written is a good starting point for the DOH to address the problem of regulating hazardous waste brokers. However, your Committee also believes that there are telephone brokers, those that do not touch or handle the waste in any way, who conduct questionable business practices and provide improper regulatory information.

For these reasons, your Committee has amended the bill by requiring telephone brokers to comply with the regulations set forth in the bill.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2640, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2640, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2767 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3150

The purposes of this bill are to:

- (1) Specify that military justice training for the National Guard encompasses all of the provisions of Chapter 124A, Hawaii Revised Statutes; and

- (2) Require that members of the National Guard receive refresher training in military justice once every three years, instead of annually.

Your Committee finds that although military justice training is a necessary component of military service, requiring such training once every three years to a military serviceperson is adequate and a better use of resources.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3150 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2768 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 3155

The purpose of this bill is to provide for family stability and continuity in a family's tenure on Hawaiian Home Lands by authorizing Hawaiian homestead lessees to designate, in addition to a spouse and children, a grandchild who is at least twenty-five percent Hawaiian as a successor to the lease.

Your Committee finds that a survey taken in 1976 found that many homestead families were in jeopardy of being displaced upon the death of the homestead's lessee because the surviving spouse and children did not meet the fifty percent Hawaiian blood quantum requirement. To provide for family stability and continuity in a family's tenure on the homestead, Act 272, Session Laws of Hawaii (SLH) 1982, was enacted to allow a homestead lessee to designate a spouse or child who is at least twenty-five percent Hawaiian to succeed to the lease upon the lessee's death. However, the blood quantum requirement remained at fifty percent for all other relatives who could be designated as successors.

Your Committee believes that the priority of maintaining family stability on homesteads outweighs the necessity of the fifty percent blood quantum requirement, particularly if successorship of the homestead lease falls upon the direct descendants of the homestead lessee.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3155, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2769 Government Operations, Environmental and Hawaiian Programs on H.B. No. 3520

The purpose of this bill is to require that public hearing notices for liquor license applications be sent to at least two-thirds of the residential rental units situated within five hundred feet from the prospective licensee.

Your Committee finds that the public has a right to know what types of establishments that serve liquor are to be situated within their community. However, your Committee believes the bill as written would be impractical to implement because many occupants of residential rental units are not renters of record, thus making it difficult to ascertain the actual number of residents in the area.

Your Committee has amended the bill by removing the requirement to notify occupants of rental units and instead requires any applicant that resides in a county with a population of 150,000 or more, other than a hotel, restaurant, or convenience store, to notify registered voters and small businesses situated within five hundred feet of the prospective licensee.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3520, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3520, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2770 Government Operations, Environmental Operations and Hawaiian Programs on H.B. No. 3610

The purpose of this bill is to allow the Department of Accounting and General Services to adopt rules as may be necessary for the operation and maintenance of public buildings.

Your Committee finds that the adoption of administrative rules by the Department of Accounting and General Services is necessary for the efficient operation and maintenance of public buildings.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 3610, 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. 2771 Transportation on S.R. No. 172

The purpose of this resolution is to request the Senate Transportation Committee to study using federal funds for constructing underground utility facilities on highway projects.

Your Committee finds that overhead utility poles on public highways obstructs views and creates safety hazards. Your Committee further finds that while underground utility facilities are more costly than overhead facilities, part of the costs of relocating overhead facilities on federal-aid highways may be borne by the federal government if the need to relocate underground is justifiable.

In light of the fact that the Department of Transportation has successfully enlisted federal assistance in submerging utility lines along Kalanianaʻole Highway, your Committee finds that studying the use of federal funds for submerging utility lines on other federally-funded highways will answer questions as to why such funds have not been enlisted on other projects.

Your Committee has amended this resolution by correcting a typographical error.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 172, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 172, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 2772 Transportation on S.C.R. No. 21

The purpose of this concurrent resolution is to request the Auditor to conduct a management audit of the Airports Division of the Department of Transportation (DOT).

Your Committee finds that several events are causing public concern over the management of the air transportation program and appropriate use of airport funding. For instance, a newly negotiated contract with duty-free concessions will result in allowing the concessions to pay less than originally planned. Moreover, \$65 million in airport revenues was used to purchase land perceived as unrelated to airport operations, thereby possibly jeopardizing federal grants and bonds. Finally, while airport landing fees have been increased, there is inadequate funding to complete construction of the "people mover" transit system and the new international terminal.

Your Committee believes that an audit may assist in shedding light on some of the problems which the Airports Division now faces.

Your Committee has amended the concurrent resolution by adding language to request the Auditor to conduct a financial audit in addition to the management audit of the Airports Division, to include an examination of the program administration practices in its audit, and to examine the Airports Division's fiscal accounting and reporting policies and practices. Your Committee has made further amendments of recognizing that financial audits are expensive and allowing the Auditor to utilize existing DOT financial audits for the purpose of this concurrent resolution. The title of the concurrent resolution has also been amended to reflect these changes.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 21, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 21, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 2773 Transportation on S.C.R. No. 22

The purpose of this concurrent resolution is to request the Auditor to conduct a management audit of the Highways Division of the Department of Transportation (DOT).

Your Committee finds that there is public concern over the adequacy and effectiveness of state land transportation services. Despite apparent increases in funding from federal grants-in-aid and fuel tax revenues, traffic conditions have worsened and the public has complained about traffic congestion and ineffective contra-flow lanes, car-pool lanes, and bicycle paths.

Your Committee believes there is a need to assess the state land transportation program and the amount of funding necessary to meet the DOT's objective to develop an integrated state-wide highway system.

Your Committee has amended this concurrent resolution by adding language to request a financial as well as a management audit, to examine the program administration practices, and to examine the Division's accounting as well as the fiscal reporting practices. Your Committee has made additional amendments of acknowledging that financial audits are expensive and permitting the Auditor to use existing DOT financial audits for purposes of this concurrent resolution. The title of the concurrent resolution has also been amended to reflect these changes.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 22, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 2774 Transportation on S.C.R. No. 27

The purpose of this concurrent resolution is to request the Auditor to conduct a management audit of the Harbors Division of the Department of Transportation (DOT).

Your Committee finds that the Harbors Division has plans to acquire waterfront land and to increase its capital expenditure budget to accommodate increases in cargo flow and harbor usage. To finance these plans, it is likely that higher tariff rates will result, impacting every consumer in Hawaii.

Your Committee believes that an audit of the Harbors Division will provide a comprehensive overview of the management of its funds.

Your Committee has amended this concurrent resolution by adding language to request the Auditor to conduct a financial, as well as a management audit, to examine the program administration practices of the Harbors Division, and to examine the Harbors Division's fiscal accounting and reporting policies and practices. Your Committee has made additional amendments of permitting the Auditor to utilize existing DOT financial audits for the purpose of this concurrent resolution, and acknowledging that financial audits are expensive. The title of the concurrent resolution also has been amended to reflect these changes.

Your Committee on Transportation 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 except Senator Nakasato.

SCRep. 2775 Transportation on H.B. No. 2287

The purpose of this bill is to include the consignee or the shipper as a party which may be cited for motor vehicle weight violations which include the transportation of a flatrack.

Your Committee finds that citations for flatrack weight violations are frequently issued to the driver of the motor vehicle or the driver's employer. Your Committee further finds that many problems relating to improper weight distribution which result in weight violations are more often related to the improper loading of the flatrack by the individual or company to which the cargo is consigned.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2287, 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. 2776 Transportation on H.B. No. 2327

The purpose of this bill is to authorize the Director of Finance to dispose of the license plates for any stored vehicle whose registration has expired.

Under current law, the license plates cannot be disposed until the registration has been expired for at least a year. This bill removes that one year condition. Your Committee finds that the disposal of license plates for stored vehicles with expired registrations will free much needed storage space at the counties' licensing offices.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2327, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 2777 (Majority) Judiciary on H.B. No. 2312

The purpose of this bill is to limit the issuance of marriage licenses to male-female couples.

Your Committee finds that Hawaii's marriage licensing statutes, both as originally enacted and at present, are intended to apply only to male-female couples, not same-sex couples. The Hawaii supreme court's plurality opinion in Baehr v. Lewin, 74 Haw. 530, 852 P.2d 44 (1993), has effectively supplanted the role of the Hawaii State Legislature on this issue by substituting its own policy judgment for that of the people of Hawaii.

Your Committee believes that the court's opinion violates the principle of separation of powers. The issue in Baehr is one of policy and is inappropriate for judicial response. Policy determinations of this nature are more properly left to the legislature or the people of the State through a constitutional convention. Your Committee believes that the court's intervention in this matter encroached on the functions of the legislature in its law-making function, thereby impinging on the separation of powers of the respective branches of government.

With respect to Article I, section 5, the word "sex" was included in this provision when it was initially adopted in 1950. Your Committee finds that it was the intent of the framers of the 1950 Constitution that the word "sex" applied to gender and was not intended to apply to sexual orientation. Accordingly, any expansion of the scope of Article I, section 5 to include sexual orientation should have been accomplished pursuant to Article XVII of the Hawaii Constitution -- constitutional convention or amendments by legislature -- and not by way of judicial legislation.

With respect to an expansion of the traditional definition of marriage -- man and woman-- any statutory change to include same-sex relationships is clearly a policy question and wholly within the purview of the legislature and not the courts.

The principle of separation of powers is necessary for the functional division of governmental power that is the foundation of our constitutional democracy. The Hawaii state legislature, as the elected representatives of the people of the State of Hawaii, is, along with the executive branch, the appropriate source of major policy initiatives. Your Committee believes that the court in Baehr has in effect substituted its own judgment for the will of the people of this State. Deferral of this matter to the legislature therefore would have expressed the respect due a coordinate branch of government.

Your Committee further finds that the plurality in *Baehr* failed to overcome the strong presumption of constitutionality of Hawaii's marriage licensing statutes. In addition to the plurality's failure to defer to the policy judgment of the legislature, the court also failed to afford sufficient weight to the strong presumption that every statute is constitutional.

Your Committee reiterates its belief that the plurality in *Baehr* failed to interpret the intent of the framers of the Hawaii Constitution and the State's marriage licensing statutes, and instead judicially legislated policy changes. Since the determination of the nature of the marital relationship, together with its rights and benefits, falls more appropriately within the province of the legislature as one of policy, your Committee believes that this issue is more properly dealt with in the legislative rather than the judicial forum. Under the principle of separation of powers, your Committee finds that the court therefore should have deferred to the legislature in its determination and interpretation of the marriage licensing laws.

Your Committee has therefore amended the bill to achieve the following:

- (1) Emphasize that expanding the definitions of "sex" in Article I, section 5, of the Hawaii Constitution and "marriage" in chapter 572, Hawaii Revised Statutes, is a policy question within the exclusive purview of legislative bodies, to wit, the legislature or the constitutional convention and not the courts;
- (2) Expressly reiterate the original intent of the legislature in enacting section 572-1, Hawaii Revised Statutes, that that section, and all of Hawaii's marriage licensing statutes, both originally and presently are intended to apply only to male-female, not same-sex couples, and that this application of the statute is consistent with Article I, section 5, of the Hawaii Constitution; and
- (3) Understanding that same-sex relationships do exist:
 - (A) Provide assurances consistent with Article I, section 4, of the Hawaii Constitution that the laws of the State do not prohibit religious organizations from solemnizing same-sex relationships; and
 - (B) Provide for the establishment of a commission on sexual orientation and the law to conduct a study and present a report of its findings to the legislature prior to the convening of the regular session of 1995.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2312, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senators Matsunaga and Levin did not concur.

SCRep. 2778 Judiciary on H.B. No. 3729

The purpose of the bill is to prohibit the possession, manufacture, sale, distribution or use of any reproduction, imitation, or facsimile of a driver's license or any identification appearing to be a driver's license.

Your Committee received testimony in support of the bill from the Honolulu Police Department, Department of Transportation, Department of Finance City and County of Honolulu, and Mothers Against Drunk Driving.

Your Committee believes that the county police departments are encountering increased use of facsimile driver's licenses which are becoming more difficult to identify as counterfeits or a facsimiles. Your Committee finds that persons who obtain facsimile driver's licenses frequently use them to commit criminal offenses like check forgery or are minors purchasing alcohol.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3729, H.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2779 Judiciary on H.B. No. 2190

The purpose of the bill is to provide statutory authority for an award of party's costs and attorneys' fees to the prevailing party in an action seeking to enforce a child support order.

Testimony in support of the bill was submitted by the Hawaii State Commission on the Status of Women, Hawaii Lawyers Care, and Hawaii Women Lawyers.

Your Committee finds that the hardship of paying attorneys' fees often prevents women from seeking judicial enforcement of a child support order. The statutory provision awarding the prevailing party's costs and attorneys' fees increases the likelihood that attorneys will accept these cases.

Your Committee notes that the bill awards "party's costs" which may include not only court costs but costs for an investigator and other costs which were incurred in bringing the enforcement action.

Your Committee amended the bill by placing the provisions of the bill under a more appropriate chapter - Chapter 571, Family Court. Further technical and nonsubstantive changes were made to reflect court procedures.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2190, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2780 Judiciary on H.B. No. 3137

The purpose of the bill is to amend section 576E, Hawaii Revised Statutes, dealing with the administrative process for child support enforcement.

Your Committee received testimony in support of the bill from the Department of the Attorney General.

Your Committee finds that the administrative process was designed to provide a more user-friendly and economical system for obtaining child support by allowing custodial and responsible parents to seek the assistance of the office of child support hearings for the establishment, enforcement, and modification of child support orders. This bill clarifies that the office of child support hearings shall have concurrent jurisdiction with the court in all proceedings involving child support obligations.

Your Committee amended the bill to make changes that would eliminate ambiguity and clarify other provisions of chapter 576E-10 relating to the office.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3137, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2781 Judiciary on H.B. No. 2285

The purpose of the bill is to prohibit the manufacture, sale, or distribution of vehicle number plates which are similar in design and size to the plates currently issued by the Director of Finance.

Testimony in support of the bill was submitted by the Department of Finance of the city and county of Honolulu and the Honolulu police department.

Your Committee finds that the current statute prohibited the consumer from using fraudulent number plates, but did not prevent the supply (i.e., the manufacture, sale, and distribution) of these plates. Your Committee finds that the bill will close the loophole in the existing statute and prevent the criminal use of these plates.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2285, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2782 Judiciary on H.B. No. 1649

The purpose of the bill is to allow the Department of Health to conduct criminal history checks on prospective and existing employees of adult foster homes or developmental disabled domiciliary care home providers.

Testimony in strong support of the bill was submitted by the Department of Health, the Department of the Attorney General, the state planning council on developmental disabilities, and the commission on persons with disabilities.

Your Committee finds that this bill would allow residents living in these homes the additional protection from employees who may pose a significant risk to their health, safety, and well-being. At the very minimum, this bill will at least screen out those with prior convictions and who are repeat offenders.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1649, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2783 Judiciary on H.B. No. 2361

The purpose of the bill is to establish that the court may require drivers convicted of traffic offenses to complete a course in driver retraining in addition to the existing penalties.

Your Committee received testimony in support of the bill from the Judiciary and the Department of Transportation.

Your Committee believes that this bill provides clear legal authority for the court to use this sentencing provision.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2361, H.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2784 Judiciary on H.B. No. 2419

The purpose of the bill is to permit psychologists to initiate an application to have individuals involuntarily admitted into a licensed psychiatric facility for emergency hospitalization.

The bill will facilitate timely and effective help for persons when mental illness, substance abuse, or imminent dangerousness necessitates emergency examination and hospitalization for up to forty-eight hours (the so-called MH-4), or authorization to hold such persons for involuntary hospitalization for up to ninety days (the so called MH-6) when necessary.

Your Committee received testimony in support of the bill from the Department of Health, Hawaii Medical Association, Hawaii Psychological Association, Hawaii Psychiatric Society, The American Psychological Association, several psychiatrists and psychologists, and other concerned individuals.

Your Committee believes that this measure would allow psychologists to fill critical staff shortages on neighbor islands by enabling them to assist with emergency examinations and hospitalizations.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2419, H.D. 2, S.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2785 Judiciary on H.B. No. 2461

The purpose of the bill is to establish procedures for substantiating that a mortgage debt has been satisfied as an alternative to a judicial proceeding.

The bill will allow title insurers or underwritten title companies as defined in §431:20-102, Hawaii Revised Statutes, to execute releases of mortgage, in the event that the lender or record assignee of a mortgage does not do so in a timely manner after a loan is paid in full. Such releases of mortgage must be accompanied by an affidavit by an officer of the title insurer or underwritten title company setting forth proof substantiating the satisfaction of the mortgage debt. The title insurer or title company shall be liable to the mortgagee for treble damages and reasonable attorneys' fees and costs for acting with gross negligence or had faith in releasing the mortgage.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs and Title Guaranty Escrow Services.

Your Committee believes the bill will facilitate the closing of title and escrow files that remain open simply because the releases of mortgage have not been forwarded in a timely manner by lenders.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2461 H.D.1, S.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2786 Judiciary on H.B. No. 2197

The purpose of the bill is to require, prior to shipping vehicles inter-island, proof of the vehicle's registration and no-fault insurance.

Your Committee heard testimony in support of the bill from the Honolulu police department, Young Brothers, Limited, the Hawaii Bankers Association, and ADT Automotive Services.

Your Committee amended the bill to add that a dealer's license which references the vehicle identification or serial number shall also be acceptable for the purposes of shipping vehicles inter-island. Your Committee also amended the bill to provide an additional exception to the requirement of a current no-fault insurance identification card: new unregistered vehicles transshipped with a bill of lading.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2197, 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. 2197, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2787 (Majority) Judiciary on H.B. No. 3303

The purpose of this bill is to establish what is commonly known as a "Lemon Law" covering used motor vehicles. The bill is designed to protect Hawaii consumers from being sold an improperly equipped or defective vehicle.

The bill requires dealers to provide consumers with a written warranty requiring dealers to repair, free of charge, used cars that have covered defects. After reasonable opportunity to correct the defect and the defect substantially impairs the use or safety of the vehicle, the dealer must replace the vehicle or refund the consumer's money. The bill further prohibits a contractual waiver except as provided and requires dealers to inform consumers of known defects or damages. Legal remedies provide the consumer with an explicit private right of action, disciplinary action against the dealer, and action for violations of section 480-2, Hawaii Revised Statutes.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs. Testimony in opposition was received from the Hawaii Automobile Dealers' Association and oral testimony was presented by used car dealerships.

Your Committee finds that during the period from May through October 1993, the Regulated Industries Complaints Office averaged 55 calls per month from consumers who had problems with their used cars purchased from motor vehicle dealers. Your Committee finds that consumers need protection in the form of a limited warranty on the used vehicle's major mechanical parts.

Your Committee amended the bill regarding the disclaimer on page 10 lines 3-10 by deleting line 5 and making further stylistic changes to better assist the consumer understand the provisions of the disclaimer.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3303, 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. 3303, H.D.1, S.D.2.

Signed by all members of the Committee.
Senators Koki and Reed did not concur.

SCRep. 2788 Judiciary on H.B. No. 2735

The purpose of the bill is to require a registered lobbyist to sign an affidavit stating that the lobbyist knows, understands, and will abide by the lobbyist registration law.

Your Committee received testimony in support of the bill from the Democratic Party Grass Roots Conference. Testimony opposed to the bill was received from the Hawaii State Ethics Commission, indicating that the bill as received from the House was not helpful. The attorney general testified that while they supported the intent of the bill, the language in S.B. No. 3025 was preferable.

Your Committee finds that lobbyists are already required to comply with regulatory laws and that an affidavit would be a superfluous document, and will not provide any more meaningful protection against violations of chapter 97, Hawaii Revised Statutes.

Your Committee amended the bill by deleting its provisions and inserting in its place the provisions of S.B. 3025 S.D. 2, which promotes ethical behavior and consolidates the laws relating to lobbying and lobbyists. As amended, the bill requires that three, rather than two, activity reports be filed each year, with the additional report required during that critical period between March 1 and June 30. The bill provides for an administrative fine to enforce chapter 97, Hawaii Revised Statutes. Your Committee finds that fines based on the seriousness of the offense, rather than a flat rate, would act as a more effective deterrent. Your Committee therefore amended the bill by limiting the fine to twice the amount as opposed to three times as specified in the original version of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2735, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2789 Science, Technology and Economic Development on H.B. No. 2599

The purpose of this bill is to request the Public Utilities Commission to allow alternative telecommunications service providers in areas in which it has been determined that telecommunications service is inadequate.

Your Committee finds that telephone service to residents in rural areas of the State has been consistently substandard and unsatisfactory. Your Committee further finds that the lack of standard service in these areas presents both social and economic disadvantages to the residents.

Testimony in support of this measure was submitted by the Consumer Advocate, the Hawaiian Ocean View Estates Community Association, Oceanic Cable, and private citizens. Testimony in opposition was submitted by GTE Hawaiian Tel. After consideration of the testimony, your Committee has amended this bill by adding a new section to chapter 269 which:

- (1) Authorizes the Commission to require local exchange service providers to transfer amounts which are collected to subsidize basic residential service to alternative service providers licensed by the Commission to provide basic residential service; and
- (2) Requires the alternative service providers to pursue subsidies from both local as well as national service providers.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 2599, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2599, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2790 Human Services on H.B. No. 3321

The purpose of this bill is to exempt members of the State Rehabilitation Advisory Council and the Statewide Independent Living Council from the provision in section 78-4, Hawaii Revised Statutes, limiting service by board and commission members to one board or commission.

Testimony from the Department of Human Services and Commission on Persons with Disabilities was received in full support of this measure.

Your Committee finds that the passage of this bill would assure compliance with the Rehabilitation Act Amendments of 1992 and allow the Department of Human Services the flexibility to pursue representation from disability groups which may have few individuals willing to serve.

Your Committee has amended the bill to require that each Council include at least one member from each county, and to make technical changes to conform to recommended drafting style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3321, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2791 Human Services on S.C.R. No. 184

The purpose of this concurrent resolution is to request the Department of Human Services to conduct a study of the JOBS Program and make recommendations for its continuance.

Your Committee finds that federal authorization for the five year JOBS Program will end on September 30, 1995 but is expected to be reauthorized. Accordingly, there is a need to compile information on various aspects of the program for legislative determination regarding its continuance.

Your Committee has amended the bill to require the findings and recommendations of the requested study be included as part of the annual report on the JOBS Program made by the Department of Human Services, and to make nonsubstantive technical changes for purposes of style.

Your Committee on Human Services is in accord with the intent and purpose of S.C.R. No. 184, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 184, S.D. 1.

Signed by all members of the Committee.

SCRep. 2792 Human Services on S.C.R. No. 226

The purpose of this concurrent resolution is to request the Auditor to conduct a performance audit of the statewide interdepartmental cluster for services to children.

Your Committee finds that the placement of children with severe emotional and developmental problems outside the home, community or the State should be avoided whenever possible. Your Committee recognizes the need for policy makers to understand that the cluster concept is unique among state programs in that it has a specific responsibility to adjust policies and procedures and develop training that will ensure appropriate services for multi-system involved children and adolescents.

Your Committee has amended this concurrent resolution by adding a request that the Auditor recommend policy and procedure adjustments and training programs needed to ensure appropriate services for multi-system children at both the state and local levels, and by making a nonsubstantive technical change.

Your Committee on Human Services 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.

SCRep. 2793 Labor and Employment on H.B. No. 3180

The purpose of this bill is to reconstitute the State's Department of Personnel Services as the Department of Human Resources Development.

To accomplish this purpose, the bill substitutes the term "Human Resources Development" for the words "Personnel Services" in selected statutes that currently refer to the Department and the Director of Personnel Services and the roles they play in the administrative organization and functions of government in Hawaii.

The bill further instructs the Revisor of Statutes to make similar changes in sixty-four other sections of the Hawaii Revised Statutes which currently incorporate the terms "Department of Personnel Services" or "Director of Personnel Services," and requires conformance of all other laws, and all acts of the 1994 Regular Session, which may be in conflict with this measure, to be amended accordingly.

Your Committee finds that the personnel function of state government has evolved greatly from a simple merit-based system of attracting, selecting, and retaining qualified workers for public service. This bill appropriately recognizes the collaborative, proactive role the personnel and civil service systems of the State have taken in focusing on employee development as essential to a productive and motivated public work force.

Your Committee further finds that any costs arising from this department transition, such as for new stationery, will be minimal and coincidental to the inevitable expenses of installing a new state administration following the 1994 general election.

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

Your Committee on Labor and Employment is in accord with the intent and purpose of H.B. No. 3180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3180, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2794 Transportation on S.C.R. No. 120

The purpose of this concurrent resolution is to request the Department of Transportation to install a traffic light on Kamehameha Highway at the crosswalk fronting the main entrance to Kahuku High and Intermediate Schools.

Your Committee finds that the heavy vehicular and pedestrian traffic congestion in the mornings between 6:30 and 8:30 a.m., and in the afternoons between 2:00 and 3:00 p.m., in front of Kahuku High and Intermediate Schools on Kamehameha Highway present a safety hazard. Your Committee further finds that the petition with 400 signatures by commuters and pedestrians who utilize the area is evidence of the community's need for the installation of the traffic signal as a means to prevent a serious or fatal accident from occurring.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 120 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 2795 Transportation on S.R. No. 89

The purpose of this resolution is to request the Department of Transportation to install a traffic light on Kamehameha Highway at the crosswalk fronting the main entrance to Kahuku High and Intermediate Schools.

Your Committee finds that the heavy vehicular and pedestrian traffic congestion in the mornings between 6:30 and 8:30 a.m., and in the afternoons between 2:00 and 3:00 p.m., in front of Kahuku High and Intermediate Schools on Kamehameha Highway present a safety hazard. Your Committee further finds that the petition with 400 signatures by commuters and pedestrians who utilize the area is evidence of the community's need for the installation of the traffic signal as a means to prevent a serious or fatal accident from occurring.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 89 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 2796 Transportation on S.C.R. No. 281

The purpose of this concurrent resolution is to request a feasibility study on the establishment of a Hawaii Port Authority.

Your Committee finds that currently, Hawaii's airports and harbors are under the jurisdiction of the Department of Transportation. Your Committee is aware that legislation establishing a Hawaii Port Authority is presently before the 1994 Legislature, and that prior to its passage, a study should be undertaken to analyze the issues, make findings and recommendations, and determine the costs of establishing a Hawaii Port Authority in Hawaii.

Specifically, the concurrent resolution requests that the study include the following:

- (1) Whether moneys being diverted to a Port Authority Fund would violate federal law;
- (2) Recommendations regarding the Authority's governing structure and its level of autonomy;
- (3) A comparison of the efficiency of the current structure and an Authority;
- (4) A review of other port authorities;
- (5) The results of consultation with bond counsel regarding the influence on current airport and harbor revenue bondholders; and
- (6) The influence of the Authority on the State's recreational boating program.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 281 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 2797 Transportation on S.R. No. 228

The purpose of this resolution is to request a feasibility study on the establishment of a Hawaii Port Authority.

Your Committee finds that currently, Hawaii's airports and harbors are under the jurisdiction of the Department of Transportation. Your Committee is aware that legislation establishing a Hawaii Port Authority is presently before the 1994 Legislature, and that prior to its passage, a study should be undertaken to analyze the issues, make findings and recommendations, and determine the costs of establishing a Hawaii Port Authority in Hawaii.

Specifically, the resolution requests that the study include the following:

- (1) Whether moneys being diverted to a Port Authority Fund would violate federal law;
- (2) Recommendations regarding the Authority's governing structure and its level of autonomy;
- (3) A comparison of the efficiency of the current structure and an Authority;
- (4) A review of other port authorities;
- (5) The results of consultation with bond counsel regarding the influence on current airport and harbor revenue bondholders; and
- (6) The influence of the Authority on the State's recreational boating program.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 228 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 2798 Planning, Land and Water Use Management on H.B. No. 2680

The purpose of this bill is to allow for a specified land exchange to occur without the time constraints of submitting a Resolution to the Legislature as provided by statute.

Under section 171-50(c), Hawaii Revised Statutes, the Department of Land and Natural Resources (DLNR) is required to submit a Resolution to the Legislature for review for possible disapproval of any exchange of public land for private land. The Resolution is required to be submitted at least twenty days prior to the start of any session. In the case of the George Galbraith estate in Wahiawa, the DLNR is seeking to acquire those lands in exchange for State lands in Kapolei, Oahu. This bill will exempt this particular case from the provisions of section 171-50(c).

Your Committee finds that the Galbraith lands are prime agricultural lands and surround an historic site, while the Kapolei lands are in an area planned for development.

Your Committee has amended this bill to add a provision to protect the Kapolei property destined to become the University of Hawaii-West Oahu campus, and by adding a drop-dead provision of June 30, 1995 to impose a definite date for resolution of this matter.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2680, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2680, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2799 Planning, Land and Water Use Management on H.B. No. 2690

The purpose of this bill is to authorize the Department of Agriculture to set the rental fees for land in agricultural parks based on the appraised evaluation of the property adjusted to specific agricultural use, rather than the fair market value.

Your Committee finds that the current rental fees reflect an unreasonably high and distorted figure which is based primarily on the general trend of real estate sales. This results in a major imbalance of lease rents for agriculture lands throughout the State.

Your Committee believes that agricultural lease rents must be affordable if agriculture is to remain a viable industry in this State. This bill provides for a method of setting lease rents that are more reflective of existing conditions, taking into account discrepancies in the real estate market that may adversely impact agriculture lease rents.

Your Committee has amended this bill by requiring that the appraised valuation be adjustable as provided in administrative rules adopted under chapter 91, Hawaii Revised Statutes. Your Committee believes that this more accurately satisfies the purpose and intent of this bill.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2690, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2690, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 2800 Planning, Land and Water Use Management on H.B. No. 2912

The purpose of this bill is to provide state agencies charged with the responsibility of approving permits to construct housing projects with the flexibility to extend the review period in contested cases.

Specifically, the bill allows a state agency that is reviewing a request to construct housing through a contested case hearing, to extend the maximum six month time period for an additional ninety days. The ninety day extension can only be granted if stipulated by all parties to the proceeding or if the extension is deemed necessary by the state agency.

Your Committee finds that in contested case proceedings, it is important that the parties are afforded sufficient opportunity to present relevant evidence so that the state agency has an accurate and complete record upon which to make its decision. However, the six month time period is too constrictive for those contested cases which may require more time to ensure adequate notice and opportunity to present evidence.

Your Committee has amended this bill to restore language in the existing law which was inadvertently omitted.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2912, S.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2912, S.D. 2.

Signed by all members of the Committee.

SCRep. 2801 Planning, Land and Water Use Management on H.B. No. 2913

The purpose of this bill is to streamline the permitting process for housing project developments.

Specifically, the bill provides that where a housing development permit request requires the amendment of a county community or development plan or a county zoning map, the processing of these requests for amendments shall be done concurrently upon request of the applicant. Additionally, the bill requires these plan and zoning map amendment requests to be processed concurrently with any State Land Use Commission redesignation request that affects the permitting of the project.

Your Committee finds that the concurrent processing of amendment requests would expedite the permitting process, thereby not only facilitating a faster rate of construction of new dwellings, but lowering the total cost of the project as well.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2913, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2802 Planning, Land and Water Use Management on H.B. No. 3170

The purpose of this bill is to require a hearing to be held within five working days upon receipt of a request to contest the impounding of an unauthorized vessel and to establish a disposal procedure for unclaimed impounded vessels.

Your Committee finds that the present law requires a hearing within seventy-two hours of the receipt of a request to contest the impounding of an unauthorized vessel, which does not provide sufficient time to select a hearing place and provide adequate notice to all parties. Your Committee further finds that the authority for disposition of impounded vessels was inadvertently omitted from previous legislation directing the transfer of the boating program from the Department of Transportation to the Department of Land and Natural Resources. Therefore, this is a housekeeping measure and is necessary to allow the disposal of impounded vessels.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

Your Committee has amended this bill by substituting language from S.B. No. 2952, S.D. 2, which provides for two rather than three inspectors (plus the original inspector) to sit on the arbitrator board and which combines the new subsections (e) and (f) into one new subsection (e) without change to the substance.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 3170, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3170, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 2803 Planning, Land and Water Use Management on H.B. No. 3171

The purpose of this bill is to reduce from \$10,000 to \$2,000 the maximum penalty for violations of ocean recreation rules of the State Department of Land and Natural Resources. The exception would be for dumping of petroleum products, hazardous materials, or sewage in violation of state water quality standards, for which the maximum fine would remain at \$10,000.

The Department of Land and Natural Resources testified in support of this measure, stating that the decrease in the maximum fine for the vast majority of violations would preclude the granting of jury trial for these relatively minor offenses. This would help to relieve the existing backlog of court cases as well as the concern of the majority of the boating public who believe that they are subject to the maximum \$10,000 fine for any offense.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 3171 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2804 (Joint) Consumer Protection, Labor and Employment and Ways and Means on H.B. No. 3428

The purpose of this bill is to enhance the administration of the Insurance Code.

Specifically the bill:

- (1) Removes a duplicative initial hearing option that may be requested at the outset of the appeal process while retaining the party's right to a formal hearing;
- (2) Provides the Insurance Commissioner with flexibility in enforcing annual filings;
- (3) Adds a penalty for each day that an insurer is delinquent in submitting annual filings, audits, or other required documents;
- (4) Increases the filing fee for accident and sickness policies;
- (5) Enables the Commissioner to hire personnel out of moneys in the No-Fault Administration Revolving Fund;
- (6) Changes liability and medical payment coverages for motorcycles and motor scooters to be consistent with motor vehicle insurance law;
- (7) Requires adequate notice of approved Workers' Compensation rate filings;
- (8) Clarifies the requirements with which a foreign or alien captive insurance company must comply to become a Hawaii domestic captive insurance company;
- (9) Identifies the requirements with which a domestic captive insurance company must comply before transferring to a new domicile; and
- (10) Gives voting rights to Hawaii Property Insurance Association board members who represent insurance agents and the general public.

Your Committees find that these provisions will strengthen and enhance administration of the Insurance Code.

Your Committees have amended this bill by specifying that until June 30, 1995, the Insurance Commissioner may use the No-Fault Administration Revolving Fund to hire one no-fault cost compliance specialist, one no-fault insurance investigator, and three no-fault cost compliance assistants on a civil service exempt basis. Your Committees have also provided minimum qualifications for the positions and salary ceilings, and made some technical changes that have no substantive effect.

Your Committees on Consumer Protection, Labor and Employment and Ways and Means are in accord with the intent and purpose of H.B. No. 3428, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3428, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 2805 (Joint) Science, Technology and Economic Development and Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 1999

The purpose of this bill is to amend existing law to conform with the efficiency standards of the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE).

Your Committees find that the State's existing laws on building efficiency standards have not been amended since 1978. Many technological advancements have been made in subsequent years and the State's existing laws do not reflect these advancements, resulting in the adherence to substandard building code requirements.

Your Committees have amended the bill by:

- (1) Requiring that all counties incorporate these requirements into their building codes by October 24, 1994;
- (2) Deleting references to Public Law 94-163 and the Energy Policy Act of 1992;
- (3) Making the requirements pertain to all buildings; provided that the standards apply only to the renovated system or elements of the building;
- (4) Repealing section 46-19.6, Hawaii Revised Statutes (HRS) to eliminate redundancies that would arise by the adoption of ASHRAE standards in section 46-19.5, HRS; and
- (5) Making technical, nonsubstantive amendments.

Your Committees on Science, Technology and Economic Development and Government Operations, Environmental Protection and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 1999, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1999, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 2806 Science, Technology and Economic Development on H.B. No. 3432

The purpose of this bill is to allow the Public Utilities Commission to extend the nine-month period in which it must issue decisions in utility ratemaking cases.

Your Committee finds that the workload of the Commission and the Consumer Advocate have greatly increased due to the concomitant increase in the demand for regulated utility and transportation services. Your Committee further finds that in addition to the increase in workload, the complexity of the cases requires the hiring of consultants with specialized knowledge of public utility issues.

Testimony in opposition to this measure was submitted by BHP/Hawaii, Hawaiian Electric Co., Inc., Kauai Electric, and GTE Hawaiian Tel. The testifiers expressed concerns about extending the period in which the Commission must make decisions as a solution to the increasing complexity of utility ratemaking cases. In this same vein, testimony presented by the Consumer Advocate indicated that beginning July 1, 1994, they will be required to hire consultants pursuant to the new procurement code, which would further exacerbate their ability to prepare their representation of the public interest within the current nine-month period.

Upon further consideration of the testimony your Committee finds that extending the nine-month period does not serve the public interest nor will it ensure the ability of the Consumer Advocate to appropriately carry out functions relating to representation of the general public in ratemaking and other matters. Thus, your Committee has amended this bill by:

- (1) Deleting its contents and substituting therefor an amendment to section 269-54 which expressly grants authority to the Consumer Advocate to contract for consultant services without regard to Chapter 103D; and
- (2) Changing the effective date.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 3432, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3432, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2807 (Joint) Education and Ways and Means on H.B. No. 3657

The purpose of this bill is to restructure the public education system through systemic reforms which provide increased autonomy in support of school-level decision making.

Your Committees find that Hawaii's public education system needs to be redesigned to make the students the focus of the school and public agencies the supporting framework for the schools. In order to reach this goal of putting students first, individual schools need to be empowered by providing the necessary authority, resources, and administrative flexibility so that the school's primary focus is on delivering instructional services.

Your Committees further find that the Legislature has provided some autonomy and flexibility for school-level initiatives through school/community-based management and subsequent structural, financial, and student assessment reforms provided in the Omnibus Education Reform Acts of 1992 and 1993. However, your Committees also recognize that further reforms need to take place to clarify issues such as the roles and responsibilities of the Board of Education vis-a-vis the department and the schools, budget flexibility and accountability, and the roles of other government agencies as the supporting framework for the public school system.

Testimony regarding this measure was submitted by the Board of Education, the Hawaii State PTSA, the Hawaii Government Employees Association, the Hawaii State Teachers Association, the Hawaii Business Roundtable, the Chamber of Commerce of Hawaii, the League of Women Voters, and education reform and student advocates. Generally, the testifiers supported systemic education reforms which would empower schools, yet expressed concerns about provisions regarding the development of educational policy, school staffing, and the restructuring of the public school system.

After careful consideration of the concerns expressed in the testimony and based upon continuing dialogue with the various stakeholders comprising the public school system, your Committees have amended this bill to provide a framework to begin restructuring the public education system in a way that will ultimately put resources at the school level. In developing the proposed restructuring, your Committees understand that it is important to keep in mind that any transition of this magnitude must be accomplished through careful planning. Restructuring must be viewed as a gradual process with changes occurring on a continuum and culminating with schools fully functioning as independent learning units. Thus, your Committees intent in developing the attached Senate Draft is to set in motion a process that will continue to be modified until the ultimate goal of empowering individual schools is achieved.

The following are the significant features of the S.D. 1:

1. ROLES AND RESPONSIBILITIES

The Board of Education will function as a policy-making body and will not deal with the day-to-day management of the school system. This change requires a constitutional amendment, and if ratified, provides a clear public mandate to proceed with restructuring.

The Superintendent of Education will serve as the public school system's chief executive officer with jurisdiction over the internal organization, operation, and management of the system.

The Department of Education (DOE) will serve as the central support system to the public schools, shifting from its current managerial role to one that provides administrative support. To assist in delivering administrative, noninstructional support to the schools, including personnel, fiscal, and procurement services, the DOE is authorized to establish regional administrative units.

Principals will oversee the day-to-day management of the schools, focusing on the development and delivery of instructional services to students.

2. RESTRUCTURING OF THE DEPARTMENT

The DOE is required to begin restructuring the department using the DOE's internal restructuring plan, Project Ke Au Hou, as a conceptual framework and starting point for downsizing the state and district offices and deploying personnel for curriculum development to learning support centers.

Learning support centers will provide curriculum and instructional support to clusters of schools. The learning support centers are envisioned to be an extension of the schools which will design, govern and determine the curriculum and instructional services to be provided. Staffing will be provided by curriculum and instructional development personnel deployed from the DOE's district and state offices pursuant to this Act and the DOE's restructuring effort.

Since Ke Au Hou is only a starting point, the Hawaii Education Restructuring Commission is established to assist the DOE in addressing implementation issues and to monitor the Department's restructuring effort. It is probable that federal funds will be available to assist the Commission in conducting its work through the federal Goals 2000: Educate America Act signed by President Clinton. The Commission will also study and make recommendations for the transfer of all related education functions now conducted by other state agencies, develop performance standards for department administrative and support staff, and examine other issues necessary to restructure the DOE and empower schools. The Legislature, Governor, and BOE will each appoint three members to the Commission, who must represent all education stakeholder groups.

The restructuring of the DOE is a systemwide effort to move all schools toward the goal of becoming independent learning units. For schools which have successfully implemented school/community-based management and are ready to become more autonomous an opportunity to do so, this bill authorizes up to 25 student-centered schools to be established upon approval by two-thirds of the parents and school personnel. The school will be exempt from all state laws except collective bargaining and procurement, and an expedited process to deal with requests for exceptions to collective bargaining agreements is provided. Funds will be appropriated directly to the schools based on the DOE's average per pupil expenditure.

While there may be schools that are ready to move forward and become autonomous student-centered schools, others may need special assistance to fit into the new restructuring model and meet statewide performance standards. To help these schools, the BOE is required to establish a monitoring process to determine when a school needs assistance and work with the school principal to make necessary improvements.

Reforms to the public schools system cannot succeed without concomitant reforms to the manner in which teachers are trained. Therefore, a Center for Teacher Education within the University of Hawaii is established to create a link between the public schools and the University teacher education program to ensure that teacher training is focused on the needs of the students and fits in the new DOE and school-focused structure.

3. FISCAL RESTRUCTURING

As the internal restructuring of the DOE begins, it is also important to ensure that financial resources are channeled to the schools to be used for curriculum and instructional needs and not be tied up in the administrative bureaucracy. The following provisions have been included for this purpose.

In conjunction with the restructuring effort, this bill prohibits the DOE from filling vacancies in curriculum support positions at the state and district offices effective July 1, 1994. Vacant positions are to be reassigned to school complexes for deployment to the learning centers, and positions or funds from the positions are to be used for curriculum development and instructional services.

Beginning with the 1995-1997 fiscal biennium, the DOE is required to submit a budget to the Legislature that separates administrative and instructional expenses. Administrative expenses are capped at 6.5% of the total systemwide budget. These provisions will ensure that education spending focus on instructional services rather than administrative support.

To ensure that funds reach the school level, the DOE is required to allocate funds for instructional purposes directly to schools, complexes, and learning centers in a lump sum beginning with the 1995-1997 fiscal biennium. This lump sum allocation will give the schools needed flexibility to meet their curriculum and instructional needs.

To ensure that funds are appropriated and allocated directly and expeditiously to the schools, the auditor is required to develop a new financial structure for the DOE and the schools. The auditor is authorized to hire a consultant with expertise in school finance to assist in this endeavor. It is anticipated that federal funding may be available for this effort through the Goals 2000 Act.

Your Committees on Education and Ways and Means are in accord with the intent and purpose of H.B. No. 3657, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3657, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 2808 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2641

The purpose of this bill is to allow the Director of Health to consider when imposing an administrative penalty for violation of Chapter 342B, Hawaii Revised Statutes:

- (1) The economic benefit, if any, resulting from an air pollution violation;
- (2) Good faith efforts of the violator to comply with air pollution laws in imposing an administrative penalty for violation of Chapter 342B, Hawaii Revised Statutes; and
- (3) Other circumstances that may apply to the violation.

Your Committee finds that persons who violate state air pollution laws should not benefit economically from the violation. Therefore, your Committee believes that the Director of Health should take into consideration the profitability of violating an air pollution law by the violator when imposing a penalty. However, it is not your Committee's intent that this economic benefit consideration act as a mitigating factor in lowering a penalty for violation if no economic benefit results from the violation.

Although your Committee agrees with the intent of the bill, it believes that a more comprehensive overhaul to the State's air pollution laws are in order. Therefore, your Committee has amended the bill by including provisions that:

- (1) Establish an Indoor Air Quality Program within the Department of Health;
- (2) Require air pollution permittees to submit compliance certifications annually rather than every six months; and
- (3) Establish environmental permit shields for air pollution permittees.

Your Committee has also made technical, nonsubstantive amendments to accommodate the additional provisions.

Your Committee believes that the bill provides a balanced and protective approach to air pollution control in the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2641, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2641, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2809 Consumer Protection on H.B. No. 2234

The purpose of this bill is to allow naturopathic physicians who obtained their education prior to 1987 to apply for licensure in Hawaii.

Current law requires applicants for a naturopathic license to be graduates of a school, college, or university of naturopathy that is either accredited, or a candidate for accreditation, by an accrediting body recognized by the U.S. Department of Education. However, prior to 1987, naturopathic educational institutions were not accredited; thus, an applicant who graduated prior to 1987 is ineligible to practice in Hawaii.

This bill allows pre-1987 graduates to apply for licensure if the educational institutions from which they graduated were approved by the Board of Examiners in Naturopathy and have since been accredited.

Your Committee finds that this measure will ensure that all qualified naturopathy graduates who desire to seek licensure in Hawaii will be allowed to do so.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2234, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2810 Consumer Protection on H.B. No. 2462

The purpose of this bill is to allow incorporated underwriters of reinsurance to form groups to maintain the qualified trust fund of an assuming insurer.

To qualify, incorporated members must not be engaged in any business other than underwriting as a member of the group and must be subject to the same level of solvency regulation as unincorporated members.

This provision arises out of changes by Lloyd's of London, the world's largest provider of reinsurance. In the past, Lloyd's only allowed natural persons, referred to in Hawaii law as unincorporated individuals, to assume insurance risks.

However, recent natural disasters have convinced Lloyd's to bolster its financial strength by seeking support from corporate capital markets and allowing corporations to become underwriting members.

Under current Hawaii reinsurance laws, a Hawaii domiciled company may take financial statement credit for risks ceded to a group of individual unincorporated underwriters, the former definition of Lloyd's, if certain conditions are satisfied. This bill would amend this provision to embrace a group that includes incorporated as well as individual unincorporated underwriters, the new definition of Lloyd's, thus enabling Hawaii to maintain an appropriate relationship with Lloyd's and protecting the reinsurance market in Hawaii. No solvency or other requirement is amended by this measure, nor does it change the scope of business that Lloyd's may write in Hawaii.

Your Committee finds that this bill will conform Hawaii's law to the provisions adopted by the National Association of Insurance Commissioners which are incorporated into the Credit for Reinsurance Model Law.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2462, 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. 2811 Consumer Protection on H.B. No. 2490

The purpose of this bill is to clarify the circumstances under which a dispensing pharmacist must record an out-of-state prescribing physician's Drug Enforcement Administration (DEA) registration number.

Current law requires recordation of an out-of-state prescribing physician's DEA number for all original prescriptions as a means of verifying the identity of the prescribing physician, regardless of whether the prescription is written or communicated via telephone or FAX. This bill will require recordation only in the absence of a hard copy of the prescription.

Your Committee finds that dispensing pharmacists can verify the identity of writers of hard copy prescriptions without the DEA number. Recordation for purposes of verification should only be required in the absence of a written prescription.

Your Committee has amended this bill by making a nonsubstantive technical change for the purpose of style.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2490, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2812 Consumer Protection on H.B. No. 2491

The purpose of this bill is to clarify statutory provisions relating to authority to prescribe drugs and contents of prescriptions.

Current law does not require prescribing physicians to adhere to the requirements of a valid prescription, placing responsibility for the correctness of a prescription solely on the pharmacist.

This bill defines "pharmacist" and "practitioner" and specifies the information that the issuing physician, whether practicing in Hawaii or out-of-state, must include on the prescription before it may be filled by a dispensing pharmacist in Hawaii.

Your Committee finds that this bill distributes the responsibility appropriately between the prescribing practitioner and the dispensing pharmacist and will help ensure that prescriptions are properly filled.

Your Committee has amended this bill by expanding the definition of "practitioner" to include anyone permitted by law to prescribe, and by making some technical changes that have no substantive effect.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2491, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2491, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2813 Consumer Protection on H.B. No. 2825

The purpose of this bill is to provide that no person may sell a list of charitable donors without having in place a procedure to expunge the names of persons who do not want to be on the list.

Current law, scheduled to go into effect on January 1, 1995, requires the list seller to obtain the consent of each individual donor on the list before selling the list to someone else.

Your Committee finds that the current requirement is unmanageable and unduly restrictive, and that Hawaii is the only state that has it. This measure will ensure that individuals whose names are slated for inclusion on a list will be afforded privacy, if they choose, and enable businesses such as the Disabled American Veterans, the Easter Seal Society of Hawaii,

and the American Red Cross, that already have expurgation procedures in place, to continue their legitimate business activities.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2825, 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. 2814 Consumer Protection on H.B. No. 2944

The purpose of this bill is to make housekeeping amendments to clarify and conform various sections of real estate law in the Hawaii Revised Statutes.

Your Committee finds that the bill clarifies the authority of the Real Estate Commission so that it will be better able to carry out its regulatory mandate over the real estate community, and conforms existing real estate law to existing, statutorily-defined language.

Your Committee has amended the bill by making additional nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2944, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2944, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2815 Consumer Protection on H.B. No. 3208

The purpose of this bill is to continue and strengthen regulation of the practice of pharmacy in Hawaii.

Currently, Chapter 461, Hawaii Revised Statutes, which regulates pharmacists through the Board of Pharmacy, is scheduled to be repealed as of December 31, 1994. This bill extends the Chapter until December 31, 2000 and in addition reduces the practical experience requirement for pharmacist applicants from 2,000 hours to 1,500 hours.

Your Committee finds that continued regulation of the practice of pharmacy is needed to ensure that practitioners in this State are qualified in their profession. Your Committee further finds that 1,500 hours of practical experience is reasonable and consistent with standard licensing practices in other states.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3208, 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. 2816 Consumer Protection on H.B. No. 3213

The purpose of this bill is to provide for the continued regulation of travel agencies in Hawaii pursuant to Chapter 468L, Hawaii Revised Statutes.

Currently, Chapter 468L is scheduled to be repealed on December 31, 1994. This bill extends the life of the Chapter for an additional six years, until December 31, 2000, in accordance with recommendations made by the Auditor in "Sunset Evaluation Update: Travel Agencies" (Report No. 93-5).

Your Committee agrees with the Auditor and finds that continued regulation of travel agencies is needed to protect consumers.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3213 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2817 Consumer Protection on H.B. No. 3305

The purpose of this bill is to strengthen and clarify the requirements and procedures for obtaining a license to practice as an osteopathic physician and surgeon in Hawaii.

Specifically, the bill authorizes the Board of Osteopathic Examiners to issue limited and temporary licenses to osteopathic graduates, allows the Board to recognize another national qualifying examination, and further clarifies licensing requirements for foreign graduates.

Under current law, osteopathic graduates are allowed to serve internships in the State but cannot do so unless they are licensed. The limited and temporary license provided by this bill will enable graduates to practice under supervision while fulfilling requisite internship qualifications for licensure.

Regarding licensure examinations, the Board currently accepts either the National Board of Osteopathic Medical Examiners examination or the Federal Licensing Examiners Examination (FLEX); however, the FLEX examination will

be phased out in June of this year. This bill authorizes substitution of the United States Medical Licensing Examination, while retaining recognition of the FLEX exam for applicants who took it.

As for foreign applicants, this bill clarifies that the Board requires evidence of having passed the requisite examinations.

Your Committee finds that this bill will ensure that licensed osteopathic physicians and surgeons possess the education needed to appropriately practice the profession in Hawaii.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3305 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2818 Consumer Protection on H.B. No. 3306

The purpose of this bill is to strengthen and clarify the statutes providing for the licensing of detectives and guards in Hawaii pursuant to Chapter 463, Hawaii Revised Statutes.

Specifically, the bill:

- (1) Expands the definition of a detective agency or guard agency to include a licensed firm, joint venture, or sole proprietor that hires resident employees;
- (2) Clarifies the definitions of "guard," "principal detective," and "principal guard;"
- (3) Requires detective and guard agencies to have licensed principals who are responsible for direct management and control of employees and who are residents of the State; and
- (4) Clarifies and conforms registration and licensing requirements of guard agencies and detective agencies.

Your Committee finds that these provisions are necessary to ensure clarity and uniform application of rules and procedures by the Board of Private Detectives and Guards, to appropriately distinguish between detective and guard agencies, and to ensure that they hire qualified personnel.

Your Committee has amended this bill by making technical changes that render it identical to S.B. No. 2988 previously approved by your Committee.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3306, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3306, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2819 Consumer Protection on H.B. No. 3307

The purpose of this bill is to strengthen the application and examination requirements for licensure as an optometrist.

Specifically, the bill:

- (1) Deletes the Hawaii Optometry Laws and Rules examination as a requirement for licensure, which your Committee finds appropriate in that the examination does not assess a candidate's ability, but assesses only knowledge of licensing requirements;
- (2) Deletes the requirement that an applicant submit a personal photograph, which your Committee finds is no longer needed to ensure appropriate enforcement of laws and rules governing optometry;
- (3) Clarifies the requirement that applicants pass an examination designated by the Board of Examiners in Optometry, should the Board decide to cease recognizing the examinations of the National Board of Examiners in Optometry (NBEO);
- (4) Replaces references to the NBEO Clinical Skills Examination with reference to the Practical (Patient Care) Examination; and
- (5) Establishes that all applicants must pass all NBEO written examinations and the Patient Care examination but that the Patient Care examination will be accepted only if passed within five years of the licensure application date.

Your Committee finds that this bill will strengthen and clarify the licensing process in optometry.

Your Committee has amended this bill by further clarifying the licensing examination requirements and by making technical changes that have no substantive effect.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3307, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3307, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2820 Consumer Protection on H.B. No. 3308

The purpose of this bill is to clarify the permitted use of terminology identifying an individual as a licensed acupuncturist, and the Board of Acupuncture's role in determining the educational qualification of applicants for licensure.

Under current law, an acupuncturist may use the title "Doctor" or the abbreviations "Dr." or "D.Ac." under two circumstances: the person must have either earned a doctoral degree from an institution accredited by an entity recognized by the U.S. Department of Education, or the person must have earned a doctoral degree from a university or college approved by the Board of Acupuncture.

Your Committee finds that as the law is currently written, applicants for licensure cannot satisfy either educational condition because the U.S. Department of Education will not be accrediting schools awarding doctoral degrees for another two years, and the second qualification would require the Board to review the entire degree-granting institution rather than its acupuncture curriculum, a task for which the Board should not be held accountable.

This bill clarifies that the role of the Board is to approve the acupuncture program.

This bill also forestalls confusion between a doctor of medicine and a doctor of acupuncture by requiring licensees to specifically identify themselves as acupuncturists when using the term "Doctor" or the abbreviation "Dr."

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3308 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2821 Consumer Protection on H.B. No. 3309

The purpose of this bill is to repeal the requirement in the Uniform Professional and Vocational Licensing Act (Chapter 436B, Hawaii Revised Statutes), and the statutes regulating the practices of barbering (Chapter 438), chiropractic (Chapter 442), and dentistry (Chapter 448), that applicants for licensure furnish photographs of themselves.

Your Committee finds that licensing and regulation of the activities of barbers, chiropractors, dentists, and other professionals under Title 25 of the Hawaii Revised Statutes can be effectively carried out so as to ensure protection of the consuming public, without requiring applicants for licensure to provide photographic evidence of their identities.

Your Committee has amended this bill by making some nonsubstantive technical changes for the purposes of style and conformance with recommended drafting technique.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3309, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3309, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2822 Consumer Protection on H.B. No. 3312

The purpose of this bill is to classify a violation of Section 437D-17.5, Hawaii Revised Statutes, as an unfair trade practice under Section 437D-15, thus subjecting violators to the penalties provided in Chapter 480.

Chapter 437D regulates the motor vehicle rental business in Hawaii. Section 437D-17.5, enacted in 1993, provides that a lessor (rental company) may be liable for parking citations incurred while a motor vehicle is out on lease unless the lessor adopts a policy for charging the lessee the actual cost of the parking ticket plus an administrative fee not to exceed \$20 and discloses such policy to its lessees. In actual practice, however, consumers have complained that certain rental companies are attempting to collect large sums without presenting the citations, in clear contradiction of the intent and purpose of Section 437D-17.5.

Your Committee finds that this bill provides an appropriate penalty for such violations of law.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3312 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2823 Ways and Means on H.B. No. 2822

The purpose of this bill is to clarify the taxation of amounts received for real property title insurance contracts.

A study conducted in 1990 and 1991 by the insurance division of the Department of Commerce and Consumer Affairs indicated that there was no consistency in the reporting or payment of applicable taxes concerning the title insurance industry. A memorandum issued in 1992 and again in 1993 by the Department of Taxation and the Department of the Attorney General providing guidelines for the payment of applicable tax in the title insurance industry has not resolved the inconsistencies.

This bill specifically requires title insurers to pay a tax of 4.265 per cent on the amount of the risk premium actually received by the insurer for the provision of real property title insurance. This clarification is intended to eliminate the taxation under the insurance law of amounts collected by the underwritten title company for costs, other than insurance premiums, that are not subsequently turned over to the authorized insurers as risk premiums. In so doing, this bill ensures that these amounts are not taxed under the insurance law as well as the general excise tax law, and thereby promotes a more equitable state tax policy.

Your Committee finds that this bill is substantially similar to S.B. No. 2753, S.D. 1, which your Committee approved earlier.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2822, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2824 Ways and Means on H.B. No. 3210

The purpose of this bill is to continue and strengthen state laws regulating nursing home administrators.

In particular, this bill: reenacts chapter 457B, Hawaii Revised Statutes, to continue the regulation of nursing home administrators until December 31, 2004; amends that chapter to add grounds for disciplinary action against licensees or applicants for licenses; defines "nursing home" as any nursing facility licensed by the Department of Health; replaces specific statutory requirements for licensure and exemptions with a general authorization to the board of examiners of nursing home administrators to adopt rules setting minimum educational, training, and experience qualifications for applicants; and adds a public member to the board.

Your Committee finds that this bill is a result of a sunset evaluation by the auditor on the nursing home administrator regulatory program. According to the auditor, regulation of nursing home administrators is necessary because the federal Medicaid program requires participating states to establish licensing programs for these administrators. If these programs are discontinued, Hawaii would lose its federal Medicaid funding.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3210, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2825 Ways and Means on H.B. No. 3453

The purpose of this bill is to amend the Hawaii hurricane relief fund law to provide additional relief to hurricane victims.

In particular, this bill amends the hurricane fund law by:

- (1) Adding a definition of "mortgage", and expanding the definitions of "eligible property" and "policy of hurricane property insurance";
- (2) Allowing the fund annually to assess the Hawaii property insurance association unless the assessments place the solvency of the association at serious risk;
- (3) Allowing the fund to exempt mortgage transactions from the special mortgage recording fee when the exemption is in the best interest of all parties involved in the transaction;
- (4) Expanding the membership of advisory committees to include an insurance company representative who is knowledgeable about property insurance, an agent knowledgeable about property insurance, and an escrow officer;
- (5) Exempting from chapter 91, Hawaii Revised Statutes (the Administrative Procedure Act), the adoption of or amendment to the fund's plan of operation and manual of rules and rates;
- (6) Requiring that condominium associations of apartment owners, cooperative housing corporations, and residential apartments be provided coverage from the fund up to an unspecified amount per unit;
- (7) Specifying that the special mortgage recording fee shall not apply to documents encumbering title by utilizing a negative pledge, and that documents recorded in both the regular system and the land court system shall be assessed only one special mortgage recording fee;
- (8) Allowing the Department of Budget and Finance, with the approval of the governor, to issue revenue bonds in an unspecified amount for the purposes of the fund; and
- (9) Authorizing the Director of Finance to issue reimbursable general obligation bonds in an unspecified amount for the fund for the 1994-1995 fiscal year.

Your Committee finds that this bill is necessary to clarify the statutory language of the fund, improve the efficiency of the administration of the fund, and enhance the work of the fund's board of directors.

Your Committee has amended this bill by:

- (1) Amending the powers of the fund regarding assessment of insurers who withdraw from the property insurance business in the State before and after June 30, 1993, the effective date of Act 339, Session Laws of Hawaii 1993. If an insurer has withdrawn on or before that date, the insurer shall be assessed an amount up to not more than five per cent; if an insurer withdraws after that date and later re-enters the property insurance business in the State, the insurer must provide a written commitment to the insurance commissioner not to withdraw from the property insurance business in the State for a period of not less than ten years;
- (2) Providing that the adoption of or amendment to the fund's plan of operation and manual of rules and rates shall be exempt from the public notice and hearing requirements of chapter 91, Hawaii Revised Statutes, rather than from the entire law, and that this exemption shall be effective until December 31, 1994.

Your Committee finds that this limited exemption would allow the fund to quickly commence its work without the necessity of complying with the time consuming public notice and public hearing requirements of chapter 91, but still requiring the governor's approval and filing with the lieutenant governor's office. After December 31, the fund must comply with all of the provisions of chapter 91.

Your Committee further finds that a total exemption from chapter 91 would have resulted in the untenable circumstance in which the fund would submit amendments to its plan of operation or manual of rules and rates to the lieutenant governor for filing, but those amendments would stand alone unrelated to anything because the plan of operation or manual originally adopted by the fund would not have been filed. Under these circumstances, having the amendments available for public inspection at the lieutenant governor's office would be meaningless;

- (3) Amending the effective date (section 9 of the bill) to make section 7 take effect on July 1, 1994, since that section authorizes an appropriation for fiscal year 1994-1995; 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. 3453, 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. 3453, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2826 Ways and Means on H.B. No. 1317

The purpose of this bill is to strengthen certain aspects of the time share law and to stagger registration renewal requirements.

The time share law presently requires all registration renewals to occur on December 31 of each odd-numbered year. This bill requires all time share plan managers or developers to renew their registration during even-numbered years (but does not include 1994), and requires any acquisition agents, sales agents, and exchange agents for time share developments to renew their registration by December 31 of each odd-numbered year.

This bill also provides specific parameters regarding the permanent signage required for registered time share booths. It excludes from the definition of permanent signage any banners, grease boards, marker boards, and signs made from temporary materials such as paper, poster board, or cardboard. This bill also increases fines for violations from a range of \$500 to \$10,000 to a range of \$5,000 to \$25,000 for each violation.

Your Committee finds that staggering the registration requirements will ease the burden on the administering agency. Your Committee also finds that the changes concerning the time share booths and the penalty provisions provide the added strength required to protect consumers. Upon further consideration, however, your Committee believes that the minimum penalty of \$5,000 may limit the Director of Commerce and Consumer Affairs' flexibility in imposing penalties and your Committee has therefore amended this bill to keep the minimum fine for violations at \$500.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1317, 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. 1317, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2827 Ways and Means on H.B. No. 3484

The purpose of this bill is to ensure that certain funds administered by the contractors' license board are adequately funded.

Specifically, this bill requires contractors:

- (1) To pay at any time an additional sum of up to \$500 (rather than \$250 at the time of the next renewal), to the contractors recovery fund if the balance falls below \$250,000; and
- (2) Upon application for a contractor's license, to pay a fee into the contractors education fund.

Your Committee finds that under current law, there can be too long a period between the time the recovery fund falls below \$250,000 and the time the additional fees can be assessed. The trigger for the imposition of the additional assessment is a fund balance below \$250,000 on December 31. Once triggered, the assessment is not imposed until the

next time a contractor renews the contractor's license, which is done biennially. It is quite possible that the fund could be above the critical level on December 31 but dip below that level in January, with the result that the corrective assessment would not actually be imposed for two years.

Your Committee finds that under the amendment proposed by this bill, the additional assessments can be levied at any time and in a larger amount, allowing for greater flexibility and timeliness in restoring the fund to a level that will protect consumers.

Your Committee also finds that the required payments into the education fund are necessary. There are many unlicensed contractors in Hawaii, and in general consumers are not educated about the differences between licensed and unlicensed contractors, and the impact of the selection of a contractor on their rights if there is a problem or accident. Greater education will lead to greater protection of consumers' rights.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 3484, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2828 Ways and Means on H.B. No. 3209

The purpose of this bill is to continue and strengthen state laws regulating dental hygienists, require the auditor to study the feasibility of establishing a separate board to regulate dental hygienists, and move the "sunset" date for the regulation of dentists from December 31, 1997, to December 31, 1995.

In particular, this bill: extends the repeal date of chapter 447, Hawaii Revised Statutes, regulating dental hygienists, from December 31, 1994 until December 31, 2004; deletes the requirement that dental hygienists furnish the board of dental examiners with their place of employment and name of employer; and specifies that dental hygienists must provide documentary proof satisfactory to the board that the hygienist is certified to administer intra-oral local anesthesia.

In addition, this bill moves up the scheduled repeal date of chapter 448, relating to the board of dental examiners, from December 31, 1997, to June 30, 1995, thereby requiring the auditor to conduct a sunset evaluation of that board for the 1995 regular session of the legislature. The bill further requires the auditor to study the feasibility of establishing a separate board of dental hygiene and report its findings to the legislature before the convening of the 1995 regular session.

Your Committee agrees that dental hygienists should continue to be regulated, and believes that a combination of the auditor's sunset review of chapter 448 and a feasibility study of establishing a separate board to regulate dental hygienists will help to resolve the issue of whether dental hygienists should continue to be regulated by the board of dental examiners or by a separate entity. Your Committee finds that this bill, which stems from the auditor's sunset review of the regulatory program for dental hygienists, is necessary for the protection of the people of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3209, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2829 Ways and Means on H.B. No. 3211

The purpose of this bill is to extend regulation of nurse aides until December 31, 2000, and to strengthen and clarify the regulatory statute.

The bill also expands the purpose provisions of the regulatory law, defines the term "nurse aide", and clarifies the power of the Director of Commerce and Consumer Affairs relating to certification of nurse aides and the maintenance of a nurse aide registry.

Specifically, this bill requires the Director of Commerce and Consumer Affairs to:

- (1) Establish standards for certifying a nurse aide;
- (2) Establish the passing score for examinations;
- (3) Require continued certification on a biennial basis; and
- (4) Implement the nurse aide registry that includes the names of certified nurse aides, places of employment, and disciplinary actions, limited to substantiated findings from the Department of Health.

Your Committee finds that in order for Hawaii to continue to receive federal medicare and medicaid reimbursements, nurse aides must continue to be regulated. This bill is designed to accomplish this.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3211, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2830 Ways and Means on H.B. No. 3431

The purpose of this bill is to authorize the consumer advocate to employ up to two telecommunications or energy utility planning analysts exempt from civil service requirements.

The bill also requires that the analysts possess at least the minimum qualifications required of comparable industry experts and sets the annual compensation of each analyst at a maximum of \$55,000.

Under current law, the consumer advocate is restricted to hiring staff from within the civil service system and in accordance with civil service requirements. Your Committee finds that the areas of telecommunications and energy utility planning involve increasingly sophisticated and complex issues. Your Committee further finds that the civil service restrictions unduly hamper the ability of the consumer advocate to compete with private industry for qualified experts in the areas of telecommunications and energy utility planning. This bill will enable the consumer advocate to compete with private industry in the hiring of qualified telecommunications and energy utility planning analysts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3431, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2831 Ways and Means on H.B. No. 2692

The purpose of this bill is to financially assist nonprofit organizations that provide early childhood education and care facilities serving the general public through the issuance of special purpose revenue bonds.

The bill proposes to amend Article VII, section 12, and Article X, section 1, of the Hawaii State Constitution to authorize the State to use the proceeds of special purpose revenue bonds to finance or assist these nonprofits. The bill also provides statutory authority (in addition to amending the State Constitution) for the Department of Budget and Finance to issue these special purpose revenue bonds. The new statutory authority will become effective only upon the ratification of the proposed constitutional amendments.

Your Committee finds that early childhood education programs serve the public interest. These programs produce not only direct and long-term benefits for the children and families served, but also generate indirect future cost savings for government education, social services, and public safety programs. However, your Committee finds that there is a lack of both early childhood education and care facilities in the State and the resources to finance them. Accordingly, this bill provides a direct means to financially assist nonprofit corporations that provide these facilities serving the general public.

Your Committee has amended this bill by deleting the reference to section 103-22, Hawaii Revised Statutes, on page 9, line 13, relating to requirements for advertisement for bids. This amendment was made because section 103-22 is repealed on July 1, 1994, before the proposed constitutional amendments can be ratified in the November general election to give effect to the new statutory provisions. Furthermore, chapter 103D, Hawaii Revised Statutes (Hawaii Public Procurement Code), does not have a corresponding section specifically relating to advertisement for bids and, therefore, no direct replacement reference section could be substituted. Your Committee has 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 H.B. No. 2692, 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. 2692, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2832 Ways and Means on H.B. No. 3329

The purpose of this bill is to allow all net income and proceeds received by the Hawaii state library foundation from the operation of concessions in state library facilities to be deposited into the Hawaii state library foundation trust fund rather than the general fund.

Your Committee finds that section 312-3.7, Hawaii Revised Statutes (created by Act 328, Session Laws of Hawaii 1993), required the creation of the Hawaii state library foundation and established the Hawaii state library foundation trust fund to financially support state library programs. Act 328 also exempted the public library system from the law limiting the operation of concessions in public buildings to visually handicapped persons.

Your Committee believes the intent of Act 328 was to allow the Hawaii state library foundation to operate for-profit concessions within state library facilities. It was also the intention of Act 328 to allow income and proceeds from these concessions to be deposited into the Hawaii state library foundation trust fund to support state library programs. However, because Act 328 did not provide direct and specific language to allow this, the Department of Budget and Finance holds that such proceeds must be deposited into the general fund.

This bill clarifies the original intent of Act 328 by allowing the Hawaii state library foundation to operate for-profit concessions within state library facilities and to deposit proceeds into the Hawaii state library foundation trust for state library programs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3329, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2833 Ways and Means on H.B. No. 3742

The purpose of this bill is to extend the Hawaii Young Scholars Program from a two-year to a five-year pilot program and to authorize the Department of Education to use public and private moneys to carry out the program.

This bill amends Act 299, Session Laws of Hawaii 1992, to extend for three more years the Hawaii Young Scholars Program that is scheduled to end this year. The program encourages economically and educationally disadvantaged children to pursue higher education. The bill also requires the Department of Education to submit status reports to the legislature each year and a final report prior to the 1997 regular session.

Your Committee has amended this bill by removing language authorizing the Department of Education to use private and public moneys.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3742, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3742, S.D. 1.

Signed by all members of the Committee.

SCRep. 2834 (Joint) Agriculture and Planning, Land and Water Use Management on H.B. No. 2177

The purpose of the bill is to prohibit, after December 31, 1996, fishing with stationary monofilament gill nets with stretched mesh of less than two and three-fourths inches.

Your Committees find that this bill is desirable from a conservation perspective as the increase in mesh size from two inches, under present law, to two and three-fourths inches will mean that smaller size fish are able to escape capture and continue their growth until harvested. The bill allows an extended period for fishers to convert to the larger mesh size nets.

Your Committees received testimony in support of the bill from the Department of Land and Natural Resources.

Your Committees have amended the bill by adding provisions to permit the noncommercial use of hand nets or scoop nets not to exceed three feet in any dimension.

Your Committees on Agriculture and Planning, Land and Water Use Management are in accord with the intent and purpose of H.B. No. 2177, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2177, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 2835 Ways and Means on H.B. No. 2027

The purpose of this bill is to establish the environmental health program enhancement and education fund, and require all moneys collected from various fees to be deposited into the fund.

Specifically, this bill:

- (1) Requires all moneys collected from fees for permits, licenses, inspections, various certificates, variances, investigations, and reviews, pursuant to the law relating to:
 - (A) The establishment of fees by the department for the issuance or renewal of licenses, permits, variances, and various certificates required by law or rule (section 321-11.5, Hawaii Revised Statutes);
 - (B) The payment of an annual registration fee to the department for a license to practice the occupation of laboratory director, laboratory technologist, laboratory supervisor, laboratory technician, tattoo artist, sanitarian, asbestos inspector, asbestos management planner, and asbestos abatement project designer (section 321-13(a)(1), Hawaii Revised Statutes);
 - (C) The establishment of fees by the department for the issuance of noise pollution permits and variances (section 342F-14, Hawaii Revised Statutes);
 - (D) The payment of an annual fee to the department for a license to practice or offer to practice as a radiographer or a radiation therapy technologist (section 466J-4, Hawaii Revised Statutes); and
 - (E) The payment of an application and examination fee to the department leading to a license to practice or offer to practice as a radiographer or a radiation therapy technologist (section 466J-5, Hawaii Revised Statutes);

to be deposited into the fund;

- (2) Requires moneys in the fund to be expended by the department for the purpose of enhancing the capacity of environmental health programs to:
 - (A) Improve public outreach efforts;
 - (B) Educate the public and staff; and

- (C) Provide training opportunities to ensure the maintenance of professional competence among environmental health staff and administrators;
- (3) Allows up to thirty per cent of the fund to be utilized for fund administration, including the hiring of an accountant or an administrative assistant, or both;
- (4) Requires any amount in the fund in excess of \$300,000 to be deposited into the general fund; and
- (5) Repeals all the provisions in this measure on June 30, 1998.

Your Committee has amended this bill by:

- (1) Requiring proceeds from the fund to be expended for the purpose of enhancing the capacity of environmental health programs to, among other things, plan for future growth and expansion to meet emerging needs;
- (2) Changing from thirty per cent to \$90,000 during any fiscal year the maximum amount of the fund that may be utilized for fund administration;
- (3) Allowing the department to use the fund to:
- (A) Hire two full-time equivalent personnel, rather than an accountant and administrative assistant; and
- (B) Purchase office and electronic equipment;
- (4) Calculating the amount of excess moneys in the fund, which must be deposited into the general fund, on June 30 of each year;
- (5) Requiring the department to submit a report to the legislature concerning the status of the fund not less than twenty days prior to the convening of each regular session, and describing the minimum contents of the same;
- (6) Changing the repeal date of this measure from June 30, 1998 to July 1, 1996;
- (7) Requiring the Director of Health to transfer to the credit of the state general fund, all unexpended or unencumbered balances remaining in the fund, prior to June 30, 1996; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee finds that because of budget cut-backs environmental health programs are hard-pressed to provide continuing educational opportunities for their staffs. These educational activities are necessary to maintain technical competency and enhance the programs' ability to provide adequate public outreach. Your Committee also finds that these programs receive limited federal funds from the United States Environmental Protection Agency and therefore are not recipients of federal training and program resources.

Your Committee believes that establishing the fund and requiring that all moneys collected from fees for specific permits, licenses, inspections, various certificates, variances, investigations, and reviews, be deposited into the fund, will generate sufficient moneys to support these training and educational activities.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2027, 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 2027, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2836 Ways and Means on H.B. No. 2259

The purpose of this bill is to establish a temporary commission on government organization and efficiency.

The bill requires the nine-member commission to delineate all state powers, functions, and responsibilities; assess whether the current mission and goals of government are appropriate to the times; and formulate and delineate strategies and methods to continuously improve government operations for optimal effectiveness and productivity. The bill further requires the commission to submit a preliminary report of its findings to the legislature before the convening of the 1995 regular session, and a final report before the convening of the 1996 regular session. The bill also appropriates an unspecified amount of funds from the general fund to defray the commission's expenses and for personnel compensation.

Your Committee finds that this bill is necessary to help policymakers determine what changes are necessary to enable the government to operate as effectively and efficiently as possible in the delivery of programs and services. Your Committee further finds that there is a need to ensure public access to state government and its services, and that a comprehensive review of the state government's missions, goals, and organization by the commission will allow the legislative and executive branches to focus on what role government should play and the types of services that should be provided.

Your Committee has amended this bill to make technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2259, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2259, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2837 Ways and Means on H.B. No. 2450

The purpose of this bill is to appropriate funds to implement the plans and strategies to abate the problem of algal bloom along Maui's shoreline.

The offshore waters of west Maui and parts of south Maui have suffered algal blooms that interfere with beach use and generally create a nuisance to residents and visitors alike. This problem has been studied by a variety of agencies and groups that resulted in the West Maui Watershed Management Plan. The plan proposes several projects to monitor the water quality and decrease the level of nutrients released into Maui's offshore water to prevent the growth of algal blooms. This bill funds those needed projects.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2450, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2838 Ways and Means on H.B. No. 2605

The purpose of this bill is to create a class of liquor license for brewpubs.

Your Committee finds that a new class of liquor license is necessary in order to allow brewpubs to manufacture and sell malt beverages on the premises, and sell them to wholesale dealers. Your Committee further finds that the new license will create job opportunities and Hawaii products, generate tax revenues, and in general, promote local businesses as well as the tourism industry.

Your Committee has amended this bill by re-defining "dealer", as the term is used in the liquor tax law, to include a holder of a brewpub license. Your Committee believes that this amendment clarifies the intent of the measure to have the new license generate tax revenues.

Your Committee has also amended this bill by changing the permissible annual volume of manufacture from one thousand barrels to an unspecified amount. Your Committee believes that more informed and free discussion on the matter is necessary in order to arrive at an equitable figure.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2605, 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. 2605, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2839 Ways and Means on H.B. No. 2644

The purpose of this bill is to establish the water pollution special fund within the Department of Health, and to require the Director of Health to establish fees for water pollution permits, which shall be deposited into the fund.

Specifically, this bill:

- (1) Requires the proceeds in the fund to be used solely to pay for all reasonable direct and indirect costs required to develop, support, and administer the permit program requirements of the water pollution law, including reasonable costs of:
 - (A) Reviewing and acting upon any application for or renewal of a permit;
 - (B) Implementing and enforcing the terms and conditions of any permit, including legal support;
 - (C) Monitoring effluent sources and ambient water quality, including resources to audit and inspect permit-related monitoring requirements at least once a year;
 - (D) Preparing generally applicable rules or guidelines;
 - (E) Performing or reviewing modeling, analyses, and demonstrations;
 - (F) Preparing discharge inventories and tracking systems; and
 - (G) Administering the fund;
- (2) Waives water pollution permit fees for all publicly-owned treatment works;
- (3) Requires fees for effluent sources to be based on:
 - (A) The number of pounds of suspended solids, biological oxygen demand, or regulated water pollutants allowed or discharged by a permitted source, subject to an unspecified, minimum annual fee per pound; and

- (B) The number of million gallons of hot water allowed or discharged by a permitted source, subject to an unspecified, minimum annual fee per million gallons and the condition that an effluent source shall not be assessed for discharges of hot water in excess of an unspecified number of million gallons per year;
- (4) Requires fees for effluent sources, unless changed by rules, to be changed in December of each year only by the percentage, if any, by which the consumer price index for that calendar year exceeds the consumer price index for the prior calendar year;
- (5) Defines the consumer price index for any calendar year as the average of the consumer price index for all urban consumers published by the United States Department of Labor, as of the close of the twelve-month period ending on August 31 of each calendar year; and
- (6) Prohibits the cost-per pound and cost-per million gallon fee provisions from being construed to restrict the director from assessing more or less than the amounts determined under those provisions, by the change in the consumer price index, from any one effluent source or any class or category of effluent sources.

Your Committee finds that taxpayers currently bear the costs of developing, supporting, and administering the permit program requirements of the water pollution law. Your Committee believes that water polluters should bear these costs in the future, and that this bill will place the fiscal burden of developing, supporting, and administering the permit program requirements of the water pollution law on the appropriate parties--the water polluters.

Your Committee has amended this bill by:

- (1) Deleting the provision requiring the proceeds in the fund to be used specifically for direct and indirect costs;
- (2) Deleting the provision requiring the proceeds in the fund to be used for implementing and enforcing the terms and conditions of any permit, including legal support;
- (3) Requiring the director to submit a report to the legislature concerning the status of the fund not less than twenty days prior to the convening of each regular session, and specifying the minimum contents of this status report;
- (4) Requiring the director to adopt water pollution permit fees in accordance with the Hawaii Administrative Procedure Act;
- (5) Deleting the provision waiving water pollution permit fees for all publicly-owned treatment works;
- (6) Deleting the provision:
- (A) Requiring fees for effluent sources to be changed in December of each year only by the percentage by which the consumer price index for that calendar year exceeds the consumer price index for the prior calendar year; and
- (B) Defining the consumer price index for any calendar year;
- and
- (7) Deleting the provision prohibiting the director from assessing more or less than the amounts determined under the cost-per pound and cost-per million gallon fee provisions.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2644, 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. 2644, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2840 Ways and Means on H.B. No. 2647

The purpose of this bill is to establish an environmental education clearinghouse and environmental education council within the Department of Land and Natural Resources for administrative purposes, and to appropriate an unspecified sum to the department for the same.

Specifically, this bill:

- (1) Requires the clearinghouse to consist of:
- (A) A computerized reference database of environmental education services, programs, and curricula, which shall be accessible to the public by electronic and printed formats; and
- (B) A reference library composed of environmental education documents;
- (2) Describes the six principles and criteria that shall guide the development of the database and the reference library;
- (3) Requires the council to advise and support an environmental education coordinator in carrying out the purposes of this measure;

- (4) Specifies the number of members on the council, the qualifications of council members, the manner in which certain council members are to be appointed by the governor, the manner in which vacancies on the council are to be filled, and the time in which the governor must make all initial appointments to the council and fill vacancies that may occur on the same;
- (5) Exempts the members of the council from Senate confirmation;
- (6) Requires the council to consist of at least one member from each of the following islands or groups of islands: Hawaii; Oahu; Molokai or Lanai; Maui; and Kauai or Niihau;
- (7) Requires the council to cease to exist thirty days after the chairperson of the board of land and natural resources determines that the program has fulfilled its objectives or on June 30, 1995, whichever comes first;
- (8) Requires the environmental education council to hire the coordinator, who shall develop the clearinghouse and recommend ways to improve on the current availability of environmental education services and materials;
- (9) Specifies the qualifications of the coordinator and the duties of the same with respect to the clearinghouse, and prohibits the coordinator's appointment from extending beyond June 30, 1995; and
- (10) Prohibits the sum appropriated from being used for public relations or advertising costs, except for legal or out-of-state tourism promotion advertisements.

Your Committee finds that there is a lack of coordination among environmental education services, programs, and curricula, which has resulted in redundancy and a waste of extremely limited resources for environmental education. Your Committee believes that the establishment of the clearinghouse and council will facilitate communication among educators, students, business, government, and the general public, and improve the efficiency of environmental education programs in the State.

Your Committee has amended this bill by clarifying that the "listing fees" used to defray certain costs of the database are to be adopted as rules, and by making numerous 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. 2647, 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. 2647, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2841 Ways and Means on H.B. No. 2919

The purpose of this bill is to continue and expand the pilot program to create and test a model of water quality surveying and sampling using volunteers to include Kailua Bay (Kona), Puako Bay and Reef, and Mahiula Bay on the island of Hawaii, in addition to Kailua and Waimanalo Bays on the island of Oahu.

In addition, this bill:

- (1) Requires the Department of Health to develop partnerships where feasible to share the costs of purchasing water sampling equipment within each respective community, to carry out the purposes of this measure on the islands of Oahu and Hawaii; and
- (2) Appropriates an unspecified sum to the Department of Health to continue and expand the pilot program to create and test a model of water quality surveying and sampling using volunteers.

Your Committee finds that preliminary results appear to indicate that a volunteer program in water quality monitoring is feasible, and can serve as a cost-effective means of complementing current state water quality monitoring programs. Given the preliminary success of the pilot program on the island of Oahu, your Committee believes that the continuation and expansion of this pilot program is warranted.

Your Committee also finds that the initial groundwork for creating another volunteer water quality monitoring program has already been laid by the West Hawaii Coastal Monitoring Task Force, which has developed a standardized monitoring protocol that includes participation by private coastal resorts and the general public, and continued monitoring by the State. Given the initial groundwork laid by the West Hawaii Coastal Monitoring Task Force, your Committee believes that the expansion of this pilot program to include Kailua Bay (Kona), Puako Bay and Reef, and Mahiula Bay on the island of Hawaii is warranted.

Your Committee has amended this bill to correct the spelling of "Mahaiula" Bay, which was incorrectly spelled "Mahiula" Bay.

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

Signed by all members of the Committee.

SCRep. 2842 Ways and Means on H.B. No. 3153

The purpose of this bill is to extend the automatic repeal ("sunset") date of the homestead general leasing program from December 31, 1995 to December 31, 1996.

The general leasing program originated under Act 75, Session Laws of Hawaii 1986. It allows the Department of Hawaiian Home Lands to lease land to native Hawaiians through a leasing program which is in addition to the existing homestead leasing program. The general leasing program provides residential, agricultural, pastoral, or aquacultural leases for a fifty-five year term. As an alternative to the traditional ninety-nine year homestead leasing program, the general leasing program provides lessees with greater flexibility in financing improvements and in passing on their leasehold interest.

Your Committee finds that Act 75 takes effect only if Congress approves the Act before December 31, 1995. This bill provides Congress with an additional year to approve Act 75.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3153, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2843 Ways and Means on H.B. No. 3190

The purpose of this bill is to allow public inspection of written opinions of the Department of Taxation.

This bill is intended to provide assistance to the taxpayer in interpreting the tax laws for correct reporting of tax liability. It balances the need to maintain confidentiality of the information reported to the Department of Taxation and the benefit it provides to tax preparers.

The bill maintains confidentiality by protecting material such as trade secrets and identifying information including names and taxpayer identification numbers. The bill also limits the burden on the Department of Taxation by limiting the type of documents that are open to public inspection, and provides for appeal opportunities that protect the confidentiality of the written opinion.

Your Committee finds that this bill establishes a clear set of operating rules regarding tax department opinions to assist taxpayers in understanding state tax policies.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3190, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2844 Ways and Means on H.B. No. 3302

The purpose of this bill is allow the boards of public agencies to hold their meetings by videoconference, provided certain conditions are met which serve the intent of the "sunshine" law.

Specifically, this bill allows for meetings by videoconference if:

- (1) Both visual and audio interaction exists among all board members and the attendant public;
- (2) The public is given notice and opportunity to attend the meeting at any location in which a board member shall be present;
- (3) Quorum and voting requirements are determined by board members present at all locations;
- (4) The meeting terminates if both audio and visual communication cannot be maintained at all locations; and
- (5) The board adopted rules under the Administrative Procedure Act regarding videoconference meetings.

The present open meetings law, originally enacted in 1975, is still silent on the use of videoconference meetings. Your Committee believes that this measure is overdue and will allow the State to maintain pace with the information age. Your Committee finds that this measure will enhance a board's ability to be efficient and cost-effective and at the same time serve the interests of the sunshine law in safeguarding public scrutiny and participation.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3302, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2845 Ways and Means on H.B. No. 3333

The purpose of this bill is to appropriate funds to repair, remove, replace, or restore the homes in the Panaewa residential lots, units 3 and 4.

Your Committee finds that these new homes which were completed in February 1991, are already heavily damaged by termite infestation and suffering from substandard workmanship. However, there is disagreement between the Department of Hawaiian Home Lands and the homeowners as to the proper way to rectify the problems. Residents would like to occupy clean, safe, code-approved homes as soon as possible. Some stopped making mortgage payments when they found

that their homes were uninhabitable. The Department of Hawaiian Home Lands, which accepted the homes for the homeowners from the contractor, disagrees on the method for rectifying the problems--whether these homes should be demolished or simply repaired. The final sum needed to settle the housing issue depends on the decision concerning how to settle these disagreements.

Your Committee has amended this bill by adding a proviso that would require no funds be made available until the Department of Hawaiian Home Lands and the homeowners come to an agreement after negotiations on how to proceed on correcting the housing problems.

Your Committee on Ways and Means, is in accord with the intent and purpose of H.B. No. 3333, 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. 3333, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2846 Ways and Means on H.B. No. 3433

The purpose of this bill is to implement certain decisions of the Hawaiian home lands trust individual claims review panel (review panel).

This bill approves the first two advisory opinions issued by the review panel on claims of individual beneficiaries for breaches of the Hawaiian home lands trust resulting from acts or omissions of state employees in the management and disposition of trust resources. The bill also appropriates funds to provide compensation for actual damages to certain claimants.

Your Committee received testimony from the executive director of the review panel which had hoped to determine actual damages for Ms. Low and other claimants before the end of the 1994 legislative session. However, it appears the panel probably will not be able to determine these damages before the end of the legislative session. Therefore, your Committee has deleted sections 2 through 6 dealing with compensation to claimants and retained only the language actually approving the panel's advisory opinions.

Your Committee suggests that a more appropriate remedy would be for the review panel to reinstate Ms. Low on the waiting list in the position she would have been had she not been wrongfully rejected in 1971. This will increase the chances of her receiving a homestead during her lifetime, which your Committee finds would be a far more meaningful form of recompense than a cash award.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3433, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3433, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 2847 Ways and Means on H.B. No. 3609

The purpose of this bill is to authorize liquor commissions to retain amounts received from license fees up to twenty per cent in excess of the commission's operating budget.

In particular, this bill requires any liquor commission to revise its liquor license fee structure if license fees collected from licensees exceed ten per cent of the costs and expenses of the operation and administration of the commission. The bill also requires that funds in excess of twenty per cent of the liquor commission's current budget be returned or credited annually to existing licensees.

Your Committee finds that although section 281-17.5, Hawaii Revised Statutes, was enacted to allow the liquor commissions to be financially autonomous agencies by enabling them to assess fees, that section does not provide for the commissions to accumulate a reserve fund. Your Committee finds that this bill is necessary to eliminate the need for the commissions to increase fees and allow commissions to accumulate moneys to fund unforeseen circumstances, including unanticipated retirement or settlements from lawsuits, repair of vehicles or office equipment, and new legislative mandates.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3609, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2848 Ways and Means on H.B. No. 2

The purpose of this bill is to require the board of regents of the University of Hawaii to waive tuition fees for spouses and dependents of Hawaii national guard members who have been killed or permanently totally disabled while on active duty, subject to specific conditions.

In addition, this bill allows members of the state military forces, who are receiving veterans or federal education benefits, to receive both state tuition waiver benefits and federal education benefits.

More specifically, this bill defines the term "permanent total disability" to mean a disability of such an extent that the disabled person has no reasonable prospect of finding regular employment of any kind in the normal labor market within the foreseeable future, including, but not limited to:

- (1) The permanent and total loss of sight in both eyes;
- (2) The loss of both feet at or before the ankle;
- (3) The loss of both hands at or above the wrist;
- (4) The loss of one hand and one foot;
- (5) An injury to the spine resulting in permanent and complete paralysis of both legs or both arms or one leg and one arm; and
- (6) An injury to the skull resulting in incurable imbecility or insanity.

Your Committee finds that it is both necessary and desirable to develop appropriate incentives that would promote a strong and viable Hawaii national guard. Your Committee also finds that existing state law does not provide for the education of spouses and dependents of Hawaii national guard members who have been killed or permanently totally disabled while on active duty. Your Committee further finds that existing state law prohibits members of the state military forces, who are receiving veterans or federal education benefits, from receiving both state tuition waiver benefits and federal education benefits.

Your Committee believes that the recruitment and retention efforts of the Hawaii national guard can be enhanced by:

- (1) Providing prospective and current guard members with assurances that their spouses and dependents will be provided with the means to further their education should the guard members be killed or permanently totally disabled while on active duty; and
- (2) Allowing members of the state military forces, who are receiving veterans or federal education benefits, to use both state tuition waiver benefits and federal education benefits to further their education and thereby reduce their out-of-pocket expenses.

Your Committee has amended this bill by amending the definition of "permanent total disability" to specifically deem the disabilities caused by the listed injuries to be permanent and total.

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

Signed by all members of the Committee.

SCRep. 2849 Ways and Means on H.B. No. 2882

The purpose of this bill is to require contracts between the Research Corporation of the University of Hawaii (RCUH) and other executive branch agencies to set forth terms relating to termination date, intent, applicability, and circumstances under which it may be modified.

This bill will increase administrative efficiency by establishing minimum requirements for all RCUH contracts with executive branch agencies. It will also ensure greater accountability for RCUH policies and procedures, which will help to ensure that the role of the RCUH and the flexibility necessarily granted to it are not abused.

Your Committee finds that this bill is substantially similar to S.B. No. 2017, S.D. 1, which was previously passed out of this Committee.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2882, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2850 (Majority) Ways and Means on H.B. No. 3199

The purpose of this bill is to permit any temporary outdoor advertising device, authorized by the University of Hawaii, to be attached to or supported by and displayed within and facing the interior of any stadium owned by the university.

The bill also would allow any outdoor advertising device, authorized by the stadium authority, to be displayed on any scoreboard of any stadium operated by the stadium authority.

Current law restricts the display of outdoor advertising devices within university-owned stadiums to the front of the scoreboard. Prior law permitted temporary outdoor advertising devices to be attached to or supported by the structure of the stadium and displayed within and facing the interior of the stadium. Your Committee finds that, by reauthorizing such outdoor advertising devices within university-owned stadiums, this bill may assist the University of Hawaii in generating additional revenue.

Your Committee has amended the bill by making a number of 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. 3199, 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. 3199, H.D. 2, S.D. 2.

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

SCRep. 2851 Ways and Means on H.B. No. 3447

The purpose of this bill is to allow the University of Hawaii to retain, until June 30 of the following fiscal year, not more than five per cent of any appropriation of general funds for operating purposes at the close of each fiscal year, and to make permanent those amendments granting the University of Hawaii fiscal flexibility under the budget law.

In addition, this bill:

- (1) Allows the University of Hawaii to use the abovementioned carryover funds to supplement the appropriation for any program of the university;
- (2) Prohibits the retention of an appropriation from being used as the basis for reducing the future budget requests or allotments of the University of Hawaii without the consent of the university;
- (3) Codifies the provisions:
 - (A) Allowing the governor to suspend, for not more than twelve months in any one fiscal year, any allowance or exception conferred upon the University of Hawaii by specific provisions of the budget law when the governor determines that the allowance or exception will impair the governor's ability to promote and ensure the economic and efficient management of the State's financial resources; and
 - (B) Requiring the governor to report the suspension of any such allowance or exception to the legislature;
- (4) Exempts the University of Hawaii from the quarterly allotment process prescribed by the budget law;
- (5) Specifies that carryover appropriations of the University of Hawaii (in the manner authorized for the Department of Education under section 37-41.5, Hawaii Revised Statutes), remaining unexpended and unencumbered at the close of any fiscal year, shall not lapse and be returned to the general fund in the manner prescribed by the audit and accounting law;
- (6) Repeals those amendments granting the Department of Education fiscal flexibility under the budget law; and
- (7) Repeals the provisions:
 - (A) Allowing the University of Hawaii to retain not more than five per cent of any appropriation of general funds for operating purposes at the close of each fiscal year;
 - (B) Exempting the University of Hawaii from the quarterly allotment process; and
 - (C) Prohibiting carryover appropriations of the University of Hawaii remaining unexpended and unencumbered at the close of any fiscal year from lapsing and being returned to the general fund;

one year after the approval of this measure in order to reevaluate the effectiveness of this proposal during the 1995 Regular Session.

Your Committee finds that state law does not presently allow the University of Hawaii to retain an appropriation of general funds for operating purposes at the close of a fiscal year. This situation results in well-intentioned but last-minute and wasteful attempts to expend or encumber excess moneys before they lapse and are returned to the general fund.

Your Committee also finds that the amendments granting the University of Hawaii fiscal flexibility under the budget law will be automatically repealed on June 30, 1994, unless the legislature extends the life of these amendments or makes them permanent. The repeal of these amendments would hinder the ability of the University of Hawaii to manage its fiscal resources and, consequently, to respond effectively to changing conditions in higher education.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3447, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2852 (Majority) Ways and Means on H.B. No. 65

The purpose of this bill is to provide a financial mechanism for the purchase of the Queen Emma Gardens apartment complex.

More specifically, the bill authorizes the housing finance and development corporation (HFDC) to issue revenue bonds to finance the purchase of the apartment, after HFDC has conducted an appraisal of the property. The purchase would be made voluntarily or through eminent domain proceedings after appropriate legislative approval.

Your Committee finds that prior to the death of apartment owner Robert E. Black in 1987, the 587-unit Queen Emma Gardens apartments complex represented one of the most affordable rental apartments in downtown Honolulu. Since that time, however, the rent at the complex has increased seven to fourteen per cent each year.

Although your Committee is very much aware of the plight of current tenants and their attempts to remain in their apartments, your Committee is equally concerned that this purchase be conducted in a prudent and professional manner. Therefore, your Committee concurs with the Committee on Housing's recommendation to utilize HFDC's expertise to determine the feasibility of purchasing the apartment before any further legislative action is taken.

Your Committee has amended the bill by making technical amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 65, 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. 65, H.D. 1, S.D. 2.

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

SCRep. 2853 Ways and Means on H.B. No. 3600

The purpose of this bill is to provide a total of \$1,600,000 to address the housing and infrastructure needs of employees who will lose their jobs as the result of the closure of the Hamakua Sugar Company and C. Brewer sugarcane operations on the island of Hawaii.

The repercussions to be felt from the closure of Hamakua Sugar Company and C. Brewer sugar operations will include the question of how to continue to provide housing to the agricultural workers who have lived in plantation homes. Mortgages have to be paid, and these aging dwellings are being served by substandard roads and other inadequate infrastructure. This bill appropriates \$800,000 for low interest loans for those homeowners who as a result of job loss have difficulty making mortgage payments. Another \$800,000 is appropriated for a grant program for infrastructure improvements and rent subsidies. The housing finance and development corporation will be the expending agency and shall submit a status report to the legislature prior to the 1995 regular session.

Your Committee finds that Hamakua sugar workers are, with good reason, very concerned that the loss of their jobs not result in homelessness due to financial hardship. The loss of a job is difficult enough but, if the workers can keep their homes, they at least will have a place to live. It is important to help the families and the community stay together during the difficult months to come, as they try to find ways to recover economically.

Your Committee has amended this bill by changing the word "critical" to "emergency" on page 3 to better describe the immediate situation in Hamakua and by making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3600, 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. 3600, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2854 Ways and Means on H.B. No. 3156

The purpose of this bill is to amend statutorily required procedures relating to medical assistance under the general assistance program to conform to the Health QUEST program and to establish two demonstration projects to improve and economize the general assistance program.

Specifically, the bill:

- (1) Requires, rather than allows, determination and certification of mental impairment for the receipt of general assistance to be done not exclusively by psychiatrists and psychologists designated and paid by the Department of Human Services, but by any psychiatrist or psychologist who has been oriented to the Department of Human Services' guidelines and criteria for mental impairment;
- (2) Conforms the medical assistance program to the implementation of the Health QUEST program where a recipient of medical assistance will undergo outpatient treatment including a medical evaluation to ensure that the mental impairment is not due to a physical illness;
- (3) Statutorily establishes a two-year demonstration project to help persons receiving general assistance to qualify for federal Supplemental Security Income benefits and allows the department to retain any savings generated for expenditure for assistance without further legislative appropriation;
- (4) Establishes a two-year demonstration project to make payments to guardians of those who receive general assistance because of a primary diagnosis of drug addiction; and
- (5) Conditions the effective date of section 1 of the bill amending the general assistance program on the enactment of S.B. No. 2382 or if the Hawaii Health QUEST program is otherwise implemented.

Your Committee finds that if the Health QUEST program is implemented, current statutorily specified procedural requirements, including the examination to determine and certify for mental impairment, will no longer be applicable. For example, health plans contracted under the Health QUEST program will provide all services including examination for mental impairment.

Your Committee also finds that savings may be generated for the State if recipients of general assistance can become eligible for federal Supplemental Security Income benefits. To this end, the demonstration project will determine whether this is feasible.

Your Committee further finds that a second two-year demonstration project to make payments directly to a guardian of a person who receives general assistance because of a primary diagnosis of drug addiction will ensure that these payments are not abused but are effectively and efficiently used.

Your Committee has amended this bill by:

- (1) Establishing the two-year demonstration project for federal Supplemental Security Income benefits under the Session Laws of Hawaii, rather than statutorily, because of its temporary nature;
- (2) Combining sections 3 through 8 into a single section and renumbering subsequent sections; and
- (3) Making 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 H.B. No. 3156, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3156, S.D. 2.

Signed by all members of the Committee.

SCRep. 2855 Ways and Means on H.B. No. 3323

The purpose of this bill is to facilitate the recovery of Medicaid payments from the estates of certain deceased recipients.

This bill facilitates recovery by:

- (1) Discouraging the intentional transfer or divestiture of assets to another within the federal "lookback" period from the date of application for assistance for the sole purpose of becoming eligible for medical assistance by allowing the Director of Human Services to attribute these assets;
- (2) Requiring the Department of Human Services (to comply with P.L. 104-66) to place a lien, subject to certain circumstances, against the real property of Medicaid recipients who are inpatients in nursing or intermediate care facilities for the mentally retarded or other medical institutions and who cannot be discharged;
- (3) Making a misdemeanor any intentional transfer to qualify for Medicaid and treating as prima facie evidence of such a transfer if the transfer was made for less than market value within the federal "lookback" period;
- (4) Reducing from age sixty-five to age fifty-five the threshold for the department's filing of liens for recovery of payments;
- (5) Augmenting the requirement for claimants against a third person or a third person's insurance carrier to notify the department before the release of any awarded or settlement proceeds; and
- (6) Assigning the department a first lien in the amount of medical assistance and burial payment where third party liability is found to exist.

This bill also requires the Director of Human Services to adopt rules to consider issuing conditional certificates of release in cases of extreme hardship.

Your Committee finds that a significant number of wealthy and middle-class individuals are continuing to abuse Medicaid by claiming benefits that were originally designed for the poor. The number of medical assistance payments to persons who have intentionally divested themselves of property in order to become eligible for Medicaid needs to be reduced. This bill enhances the effectiveness of the State's Medicaid estate recovery law.

Your Committee has amended the bill on page 6, line 18, to allow, rather than require, the department to place a lien. Your Committee has also added language, to conform to federal law, to provide for the dissolution of a lien against an individual upon discharge from the medical institution and return home.

Your Committee has also amended this bill to delete section 346-29(7) which makes reference to the now repealed workfare program, and by making other technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3323, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3323, S.D. 2.

Signed by all members of the Committee.

SCRep. 2856 Ways and Means on H.B. No. 3630

The purpose of this bill is to change the Hawaiian sovereignty advisory commission from an advisory commission to an implementing agency, and to give the renamed Hawaiian sovereignty commission additional powers to help implement self-determination for Hawaiians.

Specifically, the bill:

- (1) Gives the commission the power to oversee a plebiscite on self-determination; and
- (2) If the plebiscite is approved, provides a fair, impartial, and valid process to resolve issues related to the form, structure, and status of a Hawaiian nation.

Your Committee finds that the Hawaii sovereignty advisory commission has accomplished much, but that it is now time for more decisive steps toward the resolution of the sovereignty issue.

Your Committee has amended this bill by changing the agency in which the Hawaiian sovereignty commission is to be placed for administrative purposes from the legislative reference bureau to the office of the lieutenant governor. Your Committee finds this change compelling for two reasons. First, as the commission currently stands, it is no longer an advisory commission, whose function is to advise the legislature on policy matters relating to conducting the special elections on sovereignty. Instead, the commission will now be an independent, active, implementing agency that will plan and conduct a plebiscite, provide an apportionment plan, conduct voter registration, educate the voters, and establish task forces to fulfill the purposes of the Act. These functions are substantive and independent of the legislature, and belong in the executive, not the legislative, branch of government.

Therefore, none of the legislative service agencies, including the legislative reference bureau, is an appropriate situs for the commission. In addition, your Committee finds that the legislative reference bureau has neither the personnel nor the office space to staff or house the commission.

Second, among the executive branch agencies in which the commission must be legitimately placed, the most obvious candidate for the administering agency of a commission whose main purpose is to conduct elections is the agency within the executive branch that handles elections in general. The lieutenant governor of the State is the chief elections officer, and the lieutenant governor's elections division is fully versed in the procedures and complexities associated with statewide elections. The running of elections is a specialized function with its own intricacies, compliance with which is necessary to ensure unimpeachable results. The office of the lieutenant governor also houses the reapportionment commissions established from time to time to develop reapportionment plans. One of the functions of the Hawaiian sovereignty commission is to develop an apportionment plan.

The issue of Hawaiian sovereignty will reverberate in this State for decades to come. It cannot be jeopardized by inadequate apportionment or election procedures. Your Committee finds that the office of the lieutenant governor is uniquely suited to and can provide invaluable support to the Hawaiian sovereignty commission.

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

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3630, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3630, H.D. 3, S.D. 2.

Signed by all members of the Committee.

SCRep. 2857 Ways and Means on H.B. No. 1241

The purpose of this bill is to abolish twelve deputy, assistant, and administrative assistant positions in eight state agencies.

Specifically, this bill abolishes:

- (1) One deputy or assistant position within the Department of Transportation either in charge of the highways, harbors, and airports divisions or other assigned functions;
- (2) One deputy position within the Department of Human Services either in charge of welfare or other assigned functions;
- (3) Four deputy positions within the Department of Health in charge of administration or other assigned functions;
- (4) One deputy position within the Department of Business, Economic Development, and Tourism performing assigned duties;
- (5) One deputy position within the Department of Business, Economic Development, and Tourism in charge of the office of tourism and other (tourism-related) assigned activities;
- (6) One deputy position within the Department of Budget and Finance performing assigned duties;
- (7) One deputy position within the Department of Land and Natural Resources performing assigned duties;
- (8) One deputy position within the Department of Taxation performing assigned duties; and
- (9) The position of administrative assistant to the superintendent of education.

Your Committee finds that the size of state government, in terms of full-time equivalent positions, has grown considerably faster than the tax base that provides the revenues needed to fund these positions. Your Committee also finds that the size of state government can be effectively reduced by down-sizing and reallocating existing positions to where they are most needed.

Your Committee has amended this bill by:

- (1) Establishing the position of administrative assistant to the state librarian;
- (2) Abolishing the deputy position within the Department of Health administering all environmental health programs;
- (3) Abolishing two, rather than four, of the deputy positions within the Department of Health in charge of administration or other assigned functions, and specifying that these two positions are to be in charge of administration and health resources administration, respectively, including other assigned functions;
- (4) Expanding the responsibility of the deputy to administer all hospitals within the jurisdiction of the Department of Health to include other assigned functions;
- (5) Deleting the provision abolishing the position of administrative assistant to the superintendent of education;
- (6) Adding provisions to repeal all references to the Deputy Director of Tourism in the law relating to the office of tourism, and making the Director of Business, Economic Development, and Tourism an ex officio, nonvoting member of the Hawaii tourism marketing council; and
- (7) 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 H.B. No. 1241, 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. 1241, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2858 Ways and Means on H.B. No. 2925

The purpose of this bill is to preserve Hawaii's prepaid health care law despite any potentially superseding national health legislation.

This bill also takes effect on the effective date of any federal act that permits the amendment of the state law.

Your Committee finds that by repealing the sunset provisions of Hawaii's prepaid health care law, this measure ensures that Hawaii residents will continue to receive top-quality health care regardless of any federal plan that may be enacted. Without a repeal, health care as we know it today may be jeopardized by a conflicting federal plan.

Your Committee further finds that since the enactment of Hawaii's prepaid health care act in 1974, the State has been providing quality health care to a large majority of its residents. The statewide health plan has resulted in our State's having one of the healthiest populations in the country, and has become a model for the nation as health care reform moves to the front of the national agenda. Your Committee, therefore, believes that it is in the State's best interests to perpetuate its own prepaid health care act.

Your Committee, however, is also aware that the repeal of the sunset provisions cannot occur until the State obtains a federal exemption that would permit the repeal to take effect. The Employee Retirement Income Security Act presently precludes Hawaii from making substantive changes to the prepaid health care act, and the repeal of a sunset provision would constitute a substantive change. Your Committee understands that the State is actively pursuing this exemption.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2925, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2859 Ways and Means on H.B. No. 3144

The purpose of this bill is to appropriate funds for salary increases and other cost adjustments for employees and officers of the executive branch and the judiciary who are excluded from collective bargaining.

Your Committee finds that section 89C-2, Hawaii Revised Statutes, provides that the compensation, terms, conditions of employment, and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted by the governor, the board of education, the board of regents, or the chief justice, as applicable. In addition, section 89C-5 stipulates that any adjustments that constitute cost items shall be subject to appropriation by the legislature.

Your Committee has amended this bill by inserting a new part appropriating funds for salary increases and other adjustments for the officers and employees of the agencies of the legislature.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3144, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3144, S.D. 2.

Signed by all members of the Committee.

SCRep. 2860 Ways and Means on H.B. No. 3151

The purpose of this bill is to preserve the death benefit payable to the beneficiaries or estate of a Department of Education employee who dies during the transition from a year-round school schedule to a traditional ten-month school year.

Specifically, this bill closes a technical loophole which would prevent the payment of the death benefit under the employees retirement system law if an employee of a year-round school dies during the few months of non-paid status that occur if the employee transfers back to a ten-month school schedule.

Your Committee finds that but for the possible death during the transition months that occur between the end of the year round schedule and the beginning of the ten-month schedule, the employee would qualify for death benefits. It is unfair to beneficiaries of those employees to be disqualified from receiving ordinary death benefits that are available to all others merely because of administrative modifications to the school year for which the employee does not have direct responsibility. This bill will correct this deficiency in the retirement system law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3151, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2861 Ways and Means on H.B. No. 3191

The purpose of this bill is to repeal the general excise tax exemption for amounts received by an employee benefit plan from rental income of real estate investments after June 30, 1994.

Currently, all amounts received by employee benefit plans are exempt from the general excise tax law. Your Committee believes that when the exemption was first enacted it was not envisioned that the employee benefit plans would be operating as landlords, deriving rental income from real estate investments. This bill removes the exemption from general excise tax only with respect to amounts received by the employee benefit plan as rental income from real estate investments.

The exemption will not apply to rental income received after June 30, 1994, unless the rental income is received as a result of written contracts executed prior to July 1, 1994, in which case it will not be taxed until the contracts are renegotiated, renewed, or extended, or until after December 31, 1998, whichever is earlier.

Your Committee finds that removing the exemption from general excise tax for rental income received by employee benefit plans conforms the application of the general excise tax law regarding rental income to the treatment of other landlords, thereby making the application of the tax more equitable.

Your Committee has amended this bill to make a technical nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3191, H.D. 1, S.D. 1, as amended here, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3191, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2862 Ways and Means on H.B. No. 3472

The purpose of this bill is to designate public safety investigations staff investigators as contributory class A members of the employees retirement system (ERS).

Under this bill, investigators hired after June 30, 1994 would be entitled to a retirement allowance of two and one-half per cent of their respective average final compensation and would contribute twelve and two-tenths per cent of their monthly compensation (plus social security contributions) toward their retirement. Other investigators of both the Department of Public Safety and the Department of the Attorney General, who are presently class C members, would have the option of converting their service to class A until January 1, 1995.

Your Committee finds that by designating public safety investigators as class A members, the legislature would be recognizing the dangerous nature of their work, which is similar to other public employees who put their lives on the line each workday, such as firefighters, police officers, corrections officers, investigators of the departments of the prosecuting attorney and attorney general.

Your Committee has amended this bill by deleting the language in section 7 that allows eligible investigators who were class A members who converted to class C (noncontributory), to convert their noncontributory service back to class A. Your Committee does not support retroactive conversion between ERS classes.

Your Committee strongly recommends to the Department of Public Safety to seriously consider the effect this bill would have on the net-pay of investigators hired after June 30, 1994. Their gross pay will be subject to a twelve and two-tenths per cent deduction for ERS purposes, in addition to applicable deductions for social security and medicare. These substantial deductions may affect future recruitment efforts.

Your Committee has also made a technical, nonsubstantive amendment to change the erroneous reference to twelve and one-half per cent contributions in the purpose section on page 1, line 16, to twelve and two-tenths per cent.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3472, 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. 3472, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2863 Ways and Means on H.B. No. 2344

The purpose of this bill is to ensure funding for the legislative reference bureau to publish the replacement volumes of the Hawaii Revised Statutes (HRS) by extending the existing funding period and the appropriation lapse date, and to provide for the bureau to develop alternative methods of compiling, distributing, and selling the HRS.

Your Committee finds that this bill is primarily a housekeeping measure amending Act 285, Session Laws of Hawaii 1993, to enable the legislative reference bureau to replace the HRS by extending the funding period for the publication of the replacement volumes to the 1993-1995 biennium and extending the lapse date for the appropriation from June 30, 1994 to June 30, 1996. The bureau is mandated by section 23G-12, HRS, to publish the session laws and supplements annually and the HRS replacement volumes as necessary.

Your Committee finds that the contract for the replacement project was awarded on August 3, 1993, and that each of the parties to the contract--the printer, binder, and the bureau--are working in earnest to keep to the schedule in order for the HRS to be delivered in 1995. Each of the volumes of the HRS have been updated through 1993 and are at various stages of production. Your Committee finds that completion of this project by June of 1994 is impossible.

Your Committee further finds that this bill is necessary to provide the public with an official set of the HRS, the demand for which has grown through the years. At least three objectives will be accomplished by this project: an updated, edited, and gender-neutralized edition of the HRS will be available; subsequent supplements will take less time and cost to produce; and the Hawaii Revised Statutes database in the legislature's DEC computer system will be validated.

In comparison to the 6,000 sets produced for the 1985 HRS replacement volumes, which was at a low inventory after only three years of full distribution, your Committee finds that the current project will produce 7,000 sets, of which approximately 4,500 sets will be quickly distributed or sold, leaving an inventory of 2,500 sets. These remaining sets are expected to last at least five years. With production costs of approximately \$150 per set, the sale of 4,500 sets of the replacement volumes at a low of \$250 or a high of \$400 will recoup production costs and return \$1,125,000 or \$1,800,000, respectively to the general fund. Your Committee finds that this bill will ensure that the replacement project will be completed as planned and moneys from the sale of the HRS may then be returned to the general fund for other uses.

Your Committee further finds that increasing demands for broader public access require more rigorous examination of the means by which the Hawaii Revised Statutes are disseminated. New technologies may allow more cost-effective distribution through such media as on-line computer services, CD-ROM diskettes, or other combinations of the traditional hardbound versions and multimedia applications.

Your Committee finds that this bill is necessary to ensure completion of the replacement project consistent with existing contractual obligations between the bureau and the other parties to the contract. Your Committee, however, believes that the legislative reference bureau should obtain approval from the legislature by means of a concurrent resolution rather than from the leadership of both houses before it implements any alternative methods of compiling, distributing, or selling the HRS, and has therefore amended the bill accordingly.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2344, 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. 2344, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2864 Ways and Means on H.B. No. 3513

The purpose of this bill is to change the auditor's duties concerning the sunset law and the review of administrative agency rules.

This bill changes the auditor's duty to review all state agency rules for compliance with statutory authority to one of assessing rules applicable to the scope of an audit being conducted of an agency. In addition, this bill requires that each state agency maintain a file of copies of the rules prepared in the Ramseyer format and make them available for public inspection and copying at a reasonable cost. The bill also limits the applicability of the sunset law to those regulatory programs created after July 1, 1994, and requires that those programs be repealed at the end of the third full calendar year following enactment. The bill further requires evaluation of those programs by the auditor prior to their repeal dates, and repeals the requirement that the auditor assess the impact of proposed mandatory health insurance coverage.

Your Committee finds that several of the currently mandated responsibilities of the auditor do not make optimum use of the auditor's resources and allow the auditor insufficient time to fulfill its primary role of auditing state agencies.

For example, the sunset evaluation process places an undue burden on the auditor's resources in that most of the regulatory programs affected are within the jurisdiction of the Department of Commerce and Consumer Affairs, thereby requiring the auditor to spend an inordinate amount of time auditing the programs of that one department. The requirement that the auditor report on the social and financial impact of legislative proposals to mandate health insurance coverage has also proven unproductive, due to the formidable nature of gathering, extracting, and converting data into

readily usable information. Finally, the sheer volume of administrative rules of state agencies makes the task of reviewing each rule insurmountable and untenable.

Your Committee finds that this bill is necessary to streamline the responsibilities of the auditor to enable it to use its available resources more efficiently and effectively to better serve the needs of the public and the legislature.

Your Committee has amended this bill by amending section 91-13.1, Hawaii Revised Statutes, to change the reference to "any board or commission listed in section 26H-4" to "any state board or commission" since the list of boards and commissions in section 26H-4 has been deleted by section 3 of this bill, and to specify that administrative review of denial or refusal to issue a license or certificate of registration is limited to state, as opposed to county, boards and commissions. Your Committee has also made technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3513, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3513, H.D. 3, S.D. 2.

Signed by all members of the Committee.

SCRep. 2865 Ways and Means on H.B. No. 2075

The purpose of this bill is to authorize the board of land and natural resources to lease government-owned Hawaiian fishponds without obtaining the prior approval of the governor and the legislature.

Your Committee finds that section 171-53(c), Hawaii Revised Statutes, requires the Department of Land and Natural Resources to obtain the approval of the governor and the legislature prior to leasing submerged lands for reclamation. According to the state attorney general, government-owned fishponds fall within the scope of land uses subject to this requirement. Because of this requirement, potential lessees must endure the time consuming process of awaiting executive and legislative approval. This bill gives the board the option to conduct a public hearing in lieu of undergoing the process of legislative approval.

While it agrees with the intent of this bill, your Committee finds that the language of this bill requires additional clarification. Your Committee has amended this bill by clarifying that the lease approval process established for government-owned fishponds in this bill is an alternative that the board may choose to undertake. This alternative does not preclude the board from exercising the option of subjecting the lease proposal to the legislative and executive review process identified in section 171-53(c), Hawaii Revised Statutes.

Your Committee has also made a technical, nonsubstantive change in the Ramseyer provision.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2075, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2075, S.D. 2.

Signed by all members of the Committee.

SCRep. 2866 Ways and Means on H.B. No. 2965

The purpose of this bill is to increase the number of members on the review commission on the state water code.

Specifically this bill adds two members to the existing seven members for a total of nine, and requires at least two members of the commission be residents of the counties of Hawaii, Kauai, or Maui. Your Committee finds that all current members of the review commission live on Oahu, and that the interests of the neighbor islands also should be represented.

Upon further consideration, your Committee has amended this bill by deleting the \$16,000 appropriated to the review commission and eliminated the now superfluous reference to the legislative reference bureau as the expending agency. Your Committee has also changed the effective date of this bill to be upon approval, and renumbered the remaining sections.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2965, 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. 2965, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2867 Ways and Means on H.B. No. 3106

The purpose of this bill is to allow the Department of Land and Natural Resources to exchange public lands to preserve Mount Olomana as a historic landmark.

The bill also provides that the authorization to make the exchange shall terminate on June 30, 1995. Furthermore, the exchange cannot take place if it would reduce the combined land holdings of the ceded land trust.

Act 348, Session Laws of Hawaii 1993, established Mount Olomana as a historic landmark, and authorized the department to acquire all or a portion of the 368.78 acres of private lands identified by tax map key number (I) 4-2-05:01 through a purchase, a land exchange, or both. Act 348 expressed the Legislature's intent to preserve Mount Olomana because it is a familiar Oahu landmark, possesses important scenic, recreational, historical, cultural, and ecological value that would be irreparably damaged if further legislative action is not taken.

This bill represents such action and provides the means to complete the preservation of Mount Olomana.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3106, H.D. 4, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2868 Ways and Means on H.B. No. 3176

The purpose of this bill is to authorize the board of land and natural resources to modify or extend the terms of industrial leases of public lands to enable lessees to obtain mortgage loans.

Short-term leases have been a hindrance to lessees seeking mortgages because mortgage institutions prefer longer leases. Furthermore, an attorney general's opinion indicated that an industrial lease does not constitute a "commercial lease" so that without this amendment, the board of land and natural resources cannot extend or modify the rental period based on the existing statute. This bill is designed to remedy this problem.

Your Committee finds that this bill is substantially similar to S.B. No. 2958, S.D. 2, which it approved on Senate Standing Committee Report No. 2458 on March 4, 1994.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3176, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2869 Ways and Means on H.B. No. 3445

The purpose of this bill is to establish a new law under the jurisdiction of the Department of Land and Natural Resources governing the protection, preservation, and use of state conservation lands.

Your Committee finds that this bill reflects some of the recommendations made by the 1993 Conservation District Review Project conducted by the Department of Land and Natural Resources. The project was performed with the assistance of a twenty-six member advisory committee comprised of landowners, community and environmental groups, planning and legal professionals, and state and county officials. This bill provides the department with the foundation to establish procedures and adopt rules governing the protection, preservation, and use of conservation lands.

Your Committee has amended this bill by correcting several technical nonsubstantive errors in drafting.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3445, 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. 3445, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2870 Ways and Means on H.B. No. 2221

The purpose of this bill is to establish a missing children state clearinghouse center to coordinate efforts to locate, recover, and protect missing children and to promote community awareness relating to missing children.

The bill also establishes a missing children's clearinghouse trust fund with a nonprofit corporation to support the efforts of the missing children clearinghouse center.

Your Committee finds that there is a critical need to address, in a concerted and aggressive fashion, the problem of missing and exploited children. Your Committee understands that private individuals, entities, and organizations have expressed a willingness to assist financially in tackling the problem of missing and exploited children. Your Committee finds that this bill will make it possible to coordinate currently fragmented efforts to locate, recover, and protect missing children and to educate the community concerning problems of missing children and will encourage financial assistance in this endeavor from private individuals, organizations, and entities.

Your Committee has amended this bill by:

- (1) Establishing the center as a three year pilot project;
- (2) Requiring the attorney general to report to the legislature on the pilot project's progress prior to the regular sessions of 1995 through 1998;
- (3) Clarifying that the State is not obligated to appropriate matching funds for the trust fund other than the \$5,000 appropriated by section 5;
- (4) Clarifying that any portion of the \$5,000 not matched by June 30, 1995 shall lapse into the general fund;
- (5) Providing for the repeal of the Act on June 30, 1997; and
- (6) Making a number of 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. 2221, 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. 2221, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2871 Ways and Means on H.B. No. 2309

The purpose of this bill is to increase from \$2 to \$5 the fee for traffic abstracts issued by the traffic violations bureaus of the district courts.

The fee to obtain a traffic abstract has not been adjusted since 1982. The increase from \$2 to \$5 will be sufficient to cover the cost to the judiciary of producing the abstracts, which is the purpose of the fee.

Your Committee finds that the judiciary provides an important public service by making the abstracts available and that the program should be supported primarily by user fees instead of taxpayer subsidies.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2309, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2972 Ways and Means on H.B. No. 2553

The purpose of this bill is to honor the prior directives of terminally ill individuals instructing emergency medical services personnel not to perform aggressive life-saving and resuscitation measures during medical emergencies.

The bill authorizes the Department of Health to adopt rules for emergency medical services regarding the rapid identification of adults, through the use of bracelets or necklaces, who have been certified by their physicians to be terminally ill and who do not wish to be resuscitated during medical emergencies. The bill also provides for:

- (1) Revocation of a person's directive not to resuscitate;
- (2) An anonymous tracking system to ensure against abuse and to evaluate the success of the system; and
- (3) Protection against liability for emergency medical services personnel who attempt to resuscitate a patient under certain circumstances.

Your Committee finds that more and more individuals with terminal illnesses prefer not to be resuscitated during medical emergencies. However, responding emergency medical services personnel currently are required to perform aggressive life-saving measures regardless of a terminally ill individual's wishes. This bill honors the wishes of these individuals not to have life-saving measures performed on them.

Your Committee has 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 H.B. No. 2553, 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. 2553, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2873 Ways and Means on H.B. No. 2718

The purpose of this bill is to appropriate funds to the judiciary for the provision of domestic violence education, counseling, legal representation, and technical assistance services.

Your Committee finds that the problem of domestic abuse in the State is a serious one, and that state- and federal-supported programs such as the Domestic Violence Clearinghouse and Legal Hotline provide very effective, multi-faceted programs to help break the cycle of violence. Your Committee finds that these programs are viewed as valued resources by police officers, attorneys, and members of the community.

At present, many of these programs are organized by the Domestic Violence Clearinghouse and funded by the federal government. However, while the federal government grant will run out in May 1994, the need for domestic violence prevention services will continue. Continued funding of these programs will provide hope and concrete help to families in despair.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2718, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2874 Ways and Means on H.B. No. 2851

The purpose of this bill is to appropriate funds to the counties for special career criminal and youth gang prosecution units and for victim witness programs.

Your Committee finds that public opinion polls show that fear of crime continues to be a major concern statewide. Your Committee believes that special career criminal prosecution units have had a positive effect on reducing crime rates, as reflected in recent crime rate statistics. Furthermore, your Committee finds that the county prosecutors' victim witness programs are essential to the general effectiveness and well-being of the state criminal justice system and to ensuring that victims and witnesses of crimes cooperate fully and voluntarily with law enforcement and prosecutorial agencies, are extended the rights granted to them by chapter 801D, Hawaii Revised Statutes, and are treated with dignity, respect, courtesy, and sensitivity. Accordingly, your Committee finds that it is both necessary and desirable to continue support for special career criminal prosecution units and victim witness programs.

Your Committee has amended this bill by:

- (1) Increasing the amount appropriated in section 1 for the creation or maintenance of career criminal prosecution units from \$1,770,669 to \$2,855,530 and increasing the allocations from \$582,305 to \$1,237,764 to the city and county of Honolulu, from \$658,574 to \$819,617 to the county of Hawaii, from \$332,718 to \$482,228 to the county of Maui, and from \$197,072 to \$315,921 to the county of Kauai;
- (2) Increasing the amount appropriated in section 3 for the support of victim witness programs from \$670,046 to \$1,051,667 and increasing the allocations from \$317,679 to \$508,913 to the city and county of Honolulu, from \$197,840 to \$266,359 to the county of Hawaii, from \$113,709 to \$179,031 to the county of Maui, and from \$40,818 to \$97,364 to the county of Kauai;
- (3) Deleting sections 5 and 6 relating to appropriations for youth gang prosecution units;
- (4) Renumbering the remaining section consecutively; and
- (5) Correcting the reference to two county prosecutorial agencies to reflect accurately the agency names.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2851, 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. 2851, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2875 Ways and Means on H.B. No. 3133

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

Your Committee finds that the funds appropriated by the bill are necessary to satisfy miscellaneous claims, settlements, and judgments against the State. Your Committee encourages the attorney general to advise its client agencies with respect to avoiding claims and to work with them to ensure that practices and procedures are modified to avoid repetitions of these claims.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3133, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2876 Ways and Means on H.B. No. 3134

The purpose of this bill is to establish the criminal history record improvement revolving fund and to establish a fee schedule for services provided by the Hawaii criminal justice data center and state and county criminal justice agencies.

Your Committee finds that the volume of requests for information from the Hawaii criminal justice data center has grown enormously since 1979, from fewer than one hundred requests in that year to almost forty-five thousand in fiscal year 1992-1993. At present, the data center is permitted, but not required, to assess a reasonable fee for these services. This bill would establish a mandatory fee scale for services, with the fees to be deposited into the revolving fund to improve the criminal history record information system.

Your Committee finds that this fee schedule is fair and that the deposit of the fees into the revolving fund for the improvement of the system is appropriate.

Your Committee has amended the bill by removing the authority of the data center to increase or decrease the statutory fees, and by making technical nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3134, 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. 3134, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2877 Ways and Means on H.B. No. 3135

The purpose of the bill is to appropriate \$872,013 for the development and implementation of a juvenile justice information system, including the establishment of permanent positions in the Department of the Attorney General.

Your Committee finds that currently no individual state agency has a complete picture of juvenile offenders, and that in order to truly evaluate a child and determine action that is appropriate to the child's situation, information from all of the participating juvenile justice agencies must be assembled.

Your Committee finds that the juvenile justice information system, which was established in 1991 under chapter 846D will bring together statewide juvenile information from the police, prosecutors, family court, and the Hawaii youth correctional facility. These participating agencies will have twenty-four-hour access to accurate, complete, and timely information on juveniles in the justice system. In addition to improving information sharing among the family courts and various juvenile justice agencies, your Committee believes that this bill will improve the chances of keeping children out of the adult system through identification and early intervention.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3135, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2878 Ways and Means on H.B. No. 3465

The purpose of this bill is to increase the membership of the corrections population management commission from eight to nine members.

Your Committee finds that the commission currently lacks a representative from the area of adult probation, which is an important element of the criminal justice system, and that this bill would add the adult probation administrator of the judiciary as the ninth member of the commission. Your Committee finds that the activities and practices of the adult probation division have a direct impact on Hawaii's corrections population, and that this addition to the commission's membership is therefore necessary to broaden the scope of the commission's knowledge and to facilitate the commission's efforts in reducing Hawaii's overcrowded correctional facilities.

Your Committee has amended this bill by deleting from section 1 of the bill the finding that the Department of Public Safety is in need of funding for various corrections facilities and social worker positions, in that funding for these areas had already been deleted in previous drafts of the bill. Your Committee has also amended this bill to make technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3465, 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. 3465, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2879 Ways and Means on H.B. No. 3466

The purpose of this bill is to increase the salaries of the members of the Hawaii paroling authority.

This bill would increase the annual salary of the chairperson of the authority from a range of \$62,854 to \$65,683 to a range of \$72,886 to \$77,966 per year. As the compensation of the two part-time members are pegged to the salary of the chairperson, the effect of this bill would be to raise the amount of their hourly compensation as well. The bill also appropriates \$24,746 for fiscal year 1994-1995, to increase the compensation of the members of the authority to the amounts authorized by the bill.

Your Committee finds that the paroling authority is an important component of the criminal justice system, and that the scope of responsibilities and commitment of the chairperson is comparable to other assistants to the heads of state departments, and the chairperson of the public utilities commission, whose salaries are in this range. Your Committee finds that the increase in compensation proposed in this bill is justified.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3466, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2880 Ways and Means on H.B. No. 3506

The purpose of this bill is to appropriate funds to the Honolulu police department and the Department of Public Safety in order to support their involvement in the "No Hope in Dope" program.

This measure appropriates \$22,000 to the Honolulu police department for school/community projects, a van, and travel expenses. It also appropriates \$128,000 to the Department of Public Safety for adult corrections officer positions, a van, and equipment, supplies, and travel expenses.

Your Committee finds that the "No Hope in Dope" program is a worthwhile educational program that seeks to teach students and their families about the dangers and effects of drug and alcohol abuse.

After careful consideration, your Committee has amended this bill by deleting reference to the appropriations for the Department of Public Safety's component role in the program. Your Committee has further amended this bill by specifying that the appropriations for the Honolulu police department's travel expenses do not cover neighbor island travel.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3506, 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. 3506, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2881 Ways and Means on H.B. No. 2272

The purpose of this bill is to direct the office of tourism to provide promotion and marketing support for sporting and cultural events in the State in accordance with the State's tourism marketing plan.

Your Committee has deleted the contents of this bill and substituted that of S.B. No. 2500, S.D. 1, in its place.

The purpose of this bill, as so amended, is to require the office of tourism to develop cultural tourism and ecotourism promotional programs in the State, and identify new geographic markets outside the State.

The bill also appropriates funds in unspecified amounts to support pilot projects to develop ecotourism and cultural tourism markets in the State. These funds are to be expended by the Department of Business, Economic Development, and Tourism, which is required to contract with the State of Hawaii Museum of Natural and Cultural History to undertake these projects in cooperation with the respective island chapters of the Hawaii Visitors Bureau.

Your Committee finds that the visitor industry, as the State's most important industry, needs to be expanded beyond its traditional markets to address the declining number of visitors to Hawaii. Your Committee further finds that diversifying the State's tourism base by identifying new geographic markets and new markets such as cultural tourism and ecotourism will help to attract first-time visitors to Hawaii and meet the needs of returning visitors who have already experienced the State's existing attractions. Your Committee finds, however, that the office of tourism must determine the capabilities of ecotourism and cultural tourism and their ability to deliver an actual product to offer visitors, as well as the need to minimize the impact of increased visitor traffic on the future viability of the State's natural and cultural resources.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2272, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2272, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 2882 Ways and Means on H.B. No. 2333

The purpose of this bill is to expand the membership of the convention center authority, extend the expiration date of the convention center law, and establish a convention center neighborhood advisory committee.

Your Committee finds that the 1993 legislature designated the area known as the Aloha Motors site as the site for the development of a world-class convention center for the State. Because the process is finally underway, it is imperative that the communities in the vicinity of the site of the future convention center be fully involved in the planning and development of the project. Your Committee finds that the neighborhood advisory committee will facilitate and encourage community involvement in the process and will undoubtedly assist the State in the development of a facility of superior quality.

Although it agrees with the intent of this bill, your Committee finds that the proposal to increase the size of the convention center authority from seven to ten members is not clearly justified at this juncture. Accordingly, your Committee has deleted from this bill, the proposed amendments to the law relating to the makeup and composition of the convention center authority.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2333, 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. 2333, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2883 Ways and Means on H.B. No. 2590

The purpose of this bill is to authorize the issuance of general obligation bonds and to comply with the constitutional provision applicable to every general law authorizing the issuance of general obligation bonds.

Your Committee finds that Article VII, section 13, of the Constitution of the State of Hawaii, requires every general law authorizing the issuance of general obligation bonds to contain a declaration of findings that the "total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued and calculated for bonds issued outstanding, will not cause the debt limit to be exceeded at the time of issuance." Your Committee finds that this bill ensures full compliance with the general obligation bond debt limitation requirements of the State Constitution.

Your Committee has amended this bill by changing certain figures concerning the greatest amount and year of highest principal and interest on bonds and guaranties in paragraph (8) of section 1, and the maximum amount of general obligation bonds authorized to be issued under section 3 to promote continuing discussions.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2590, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2590, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2884 Ways and Means on H.B. No. 2631

The purpose of this bill is to clarify the Hawaii state plan relating to telecommunications, transportation, and energy.

Specifically, this bill expressly sets out telecommunications as a specific objective for the state planning office, separate and apart from its present association with the energy objective. This bill specifies that a new planning objective to help the State achieve the transportation objectives is to encourage the diversification of transportation modes and infrastructure in order to promote alternate fuels and energy efficiency.

Furthermore, this bill clarifies that one of the State's energy objectives should be to increase the ratio of indigenous to imported energy use, and specifies that some of the means to achieve the energy objectives are to use least-cost supply-side and demand-side energy resource options in decision-making.

Your Committee finds that the concepts contained in this bill were identified by the 1993 energy and environmental summit. The summit was convened by the legislature on October 8, 1993 to identify issues and to build a broad-based support for initiatives that shall move Hawaii forward in the areas of energy and the environment. Your Committee finds that these measures will assist the State in systematically moving forward with cost-efficient advances in industry and technology.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2631, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2885 Ways and Means on H.B. No. 2746

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in the amount of \$25,000,000 to construct a demonstration fuel-grade ethanol production plant in Hamakua, Hawaii.

Fuel-grade ethanol is a clean, safe, and economical alternative to petroleum and is produced from the fermentation of agricultural or municipal solid waste byproducts. Ethanol could be an alternative source of energy that would alleviate the State's dependency on petroleum. The development of this industry is timely as the sugar industry declines and agricultural land and the experienced workforce become idle.

Your Committee finds that the special purpose revenue bonds authorized by this bill will provide low interest rate bond financing for the construction of a demonstration fuel-grade ethanol production plant in Hamakua, Hawaii. The issuance of these bonds is in the public interest and is beneficial to the public's health, safety, and general welfare.

Your Committee has amended this bill by changing the total amount authorized from \$25,000,000 to \$10,000,000.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2746, 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. 2746, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2886 Ways and Means on H.B. No. 2945

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for capital improvement programs that are multi-project programs for the local furnishing of electric energy by electric utilities serving the general public.

Your Committee finds that the issuance of tax exempt special purpose revenue bonds will assist electric utilities serving the general public in obtaining lower interest rate bond financing for capital improvement projects. Because the savings in interest cost will be reflected in the electric rates established by the public utilities commission, your Committee also finds that the savings resulting from the reduction in capital costs will directly benefit the ratepayers. Furthermore, your Committee finds that the issuance of these bonds presents no cost or risk to the State because the bonds are solely the obligation of the electric utilities.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2945, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2887 Ways and Means on H.B. No. 2897

The purpose of this bill is to reinstate the natural energy laboratory of Hawaii authority (NELHA) special fund.

Act 280, Session Laws of Hawaii 1993, repealed the NELHA special fund as of June 30, 1994. Pursuant to that Act, all moneys for the operation, maintenance, and management of NELHA would then be allocated by the legislature through appropriations out of the state general fund, and all moneys and fees collected from tenants and other users of NELHA's parks, projects, leased facilities, other services, and publications would be deposited to the credit of the general fund.

Your Committee finds that NELHA provides infrastructure and services for research, development, and commercial projects which use the natural resources available at Keahole Point, and that these projects support economic development

and diversification through their contributions of employment, expenditures, and tax revenues. Your Committee also finds that revenues from the NELHA special fund--from tenants' lease of land; purchase of seawater, electricity, and fresh water; use of various services; and rental or use of office and heavy equipment--have been deposited and then used to pay bills related to those services. As revenues have increased, appropriations from the general fund have decreased, and your Committee finds it feasible for NELHA to eventually become fully supported by its special fund.

Your Committee further finds that there are currently eight commercial and nine research projects located at NELHA's Keahole Point facility, which rely on NELHA to continually supply seawater, utilities, and professional services. The loss of power or failure of a pipeline requires immediate response and available funds. Your Committee finds that the special fund provides this security for often unanticipated and therefore unbudgeted incidents. Your Committee therefore believes that the special fund provides the authority with both the incentive to achieve self-sufficiency and the flexibility to expend self-generated revenues as the need arises and as the authority determines.

Your Committee has amended this bill by changing the effective date of the bill from June 30, 1994, to June 29, 1994, to prevent section 19 of Act 280, Session Laws of Hawaii 1993, from taking effect before the effective date of this bill and to ensure that the NELHA special fund remains in effect in the form specified in section 2 of the bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2897, 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. 2897, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2888 (Majority) Ways and Means on H.B. No. 3451

The purpose of this bill is to establish a public utilities commission special fund, derived from the proceeds of public utility fees, to support the operations of the commission and the division of consumer advocacy.

Your Committee finds that the volume of utility cases has increased dramatically in recent years and the issues involved in utility regulation have become increasingly sophisticated and complex. Your Committee is aware that sufficient funding and staffing are necessary for the commission and the consumer advocate to perform adequately their respective statutory roles in the regulatory process. This bill will ensure sufficient funding for the commission and the division of consumer advocacy.

Your Committee has amended this bill by providing that funds in excess of \$1,000,000 will lapse every year as opposed to every odd-numbered year, by clarifying that a portion of the \$1,000,000 appropriation made by this bill, rather than the entire amount, be allocated to the division of consumer advocacy, 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 H.B. No. 3451, 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. 3451, H.D. 2, S.D. 2.

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

SCRep. 2889 Ways and Means on H.B. No. 3585

The purpose of this bill is to require the public utilities commission to determine whether electric transmission systems should be placed, constructed, erected, or built above or below the surface of the ground and to establish criteria that the commission may use in its determination.

Your Committee finds that there is considerable concern over the possible health and environmental hazards posed by overhead electric utility lines. Nevertheless, your Committee is aware of the exceptionally high cost of constructing electric utility lines underground. Your Committee believes that it is necessary to balance these competing considerations. Accordingly, your Committee finds that this bill requires the public utilities commission to determine whether electric utility lines should be put above or below the surface of the ground and establishes criteria that the commission may use in weighing the competing considerations.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3585, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2890 Ways and Means on H.B. No. 3607

The purpose of this bill is to accelerate the development and production of ethanol as an alternative motor vehicle fuel in order to create job opportunities and to sustain aspects of the failing sugar industry.

The bill requires the Director of Business, Economic Development, and Tourism to adopt rules to require that all motor vehicle gasoline sold in Hawaii contain ten per cent ethanol, subject to exemptions by the director for undue hardship. The director, by rules, may determine the amounts of ethanol-containing gasoline in the State. Gasoline distributors are required to certify to the director the price and amount of ethanol available and the amount of ethanol- and non-ethanol-blended fuel sold.

Your Committee finds that an ethanol industry will make use of agricultural lands now becoming fallow as a result of the declining sugar industry, create job opportunities, and help reduce the State's dependence on imported fuels.

Your Committee has amended this bill by changing all incorrect references to chapter 486, Hawaii Revised Statutes, to chapter 486E.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3607, 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. 3607, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2891 Ways and Means on H.B. No. 3164

The purpose of this bill is to permit the Director of Health to appoint ad hoc advisory committees to provide advice and recommendations for health care workers infected with blood-borne infections, including HIV, on the risks of disease transmission through exposure-prone invasive procedures.

Your Committee finds that the establishment of this type of advisory committee will comply with the federal Centers for Disease Control guidelines, and that compliance with these guidelines is necessary to avoid the loss of federal funds. Your Committee finds that it is crucial to public safety to institute these advisory committees, as health care workers with blood-borne diseases have the potential to pass the diseases on to their patients. Responsible, informed advice and recommendations from an advisory committee can help reduce the possibility of disease transmission.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3164, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2892 Ways and Means on H.B. No. 3324

The purpose of this bill is to exempt Maui Memorial Hospital and Hilo Hospital from competitive bidding requirements of chapters 103 and 103D, Hawaii Revised Statutes.

The bill conditions this exemption on the Department of Health's ensuring that acquisitions by the two hospitals conform to the spirit of competitive bidding and responsible spending. The bill also exempts the two hospitals from special fund transfers for central services expenses and departmental administrative expenses. The bill further allows the department to request waivers from state agencies on matters affecting the two hospitals except for waivers affecting labor relations and collective bargaining which must first require consultation with representatives of the affected bargaining unit.

Your Committee finds that significant benefits have been claimed for the pilot autonomy program for community hospitals, including Maui Memorial and Hilo Hospitals. By removing competitive bidding requirements, it is also claimed that the community hospitals will be able to acquire medical equipment quickly, reducing administrative time and overhead.

However, your Committee finds that before the two hospitals are permanently exempted from competitive bidding requirements, it would be prudent to determine the actual progress and benefits of the autonomy project itself.

Accordingly, your Committee has amended this bill to:

- (1) Require the auditor to submit to the legislature a preliminary progress report and a final report, including recommendations, on how well all participating community hospitals that have been granted autonomy and the agency for community hospitals, if established, have operated, twenty days prior to the convening of the regular sessions of 1995 and 1996, respectively;
- (2) Terminate the Department of Health's power to request waivers from various state laws on behalf of the hospitals on June 30, 1996;
- (3) Terminate the exemption of the two hospitals from public bidding laws on June 30, 1996, at the same time that Act 211, Session Laws of Hawaii 1993, which extended autonomy to eight of thirteen community hospitals, is scheduled to be repealed; and
- (4) Eliminate the exemption for the two hospitals from transfers for central service expenses (section 36-27, Hawaii Revised Statutes) and reimbursements for departmental administrative expenses (section 36-30, Hawaii Revised Statutes).

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3324, 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. 3324, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2893 Ways and Means on H.B. No. 3326

The purpose of this bill is to extend autonomous operation to the remaining four rural hospitals, a medical clinic, and the administrative office of the division of community hospitals of the Department of Health under the autonomy pilot program.

Your Committee finds that Acts 223, 187, and 211, Session Laws of Hawaii 1990, 1992, and 1993, respectively, granted autonomous operation to eight of the thirteen community hospitals in a pilot program. This bill adds Ka'u Hospital, Honokaa Hospital, Kohala Hospital, Lanai Community Hospital, the Hana Medical Center, and the division of community hospitals administrative staff office to the pilot program granting autonomous operation to the community hospitals.

Your Committee finds that the entire community hospitals system is served by only two positions within the attorney general's office. The complex legal and health issues facing all large hospitals require adequate legal support. As a result, your Committee believes that the hospitals' and the division's autonomous operation would be greatly enhanced by the freedom to engage the services of private legal counsel, especially on the neighbor islands. Furthermore, by contracting these attorneys through the attorney general, coordination with the attorney general is ensured.

Your Committee further believes that the recruitment of essential hospital personnel needs to be expedited and the likelihood of their retention enhanced. Health care specialists such as personnel to operate magnetic resonance imaging and CAT scan equipment and radiation therapy technicians are in extremely limited supply. The community hospitals require the latitude to fill these positions expeditiously without regard to civil service laws and regulations.

Accordingly, your Committee has amended this bill to:

- (1) Allow all hospitals in the community hospitals system and the administrative office of the division of community hospitals the freedom to engage private counsel, contracted through the attorney general;
- (2) "Authorize" the Director of Health, with the governor's approval, to establish and fill up to seventy-five health care specialty positions without being subject to civil service laws or regulations;
- (3) Repeal the Act on June 30, 1996; and
- (4) Make the Act effective on July 2, 1994, the day after the effective date of the procurement code (chapter 103D, Hawaii Revised Statutes), a part of which is being amended by the new section 2 of this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3326, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3326, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 2894 Ways and Means on H.B. No. 3327

The purpose of this bill is to create a separate agency for community hospitals with more control over its operations to ensure competitiveness and viability.

The bill:

- (1) Establishes an agency for community hospitals within the Department of Health;
- (2) Requires the governor, before the convening of the regular session of 1995, to prepare an organizational and functional plan for the agency for community hospitals and appoint a task force (including representatives of certain employee bargaining units, of the hospital industry, and of health maintenance organizations) to assist in the effort;
- (3) Requires the governor, before the convening of the regular session of 1996, to appoint a management team to develop transition plans for the agency for community hospitals;
- (4) Requires the task force to consider, evaluate, and recommend a certain scope of authority to be granted to the agency for community hospitals and to consider and evaluate the establishment of a board of directors and local boards to oversee agency operations;
- (5) Allows the task force to hire a consultant; and
- (6) Preserves the positions, benefits, and privileges of task force members returning to their original positions.

Your Committee finds that significant benefits have been claimed for the pilot autonomy program for community hospitals. However, your Committee finds that before an agency for community hospitals is formally established, it would be prudent to determine the actual progress and benefits of the community hospitals autonomy project itself.

Accordingly, your Committee has amended this bill by:

- (1) Deleting section 2 that provides for the actual establishment of the agency. It is the intent of your Committee to only allow the preliminary work of the task force and the management team to proceed. The remaining sections of the bill are therefore renumbered;

- (2) Requiring all parties involved in the process of preparing for the establishment of the agency for community hospitals to cooperate fully with the auditor in any review of all participating community hospitals which have been granted autonomy in the autonomy pilot project, if such a review is required by law; and
- (3) Repealing the Act on June 30, 1996, at the same time that Act 211, Session Laws of Hawaii 1993, which extended autonomy to eight of thirteen community hospitals, is scheduled to be repealed.

Your Committee has 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 H.B. No. 3327, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3327, H.D. 3, S.D. 2.

Signed by all members of the Committee.

SCRep. 2895 Ways and Means on H.B. No. 3456

The purpose of this bill is to augment the autonomous operation of three community hospitals (i.e., Maui Memorial Hospital, Hilo Hospital, and Kona Hospital) and the community hospital system, by providing permanent fiscal flexibility to the division of community hospitals.

Specifically, this bill:

- (1) Establishes three collections revolving funds, one fund each for Maui Memorial Hospital, Hilo Hospital, and Kona Hospital, to expedite the collection of patient bills and the refunding of credit balances;
- (2) Requires payments of bills of less than \$1,000, from patients and health insurance providers, to be deposited into the revolving fund, and requires expenditures from the revolving fund to be used for the purpose of making refunds of credit balances of less than \$1,000;
- (3) Requires the Director of Health to transfer to the appropriate special fund for the associated public health facility, the amount in excess of \$100,000 if, at the end of a fiscal year, the balance of any one of the collections revolving funds exceeds \$100,000;
- (4) Allows the division of community hospitals of the Department of Health to transfer special fund appropriations among any or all programs administered by the division, among cost elements in a program, and between quarters, as applicable, with due regard for statutory requirements, changing conditions, the needs of the programs, and the effective utilization of resources;
- (5) Prohibits the division from using current appropriations in any manner that would result in the expansion of programs or the initiation of new programs that may require any future increase in the commitment of state resources, without the specific prior concurrence of the legislature and advice of the governor;
- (6) Allows the division, without regard to the Hawaii Administrative Procedure Act (chapter 91, Hawaii Revised Statutes), to:
 - (A) Reduce and increase rates, rents, fees, and charges by not more than five per cent per year; and
 - (B) Establish rates for new medical services that are comparable to rates charged by private hospitals in Hawaii;
- (7) Requires the division to:
 - (A) Give public notice of the revision of these rates, rents, fees, and charges by publishing a summary statement of the substance of the proposed revisions in a newspaper of general circulation in the State not less than ninety days before the revisions take effect; and
 - (B) Review the proposed revisions with an appropriate body that includes representation from health benefit plans;
- (8) Requires any moneys received by a public health facility from the federal government or private contributions to be deposited and accounted for in accordance with conditions established by the agencies or persons from whom the moneys are received;
- (9) Allows moneys in trust or revolving funds administered by the community hospitals to be deposited in depositories other than the state treasury, with the concurrence of the Director of Finance; and
- (10) Allows the division, until June 30, 1996, to purchase data processing and telecommunications equipment without the review and approval of the Director of Finance, if the purchase of this equipment does not exceed \$50,000.

Your Committee finds that the pilot project to foster the autonomous operation of the community hospitals, as set forth in Act 223, Session Laws of Hawaii 1990, as amended by Act 187, Session Laws of Hawaii 1992, and in Act 211, Session Laws of Hawaii 1993, has contributed effectively to expediting and improving the delivery of health care services by Hawaii's public hospital system. Given the preliminary success of the pilot project, your Committee believes that the provision of increased fiscal flexibility to the division of community hospitals is warranted.

Your Committee has amended this bill by:

- (1) Allowing the division of community hospitals of the Department of Health to transfer special fund appropriations among any or all programs administered by the division, among cost elements in a program, and between quarters;
- (2) Deleting the provision prohibiting the division from using current appropriations in any manner that would result in the expansion of programs or the initiation of new programs that may require any future increase in the commitment of state resources;
- (3) With respect to the ability of the division to increase or decrease rates, rents, fees, and charges or establish rates for new medical services without regard to chapter 91, Hawaii Revised Statutes:
 - (A) Deleting the ability of the division to reduce and increase rates, rents, fees, and charges without regard to chapter 91, Hawaii Revised Statutes; and
 - (B) Limiting the exemption from chapter 91, Hawaii Revised Statutes, to an exemption from the public notice and public hearing requirements of chapter 91 rather than the entire law. Your Committee finds that this limitation is critical because a complete exemption from all provisions of chapter 91, Hawaii Revised Statutes, would render the rules immune from gubernatorial approval, and also make them unavailable for public inspection in the office of the lieutenant governor;
- (4) Repealing all the provisions in this measure on June 30, 1996;
- (5) Clarifying that the \$50,000 limit on the purchase of data processing and telecommunications without the approval of the Director of Finance refers to the total cost of this purchase (as opposed to the cost of individual purchases); and
- (6) 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. 3456, 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. 3456, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2896 Ways and Means on H.B. No. 3458

The purpose of this bill is to designate the deputy director for community hospitals as the chief procurement officer of the division of community hospitals.

This bill also makes a technical amendment to Act 211, Session Laws of Hawaii 1993, which extended the pilot autonomy project of the division of community hospitals to June 30, 1996.

Your Committee finds that the pilot autonomy program to promote the autonomous operation of community hospitals has provided significant benefits to the public hospital system since its inception in 1990. This bill designates the deputy director for community hospitals as the chief procurement officer of the division of community hospitals. In this capacity, the deputy director would be responsible for ensuring that the purchasing procedures of the autonomy program conform with the provisions of the new state procurement code.

Your Committee finds that because the pilot autonomy project is scheduled to conclude on June 30, 1996, the duties delegated to the deputy director under this bill should follow the same timetable. Your Committee has amended this bill by calling for the repeal of the amendment made by section 1 of the bill on June 30, 1996.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3458, 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. 3458, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2897 Ways and Means on H.B. No. 3461

The purpose of this bill is to transfer responsibility over mental health services for inmates from the Department of Health to the Department of Public Safety.

The bill also transfers affected officers and employees of the Department of Health to the Department of Public Safety.

Your Committee finds that at present all mental health services for inmates are provided by the Department of Health whereas correctional facilities are overseen by the Department of Public Safety. Placing responsibility for mental health services with the Department of Public Safety should resolve the administrative inefficiencies of having two departments attempting to coordinate the delivery of services to inmates. It would also facilitate the efforts of the Department of Public Safety to integrate mental health programs into its overall strategies.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3461, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2898 Ways and Means on H.B. No. 3637

The purpose of this bill is to ensure that the employees in Hawaii's women, infants, and children (WIC) nutrition program positions do not lose any salary, privileges, or benefits when those jobs are converted to permanent civil service positions.

In particular, this bill amends Act 289, Session Laws of Hawaii 1993, to require that the 79.5 full-time equivalent positions of the WIC nutrition program be converted to permanent civil service status, without loss of salary, seniority, prior service credit, accrued vacation, sick leave, or other employee benefits and without the necessity of examination.

Your Committee finds that losing a large percentage of WIC's workforce without immediate replacement, and the hiring of a new, inexperienced staff, would result in the inability to continue to provide WIC services to approximately 22,270 of the 24,520 current WIC participants. The high medical costs and severe health consequences associated with inadequate nutrition during critical times of growth and development justifies the need to maintain experienced staff to extend program benefits to as many eligible individuals as federal funds will support. Furthermore, a disruption in WIC services will have a long-term, negative impact, as it will decrease the federal grant and subsequently the participation level for the next few years. Your Committee finds that this bill, by enabling experienced employees to remain in their positions, would prevent a disruption in existing WIC operations.

Your Committee has amended this bill to formally designate the new section being added to Act 289, Session Laws of Hawaii 1993, as section 32A. Because the General Appropriations Acts are not codified, the revisor of statutes does not designate section numbers, as is the case with codified laws. Accordingly, leaving the section number blank will result in an ambiguous reference to an unnumbered section.

Your Committee has further amended the bill to make technical, nonsubstantive amendments 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. 3637, 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. 3637, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2899 Ways and Means on H.B. No. 3676

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in an amount not to exceed \$200,000,000 to assist the Queen's Health Systems and its nonprofit subsidiaries in the delivery of health services.

Your Committee finds that this bill will enable the Department of Budget and Finance to provide tax-exempt financing for qualified health care projects of the Queen's Health Systems. The proceeds of the bonds will help transform the State's existing fragmented health care system into a cost-effective, integrated health care system.

Your Committee has amended this bill by including a new section directing the Queen's Health Systems to develop plans and cost estimates for the construction of a renal dialysis facility on the island of Molokai. Your Committee finds that the establishment of such a facility on Molokai out of the proceeds of the bonds authorized in this bill will address the urgent need for such services on the island.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3676, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3676, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 2900 Transportation on H.B. No. 3195

The purpose of this bill is to extend the time period for holding an administrative hearing to allow an owner or operator of an impounded vessel to contest the basis for the impoundment.

Specifically, this bill extends the time period for an administrative hearing by the Department of Transportation (DOT) from seventy-two hours to five days upon written receipt by the owner or operator of an impounded vessel. The five day time period excludes Saturdays, Sundays, and holidays which are designated pursuant to section 8-1.

Presently, there is no provision for excluding nonworking hours from the seventy-two time limit, and frequently there is insufficient time for the DOT to prepare and hold a hearing. Your Committee finds that extending the time to five days, and excluding Saturdays, Sundays, and holidays is a more responsible time frame in which to prepare and hold such a hearing.

Your Committee has amended this bill to correct a typographical error and to make a technical, nonsubstantive amendment for purposes of clarity and style.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3195, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2901 Transportation on H.B. No. 2181

The purpose of this bill is to extend the maximum overall length of a motor vehicle from forty feet to forty-five feet.

Your Committee finds that increasing the maximum overall length of a motor vehicle to forty-five feet will not reduce roadway safety. Your Committee also finds that the increase will allow for compliance with the Intermodal Surface Transportation Efficiency Act of 1991, where motor coach designs are established at forty-five feet.

Testimony in support of this bill was provided by the Hawaii Transportation Association and the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2181, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Nakasato and Tungpalan.

SCRep. 2902 Transportation on H.B. No. 3255

The purpose of this bill is to exempt an operator or passenger of a motorcycle or motor scooter from wearing a helmet, if the motorcycle or scooter has a full body enclosed cab and seat belt assembly or a child restraint system.

This bill also allows drivers of electrically powered, three-wheeled motorcycle and motor scooters to carry passengers under seven years of age if the vehicle has a full body enclosed cab and seat belt assembly and/or child restraint system. This bill also specifically exempts electrically powered motorcycles or mopeds from the requirement of having a muffler.

Your Committee finds that helmets are not necessary for safety when the vehicle has a full body enclosed cab with a seat belt or appropriate child restraint system. Your Committee further finds that a passenger under seven years of age may safely ride in a properly equipped vehicle which is actually more like an electric car, although it resembles a motorcycle because of its three wheel design. Your Committee notes that electric motorcycles and mopeds have no muffler, and hence should be exempted from the muffler law.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3255, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Nakasato and Tungpalan.

SCRep. 2903 Tourism and Recreation on H.B. No. 1046

The purpose of this bill is to require the Office of Tourism to develop a five-year tourism marketing plan and annually update the plan.

Your Committee finds that the development of a five-year marketing plan rather than a biennial plan will provide a broader vision for the development of the visitor industry as well as opportunities to work in conjunction with private sector planning efforts. Your Committee further finds that a long-range plan will assist the Office of Tourism in the allocation of limited resources for marketing and promotion programs.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee has amended this bill by:

- (1) Requiring the coordination of marketing plans submitted by all destination marketing organizations receiving state funding and departmentally initiated marketing plans prior to the finalization of the office's marketing plan; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 1046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1046, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2904 Tourism and Recreation on H.B. No. 2274

The purpose of this bill is to require annual reports be submitted to the Office of Tourism by its contractors, including the Hawaii Visitors Bureau (HVB).

Your Committee finds that a recent Auditor's report recommended that the Office of Tourism improve its contract management responsibilities, especially with regard to the HVB. Your Committee further finds that the HVB receives considerable state financial support, yet also maintains its status as a private entity which does not compel HVB to report directly on its activities nor expenditure of State funds.

Testimony in support of this measure was submitted by the Office of Tourism of the Department of Business, Economic Development, and Tourism, and the Hawaii Visitors Bureau.

Your Committee has amended this bill by:

- (1) Providing that the terms of the HVB contract shall be at least two years where practicable and shall be executed as early as possible following the beginning of the fiscal biennium; and
- (2) Requiring that the HVB submit an annual report to the Legislature and the Department of Business, Economic Development, and Tourism regarding its expenditures and the effectiveness of the promotional projects and programs undertaken by the Bureau.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 2274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2274, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2905 Tourism and Recreation on H.B. No. 2334

The purpose of this bill is to require the Tourism Marketing Council to make recommendations on market segmentation and long-range targeting as part of the biennial tourism marketing plan.

Your Committee finds that recent trends in tourism marketing and promotion include the identification and targeting of particular market segments. Your Committee further finds that the biennial tourism marketing plan should be refocused to reflect these current trends.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Chamber of Commerce of Hawaii.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 2334, 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. 2906 Tourism and Recreation on H.B. No. 2625

The purpose of this bill is to recognize the feral pig as a valued game mammal for subsistence purposes.

Your Committee finds that the feral pig has been and continues to be an important part of native Hawaiian culture. Your Committee further finds that in order to maintain this cultural tradition, as well as protect other indigenous species, a policy to manage the feral pig needs to be established.

Testimony regarding this measure was submitted by the Office of Hawaiian Affairs, the Department of Land and Natural Resources, the Hawaii Audubon Society, the Nature Conservancy of Hawaii, and many private citizens advocating the protection and management of the feral pig.

Upon consideration of the testimony, your Committee has amended this bill by:

1. Inserting a provision in Section 1 recognizing that where uncontrolled, pigs can damage the island ecology; and
2. Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 2625, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2625, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2907 (Joint) Judiciary and Ways and Means on H.B. No. 2308

The purpose of the bill is to create a new misdemeanor offense of street solicitation for prostitution in Waikiki and improve a mandatory six month term of imprisonment for the offense.

Testimony in support of the bill was submitted by the Department of Business, Economic Development and Tourism, Department of Public Safety, Honolulu police department, the City and County Office of Waikiki Development, the Waikiki Improvement Association, and the Retail Merchants of Hawaii. The Judiciary took no position on the bill. Testimony in opposition to the bill was received from the Public Defender.

Your Committees referred the Senate version of the bill and substituted the provisions of S.B. 556 S.D. 1., which established these types of offenses for prostitution: prostitution by public solicitation and prostitution by non-public solicitation.

Your Committees also amended the bill by providing an appropriation of \$654,000 to the Department of Public Safety for the purposes of housing persons convicted of prostitution and sentenced therefor.

Your Committees on Judiciary and Ways and Means are in accord with the intent and purpose of H.B. No. 2308, H.D.1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2308, H.D.1, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 2908 Judiciary on H.B. No. 3290

The purpose of the bill is to enhance the Ethics Commission's enforcement process by:

- 1) Making public the Ethics Commission's hearings, charges and decisions, and
- 2) Making public any disciplinary action taken against state officials or employees who violate the State Ethics Code.

Your Committee received testimony in support of the bill from the Office of Information Practices, Hawaii State Ethics Commission, and the Legislation Committee of the Democratic Party Grass Roots Conference.

Your Committee believes that this bill will open up the State Ethics Commission's enforcement process and will protect the privacy interests of State officials and employees from unfounded ethics violation charges. Your Committee further believes that this measure will serve to build the public's confidence in government and enforcement of the State ethics laws.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3290, H.D.1, S.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2909 Judiciary on H.B. No. 929

The purpose of the bill is to reduce the limitation period for actions to recover damages for injury to property and for bodily injury or wrongful death resulting from improvements to real property.

Your Committee amended the bill by excluding from §657-8, Hawaii Revised Statutes, those involved in the suretyship, manufacturing, and supplying of materials. Your Committee further amended the bill to keep the existing limitation period of not more than two years after the cause of action has accrued, but in any event not more than ten years after the date of completion of the improvement.

Your Committee finds that the existing statute of limitation provided by §657-8 provides a reasonable time period to hold planners, designers, and those involved in the construction of improvements to real property liable for any deficiencies in the improvements or buildings. Buildings are designed and constructed to last a useful and effective life of decades. The safety and integrity of a building is largely dependent upon the quality of maintenance and repair of the building. Planners, designers, and those involved in the initial construction of the building have no control or supervision over the maintenance and repair of a building once the building is completed. Therefore, to hold them liable for deficiencies in the building far into the future is unreasonable.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 929, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 929, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Levin.

SCRep. 2910 Government Operations, Environmental Protection and Hawaiian Programs on H.B. No. 2642

The purpose of this bill is to allow the Director of Health to consider when imposing an administrative penalty for violation of Chapter 342D, Hawaii Revised Statutes:

- (1) The economic benefit, if any, resulting from a water pollution violation;
- (2) Good faith efforts of the violator to comply with water pollution laws in imposing an administrative penalty for violation of Chapter 342D, Hawaii Revised Statutes; and
- (3) Other circumstances that may apply to the violation.

Your Committee finds that persons who violate state water pollution laws should not benefit economically from the violation. Therefore, your Committee believes that the Director of Health should take into consideration the profitability of violating a water pollution law by the violator when imposing a penalty. However, it is not your Committee's intent that this economic benefit consideration act as a mitigating factor in lowering a penalty for violation if no economic benefit results from the violation.

Your Committee has amended the bill by adding a section that clarifies the Director of Health's authority over the issuance and regulation of water pollution permits.

Your Committee believes that the bill provides a balanced and protective approach to water pollution control in the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2642, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Tungpalan.

SCRep. 2911 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Ways and Means on H.B. No. 2639

The purposes of this bill are to:

- (1) Allow the Director of Health to review the past environmental record of a solid or hazardous waste permit applicant for the purpose of imposing conditions on the permit to be issued to the applicant;
- (2) Establish a Department of Environment;
- (3) Establish a Glass Container Recovery Program within the Department of Health;
- (4) Establish a Clean Hawaii Center within the Department of Business, Economic Development, and Tourism to be responsible for the market development of local processing and manufacturing industries for collected recyclables; and
- (5) Appropriate funds to ensure that the Department of Health will have adequate funding to carry out the purpose of the bill.

Your Committees have amended the bill by deleting all sections not relating to the establishment of a Department of Environment.

Your Committees believe that the time has come to consolidate the State's environmental protection programs under a suitable organizational structure of its own. Your Committees believe that this comprehensive approach to environmental protection will provide for more efficient protection of the State's environment.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Ways and Means are in accord with the intent and purpose of H.B. No. 2639, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2639, H.D. 1, S.D. 2.

Signed by all members of the Committees except Senator Tungpalan.

SCRep. 2912 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on H.B. No. 3253

The purpose of this bill is to allow air pollution permittees to submit compliance certifications to the Director of Health on an annual basis rather than every six months.

Your Committees have amended the bill by deleting its substance and inserting provisions that:

- (1) Conform the water pollution control law to the federal requirements of the National Pollutant Discharge Elimination System (NPDES);
- (2) Authorize the Director of Health to regulate, through water pollution permits, not only wastewater, but the byproducts of wastewater regardless of where they are used or disposed of, and to create a unified enforcement regime for wastewater;
- (3) Conform the language of various environmental statutes governing water, drinking water, air, noise, solid waste, hazardous waste, underground storage tanks, used oil, and asbestos to make them consistent as to factors to be considered in imposing administrative penalties;
- (4) Clarify that monetary penalties may be imposed by administrative proceedings in addition to civil lawsuits with regard to pollution control statutes governing water, drinking water, air, noise, solid waste, hazardous waste, underground storage tanks, used oil, and asbestos;
- (5) Provide for the imposition and collection of civil penalties or other relief for violations of the hazardous waste and asbestos laws; and
- (6) Increasing the penalty from \$10,000 to \$25,000 for each separate offense for violating either the State's water pollution or asbestos laws.

Your Committees find that the Department of Health implements in Hawaii the NPDES established by the Federal Clean Water Act. To maintain its status as an NPDES state, including the authority to issue NPDES permits, Hawaii must have procedures and requirements at least as stringent as those required by the Federal Clean Water Act and its implementing regulations.

Your Committees also find that centralizing the regulatory authority over wastewater byproducts, including reclaimed water and sewage sludge use and disposal, within the Department of Health, will promote ease of administration and consistency of enforcement, particularly with regard to penalties.

Your Committees further find that the State has taken the position that penalties for violations of pollution control laws may originate not just in administrative proceedings, but in civil lawsuits filed in court as well. However, the circuit court has recently ruled against this stance, citing Chapter 342D, Hawaii Revised Statutes, which requires administrative hearings before resorting to court. This bill amends the Hawaii Revised Statutes to clarify the intent that civil lawsuits

which impose monetary penalties for water pollution violations are actionable and need not be preceded by administrative hearings. This bill also makes similar amendments to the pollution control statutes governing water, drinking water, air, noise, solid waste, hazardous waste, underground storage tanks, used oil, and asbestos.

Your Committees find that these changes will not only allow the State to retain its authority as an NPDES state, but also create a more flexible and rational system of enforcement, particularly with respect to monetary penalties for pollution violations of all kinds.

With regard to smoke emissions emanating from food producing establishments, your Committees note the importance of maintaining air quality for the health and well-being of our citizens. Yet, some activities which generate air pollutants in restaurants, fall outside the Clean Air Act even though they may frequently pose a public nuisance if not a public health hazard. Your Committees believe that the amendments made by the bill will help the Department of Health more effectively manage increasing public concerns about nuisances.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary are in accord with the intent and purpose of H.B. No. 3253, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3253, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Tungpalan, Solomon and Koki.

SCRep. 2913 Education on H.B. No. 3400

The purpose of this bill, as received, is to require that the performance standards and the means to assess these standards recommended in the final report of the Performance Standards Commission be established by the Board of Education.

Your Committee finds that statewide performance standards are necessary to enhance the quality of public education and thereby provide public school students with challenging and meaningful educational goals. Your Committee further finds that the Board of Education has made a commitment to adopt and implement the standards as recommended in the final report of the Performance Standards Commission. Your Committee notes that these statewide performance standards are in line with the educational performance standards proposed in the federal Goals 2000: Educate America Act recently adopted by the U.S. Congress.

Testimony in support of this bill was submitted by the Board of Education, the Hawaii Business Roundtable, and the Performance Standards Commission.

Your Committee has amended the bill by:

1. Providing a statutory mandate for the adoption of performance standards by the Board of Education;
2. Establishing a performance standards review commission to be convened in the 1997 school year to review the implementation and effectiveness of the standards;
3. Requiring the review commission to submit a report of findings and recommendations regarding the need to modify the standards to the Board of Education and the Legislature prior to the convening of the 1999 Regular Session; and
4. Making technical nonsubstantive changes for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3400, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3400, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2914 Consumer Protection on H.B. No. 1712

The purpose of this bill is to strengthen license renewal requirements for electricians.

Specifically, the bill requires licensed electricians to pay a fee for and pass an examination on changes in the National Electrical Code prior to renewing their licenses, and provides for license renewals on a triennial basis.

Current law provides for biennial license renewals and is silent regarding continuing education or skills updating.

The bill is effective on July 1, 1995.

Your Committee finds that continued education for electricians, as evidenced by passing a test on the latest changes in the Code, will ensure that licensees are qualified to practice their trade.

Upon further consideration, your Committee has amended this measure by changing the renewal period for electricians to every five years and requiring those licensed prior to June 30, 1996 to furnish proof to the Board of Electricians and Plumbers of the licensee's attendance at an educational course related to current updates of the National Electrical Code prior to each renewal, rather than take the test. Electricians licensed after June 30, 1996 will have to pay for, take, and pass the examination prior to each license renewal.

Your Committee is confident that by the time this measure takes effect, courses on updates to the National Electrical Code will be available at all of Hawaii's community colleges.

Your Committee has also made some nonsubstantive technical changes for purposes of clarity and style.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1712, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1712, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2915 Consumer Protection on H.B. No. 3149

The purpose of this bill is to make technical corrections to the Code of Financial Institutions enacted by Act 305, Session Laws of Hawaii 1993. In addition to several nonsubstantive stylistic changes to several provisions of Chapter 412, Hawaii Revised Statutes, the bill amends the Code to:

- (1) Authorize the Commissioner of Financial Institutions to grant extensions of time to file unaudited financial statements;
- (2) Broaden the application of the Code to cover the voluntary dissolution of a Hawaii financial institution;
- (3) Establish procedures for a financial services loan company licensed under Chapter 412 to cease operations; and
- (4) Clarify the lending limit exemptions of savings banks to one borrower.

Your Committee finds that this bill is essentially a housekeeping measure to correct technical errors and to include provisions in the Code that were inadvertently omitted.

Your Committee has amended this bill by making several additional nonsubstantive technical changes for the purposes of style and conformance with recommended drafting technique.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3149, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3149, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2916 Consumer Protection on H.B. No. 3310

The purpose of this bill is to revise the scope of practice of psychology by adding and clarifying various definitions regarding the licensure and training of psychologists.

Your Committee finds that the changes proposed by this bill reflect guidelines contained in the Model Act adopted by the Association of State and Provincial Psychology Boards. Your Committee further finds that these modifications will improve Hawaii's ability to attract highly experienced and well-respected senior psychologists who received licensure prior to the creation of national examinations and will also recognize psychology training programs in Canadian institutions which are commensurate with the United States.

Testimony in support of this measure was submitted by the Department of Health, the Board of Psychology, the Hawaii Psychological Association, and the Kokua Council for Senior Citizens.

Your Committee has amended this bill by making technical changes that render it substantially the same as S.B. No. 2992, which was previously approved by your Committee.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3310, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3310, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2917 Judiciary on H.B. No. 2985

The purpose of the bill is to allow the Court to waive a proof-of-compliance hearing for a defendant convicted of abuse of a family and household member if the defendant is on probation and has substantially complied with the Court's order to receive treatment or counseling.

Your Committee amended the bill by deleting its provisions and inserting provisions to restore a "cooling off" period of twenty-four hours on weekdays and extending the cooling off period over the weekend during instances of abuse of family and household member as defined in § 709-906, Hawaii Revised Statutes.

Your Committee heard testimony in support of the proposed amendments from the Honolulu Police Department, the Prosecuting Attorney of the City and County of Honolulu, Hawaii State Commission on the Status of Women, Alternative to Violence: West Hawaii, Domestic Abuse Hotline, Public Defender, the Judiciary, and other concerned individuals.

Your Committee finds that the issue of domestic violence is a very serious issue in our community and is not easily solved. The issue of the huge backlog of domestic abuse cases awaiting disposition is also a serious issue which the

Committee concedes cannot be solved by this bill. Further research, planning and the coordination of the various agencies involved will be needed to address these two very troubling issues.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2985, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2985, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2918 Judiciary on H.B. No. 2192

The purpose of the bill is to prohibit the sale of cigarettes and tobacco products in medical and health care facilities.

Your Committee amended the bill by deleting its provisions and inserting provisions to:

- 1) Prohibit the distribution of samples and promotional materials in public places within five hundred feet of a school playground or a facility frequented by minors;
- 2) Redefine restaurants to include a food service establishment with seating capacity for forty persons;
- 3) Permit smoking in a private or semi-private room of a health care facility; provided it does not violate the facility's smoking policies or regulations;
- 4) Redefine "employer," "enclosed" and "office workplace" as they relate to chapter 328K, Hawaii Revised Statutes;
- 5) Require an employer to prohibit smoking in certain places open to the public, except in dining areas of specific establishments used for a private function;
- 6) Exclude workplaces located in private residences from smoking regulations established in Chapter 328K, Hawaii Revised Statutes;
- 7) Establish a task force of private and public sector individuals and groups for the purposes of recommending legislation to regulate tobacco use in restaurants, bars, and cabarets;
- 8) Prohibit any county from enacting any ordinances or adopting any rule regulating tobacco use in restaurants, bars, and cabarets provided that legislation addressing the regulation of smoking in restaurants, bars and cabarets is enacted by July 1, 1996;
- 9) Provide that any county ordinance established or rule adopted after January 1, 1994 regulating tobacco in restaurants, is null and void; and
- 10) Provide that failure to enact any legislation regulating smoking in bars, restaurants, and cabarets by July 1, 1996 will reenact the provisions of §328K-6, Hawaii Revised Statutes in the form in which it read on the day before approval by this Act. Section 328K-6 permits a county to enact ordinances more stringent than the provisions of this part.

Your Committee conducted a public hearing on the amendments to the bill in the form of a proposed senate draft. Your Committee received testimony in support of the bill from the Department of Health, Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, American Lung Association, Hawaii Medical Service Association (HMSA), Kaiser Permanente, American Academy of Pediatrics, Hawaii Medical Association, Healthcare Association of Hawaii, American Heart Association, Hawaii Restaurant Association, Building Owners and Managers Association Hawaii, the Old Spaghetti Factory and other organizations. Testimony in opposition to the bill was received from the Tobacco Institute and the Chamber of Commerce.

Your Committee finds that the provisions of this bill, as amended, provide meaningful advances in the formation of fair public policy governing the sale, use, distribution or promotion of cigarettes and other tobacco products in the State.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2192, H.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2192, H.D.1, S.D.1.

Signed by all members of the Committee.

SCRep. 2919 (Majority) Judiciary on H.B. No. 3491

The purpose of the bill is to exempt first-time DUI offenders from providing proof of financial responsibility (SR-22), with the chief of police or county Director of Finance.

Testimony was received from the Department of Finance of the City and County of Honolulu, the Honolulu Police Department, the Department of the Attorney General, the Judiciary, the Chamber of Commerce of Hawaii, the Hawaii Insurers Council, and Mothers Against Drunk Driving (MADD).

The bill was amended with the assistance of the representative from the City Department of Finance.

Your Committee finds that filing an SR-22 is a serious collateral penalty and should only be required upon a criminal conviction and not upon an administrative adjudication. Additionally, the elimination of failure to have no-fault insurance as an offense requiring the filing of an SR-22 removes the "Catch-22" situation in which a driver without no-fault insurance is unable to obtain an SR-22 because he or she does not have no-fault insurance.

Your Committee further amended the bill to delete the retroactive application of the bill to those with pending cases so that the bill would be effective upon approval.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3491, 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. 3491, H.D. 2, S.D. 2.

Signed by all members of the Committee.
Senators Matsunaga, Iwase and Matsuura did not concur

SCRep. 2920 Judiciary on H.B. No. 2294

The purpose of the bill is to clarify and correct technical errors in the statute governing the general powers and limitations of the counties. Specifically the bill:

- 1) Specifies that counties shall not have the authority to give or loan credit to or in aid of any person or corporation;
- 2) Clarifies that county ordinances shall not conflict with state statutes intended to be exclusive or uniform throughout the State; and
- 3) Makes other technical, nonsubstantive amendments.

Your Committee received testimony in support of the bill from the Waikiki Improvement Association, County Council of Maui, Pacific Creations and several other concerned individuals.

Your Committee amended the bill to provide each county the authority to abate public nuisances. "Public nuisances" shall include but not be limited to the placement of structures, stalls, stands, furniture and containers on streets, sidewalks and public places.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2294, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2294, S.D.2.

Signed by all members of the Committee.

SCRep. 2921 Judiciary on H.B. No. 2449

The purpose of the bill is to exempt from civil liability any person, and charitable and nonprofit organizations that in good faith without remuneration or expectation of remuneration provides shelter or proper means of subsistence to needy persons, except in cases of gross negligence or wanton acts or omissions.

Your Committee amended the bill by replacing the provisions in this bill with those contained in H.B. No. 3159, S.D. 1. Your Committee believes that the provisions of this bill are more appropriately placed in §358D-6, Hawaii Revised Statutes, as provided for in H.B. No. 3159, S.D. 1. Your Committee then inserted the provisions of H.B. No. 3618, H.D. 1, Relating to Physicians, into this bill because of this bill's broader title.

This bill as amended by your Committee exempts from civil liability health care providers licensed to practice in Hawaii who provide free medical care to indigents in connection with a project sponsored by a nonprofit Hawaii corporation. The amended bill provides exemption from civil liability only after written approval is given beforehand by the Director of Health or the director's authorized designee. The State may seek recovery from the health care provider for damages resulting from the provider's gross negligence or wanton acts or omissions.

Your Committee finds that the bill as amended will allow health care providers to provide free medical, dental and other health care services to indigent and medically underserved residents of our state without being deterred by our liability laws. At the same time, health care professionals, should they commit acts of gross negligence, will have to be accountable for their actions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2449, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2449, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2922 Judiciary on H.B. No. 2921

The purpose of the bill is to limit civil liability of persons sponsoring equine activities by defining the conditions under which such persons may be held liable for any injury or death to a participant.

The bill provides the equine activity sponsor or equine professional with a rebuttable presumption of no negligence in situations in which the injury, damage or death is caused solely by the inherent risk of the unpredictable nature of the equine. This protects the equine activity sponsor or equine professional from claims arising out of unforeseeable events related to the unpredictable nature of the equine.

Your Committee received testimony in support of the bill from the Kauai County Council, Kula Ridge Stables, the Hawaii Equestrian and Trail Association, the New Town and Country Stables, Thompson Ranch, Kualoa Ranch Activity Club, Pony Express Tours, Mauka Lani Stables, Molokai Ranch, Rainbow Ranch Ltd., and several private citizens

consisting of horse owners, instructors, and small business owners. Testimony in opposition to the bill was submitted by the Hawaii Academy of Plaintiffs' Attorneys.

The supporters of the bill testified that the bill was critical to furthering the economic development of the equine industry and will reduce insurance costs for them.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2921, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2921, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2923 Judiciary on H.B. No. 3159

The purpose of the bill is to extend the limited exemptions from civil liability under §358-6 Hawaii Revised Statutes, to donors who renovate, repair, or maintain existing or acquired facilities for the homeless. The bill clarifies that the responsibility of the Hawaii Housing Authority (HHA) for safety inspections of donated land, structures, materials, or services are limited to only those goods and services donated to the HHA for use by the HHA in facilities for the homeless.

Your Committee received testimony from the Hawaii Housing Authority and the Hawaii Attorneys' Plaintiffs Association.

Your Committee finds that many charitable organization donate much time, services, and supplies to the homeless. Your Committee believes that the noble intentions of these organizations should be supported by the State. Your Committee therefore amended the bill adding language to section 358D-6 to clarify that the State waives its immunity for liability and assumes liability for the torts of donors as defined in section 358D-6, Hawaii Revised Statutes. Your Committee amended the bill to add to the list of donors covered by §358D-6, donors who in good faith and without remuneration or expectation of remuneration provides food or shelter to homeless persons.

Your Committee further amended the bill to state that immunity shall apply only after an exemption is received in writing beforehand from the director or the director's designee. Your Committee also amended section 358D-3 to include the definition of "Director" to mean Director of the Hawaii Housing Authority.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3159, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3159, S.D.2.

Signed by all members of the Committee.

SCRep. 2924 Judiciary on H.B. No. 2220

The purpose of the bill is to make the necessary changes to our custodial interference law to allow our local law enforcement agencies to obtain the assistance and cooperation of federal law enforcement agencies in the location and return of missing children to their custodial parents. The bill would make custodial interference a class C felony under certain circumstances.

Testimony in support of the bill was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii State Commission on the Status of Women, the Honolulu Police Department, the Hawaii State Bar Association, and the National Center for Missing and Exploited Children.

Your Committee finds that the present law does not contain the penalties and language necessary to trigger the assistance of federal authorities and that there is a need to strengthen our existing penal statutes in this area.

Your Committee amended section 1 of the bill to make drafting and stylistic changes for clarity. Further amendments were made in section 2 to use gender neutral language.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2220, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2220, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2925 Judiciary on H.B. No. 740

The purpose of the bill is to define to whom a public accountant owes a duty for his professional services.

The bill establishes that a public accountant owes a duty to the issuer or requestor of the public accountant's work product and to any other person (1) specifically identified to the public accountant, (2) to whom the public accountant knows his work product was made available to, and (3) when the public accountant acknowledges in writing that he/she knows the person intends to rely on the work product. This class of people have the right to sue a public accountant for negligence.

Your Committee finds that it creates unlimited exposure to liability for the public accountant to be liable to anyone who obtains a copy of his/her work product, without his/her knowledge.

Your Committee believes that the public accountants' duty, as with lawyers and other professionals, is to the client relying on the professional's expertise, not to unknown third parties and to the world. Where the accountant has knowledge that his/her work product will be relied on by third parties however, your Committee believes that those people should have the right to sue the accountant for negligence.

Your Committee believes that the bill balances competing interests by limiting the liability of public accountants to those in privity with them. Public accountants still owe a duty to the defined class to provide services in a diligent, professional, and accurate manner.

Your Committee amended the bill to change the effective date from "January 1, 1994" to "upon its approval."

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 740, 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. 740, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 2926 (Joint/Majority) Consumer Protection and Ways and Means on H.B. No. 2386

The purpose of this bill is to eliminate, for businesses organized on or before July 1, 1987, the requirements of super-majorities for amendment of articles of incorporation, merger or consolidation, sale of assets other than in the regular course of business, and voluntary dissolution.

Your Committees have amended this bill by deleting its substance and inserting a new section to Chapter 235, Hawaii Revised Statutes, requiring all corporations that avoid income tax by accumulating earnings and profits instead of dividing or distributing them to shareholders to pay an income tax equivalent to 39.6 percent of that accumulated taxable income.

Your Committees believe that this tax is consistent with the purpose of federal law which imposes a surtax upon corporate earnings accumulated beyond reasonable business needs, and will serve the public interest by compelling corporations to distribute profits not needed for business and preventing inappropriate accumulations from being used as a shield against income tax liability.

Your Committees on Consumer Protection and Ways and Means are in accord with the intent and purpose of H.B. No. 2386, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2386, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Solomon and Tanaka.
Senators George and Koki did not concur.

SCRep. 2927 Consumer Protection on H.B. No. 1733

The purpose of this bill is to update and strengthen the law regulating returns of merchandise for refund or credit.

Your Committee finds that the current law, as articulated in Section 481B-5, Hawaii Revised Statutes, requires clarification, especially with regard to the respective duties of merchants and customers, in order that retail transactions may be appropriately entered into and consummated to the satisfaction of all parties with a minimum of misunderstandings.

This bill repeals Section 481B-5 and instead proposes a new section to Chapter 481B that sets forth a set of definitions and procedures to resolve many of the difficulties encountered by the Office of Consumer Protection and the Retail Merchants of Hawaii in their efforts to address complaints relating to refunds and exchanges.

After careful consideration, your Committee has amended this bill by deleting its contents and replacing the substance of Section 481B-5 with more streamlined provisions which your Committee believes further strengthen and clarify the Legislature's intent with regard to returns of merchandise for refund, credit, or exchange.

As amended, any merchant who adopts a policy providing for limitations on the return of goods for refund, exchange, or merchandise credit shall post conspicuous signs notifying the customer of the limitation, whether it be for refund only, refund and merchandise credit only, exchanges only, no refunds, no merchandise credit, no exchanges, or any combination thereof. The signs will also notify the customer of any time limit on the return of merchandise, exclusion of certain categories or types of merchandise, and the method of refund.

A merchant who does not accept returns must post conspicuous signs alerting customers that all sales are final or that returns are not allowed. Failure to post a sign will obligate the merchant to accept returns and provide refunds.

Refunds will be subject to specific requirements, and circumstances under which a merchant is not obligated to accept a return are provided.

Violation of these provisions, and any act that deprives a customer of any right and protection therein, will be an unfair or deceptive act or practice within the meaning of Section 480-2.

Your Committee believes that these provisions clearly and appropriately articulate and balance the rights and privileges of merchants and customers, and will allow for effective enforcement if disputes arise.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 1733, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1733, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 2928 Consumer Protection on H.B. No. 2186

The purpose of this bill is to provide thirty days for a motor vehicle dealer to forward the certificate of ownership and registration to the appropriate Director of Finance.

Your Committee finds that the existing twenty-day period for the transmittal of the certificate of ownership and registration by motor vehicle dealers has proved to be an unwieldy requirement. Your Committee further finds that the motor vehicle dealers have consulted with the division of motor vehicles to develop the proposed amendment.

Testimony in support of this measure was submitted by the Hawaii Automobile Dealers' Association.

Your Committee has amended this bill by making a technical change to reflect proper drafting style.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2186, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2186, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 2929 Consumer Protection on H.B. No. 3165

The purpose of this bill is to improve medical insurance policy coverage for mental health, alcoholism, and drug abuse treatment.

Specifically, this bill declares physicians who are certified by the American Society of Addiction Medicine to be certified for the purposes of Chapter 431M, Hawaii Revised Statutes, and amends Section 431M-4 to allow two days of outpatient services to be exchanged for one day of in-hospital care where outpatient services would prevent hospitalization. Additionally, the bill extends Act 202, Session Laws of Hawaii 1988, which established Chapter 431M but is scheduled for repeal on July 1, for an additional four years, and requires additional reports to the 1996 and 1998 sessions of the Legislature on the implementation and efficacy of Chapter 431M.

Your Committee finds that the need for mental health, alcohol, and substance abuse treatment continues to grow, but that federal and state resources for treatment have not kept up. This bill allows greater flexibility in mandated insurance benefits for the delivery of mental health and substance abuse services to clients. The ability to exchange inpatient for outpatient coverage allows for effective treatment in the most cost efficient setting, without enlarging any mandated coverage.

Your Committee has amended this bill by clarifying the outpatient/inpatient exchange to ensure that any existing mandated coverage is not expanded.

Your Committee has also amended this bill by making some nonsubstantive technical changes for the purposes of further clarification and style.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3165, 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. 3165, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2930 Consumer Protection on H.B. No. 3625

The purpose of this bill is to modernize the definition of chiropractic.

Current statutory language references a chiropractor's palpating and adjusting the human spinal column by hand and using other methods or means of treating disease. This bill clarifies that the scope of chiropractic encompasses the entire human body and includes diagnosis as well as treatment of disease.

Your Committee finds that this bill appropriately describes chiropractic as it is practiced and taught today.

Your Committee has amended this bill by deleting the reference to diagnosis of disease.

Your Committee has further amended this bill as follows:

- (1) Interpolated an amendment to Section 26-9, Hawaii Revised Statutes, requiring establishment of a health professionals formulary council in the Department of Commerce and Consumer Affairs to develop drug formularies for health care professionals licensed by the department and authorized to prescribe drugs pursuant to law. The council will consist of representatives of the Department of Health, the University of Hawaii School of Medicine or School of Public Health, two physicians, and two pharmacists. Once the council is formed, it will determine which classes of licensed health care professionals are qualified for prescribing authority, determine appropriate formularies for them, and report back to the 1995 Regular Session;
- (2) Added a new part to Chapter 378 establishing the right of all employees in the State, with the exception of police officers, of employers whose professions, occupations, or business activities are subject to regulation or any

requirement pursuant to law, to carry out any legal lifestyle activity off the job and off the employer's premises. Legal remedies are provided for violations of this right; and

- (3) Added a severability clause.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3625, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2931 (Joint) Consumer Protection, Labor and Employment and Ways and Means on H.B. No. 2928

The purpose of this bill is to provide a comprehensive statewide scheme of fireworks regulation in Hawaii that supersedes and nullifies county ordinances, rules, and prerogatives relating to this issue.

Your Committees have amended this bill by deleting its contents and inserting the substantive provisions of S.B. No. 2620, S.D. 2, which:

- (1) Make it unlawful to import or manufacture fireworks without a license from the Department of Labor and Industrial Relations (DLIR);
- (2) Allow the DLIR to confer upon any of its employees the powers of police officers in all matters relating fireworks enforcement;
- (3) Require applications for licenses to manufacture or import fireworks to be submitted to the DLIR, and specify the minimum information to be provided by an applicant;
- (4) Establish a nonproratable license fee of \$100 per year;
- (5) Require the DLIR to establish recordkeeping and reporting requirements to track the quantities, types manufactured or imported, and all sales and transfers of fireworks in the State;
- (6) Make it unlawful for a licensee to transfer fireworks to anyone not licensed or otherwise permitted by a county to store and sell fireworks, or to any consumer or user who does not have a permit to use fireworks in a county that requires a permit, or who is less than eighteen years old;
- (7) Make it unlawful to manufacture, sell, barter, trade, gift, transfer, or import aerial fireworks except when allowed by county permit;
- (8) Authorize the Director of Labor and Industrial Relations to examine the books and records and visit and inspect the premises of any licensee to enforce this measure;
- (9) Establish fireworks violations as misdemeanors, and provide for seizure and forfeiture of illegal fireworks; and
- (10) Prohibit a license from being issued to a person convicted of violating this measure for two years following the conviction.

This bill, as amended, will take effect on October 1, 1994.

Your Committees on Consumer Protection, Labor and Employment and Ways and Means are in accord with the intent and purpose of H.B. No. 2928, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2928, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Solomon, Tanaka, Levin and McCartney.

SCRep. 2932 (Joint) Consumer Protection and Ways and Means on H.B. No. 3258

The purpose of this bill is to allow Hawaii banks to engage in insurance and securities business, both in-state and out-of-state. Insurance business would include the sale of insurance and annuities and other related or incidental activities, and insurance underwriting.

Your Committees find that this kind of authority will enable Hawaii banks to more effectively compete with larger, more flexible financial institutions and provide their customers and potential customers with the kinds of services they require and request and have come to expect from other financial institutions in the United States and abroad.

However, your Committees prefer the approach adopted in S.B. No. 2607, S.D. 1, previously approved by your Committees, in which banks are not authorized to make insurance contracts but may sell insurance and annuities, and must adhere to comprehensive procedures and requirements to protect the general public. Your Committees have amended this bill accordingly.

Your Committees are satisfied that the substantive provisions in this bill, as amended, appropriately address the public interest, are consistent with current economic needs within the State, and provide adequate safeguards and controls relating to these activities, both in-state and in relation to federal laws and regulations.

Your Committees on Consumer Protection and Ways and Means are in accord with the intent and purpose of H.B. No. 3258, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3258, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Koki, Levin, McCartney, Solomon and Tanaka.

SCRep. 2933 (Joint) Consumer Protection and Ways and Means on H.B. No. 3426

The purpose of this bill is to bring Hawaii's Insurance Code into compliance with financial regulatory standards required for accreditation by the National Association of Insurance Commissioners (NAIC).

Among other things, this bill:

- (1) Establishes a risk-based capital formula for life and health insurance;
- (2) Requires insurers to file quarterly financial statements with the NAIC;
- (3) Clarifies application of the Code to certain captive insurance companies; and
- (4) Rescinds the provisions that would have repealed the Insurance Examiners' Revolving Fund.

Your Committees have amended this bill by changing its effective date to July 1, 1994 and scheduling it for repeal on June 30, 1996. Your Committees have also made some nonsubstantive technical changes for the purposes of style and conformance with recommended drafting technique.

Your Committees on Consumer Protection and Ways and Means are in accord with the intent and purpose of H.B. No. 3426, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3426, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Ikeda, Solomon and Tanaka.

SCRep. 2934 Ways and Means on H.B. No. 3304

The purpose of this bill is to enable the Department of Commerce and Consumer Affairs to utilize balances in the travel agency education fund to pay for outstanding claims and expenses of the travel agency recovery fund.

This bill also requires the department to transfer moneys remaining in the fund after the payment of these expenses to the compliance resolution fund for the settlement of travel agency-related cases.

Your Committee finds that based on the belief that the travel agency recovery fund contained sufficient moneys to settle future claims and expenses, the legislature in 1991 directed the Department of Commerce and Consumer Affairs to discontinue the collection of fees from travel agencies. Presently, however, the department anticipates claims far in excess of the remaining recovery fund balance. This bill provides the department with the authority to utilize moneys in the travel agency education fund to supplement future recovery fund claims.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3304 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2935 Ways and Means on H.B. No. 3427

The purpose of this bill is to limit free no-fault insurance to certain public assistance recipients if the Health QUEST program takes effect.

This bill clarifies that the only public assistance recipients who qualify for free no-fault insurance from the State are those who qualify for cash assistance through the Department of Human Services or the supplemental security income program under the Social Security Administration.

Presently, the no-fault law requires free personal injury protection, liability, and property damage policies to drivers who receive public assistance benefits from the state or federal government. These benefits are currently defined as either direct cash payments or medical services.

The medical services criterion may be greatly impacted by the State's proposed Health QUEST program, poised for enactment this year. The Health QUEST program will provide medical benefits to persons whose incomes would otherwise be too high for them to qualify for public assistance under state welfare programs. However, the eligibility of these persons for medical benefits under Health QUEST could be construed as allowing them to also meet the medical services criterion for free motor vehicle insurance coverage from the State. Under this interpretation, which is contrary to the legislative intent of the no-fault law, an estimated 11,500 households that presently do not qualify for free no-fault insurance could qualify for it subsequent to the enactment of the Health QUEST program.

This bill limits free no-fault insurance coverage to those recipients who were intended by the Legislature to receive such benefits.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3427, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 2936 Ways and Means on H.B. No. 3158

The purpose of this bill is to require up to forty hours per week of chore services and to allow those who are medically needy to continue to be eligible for these chore services.

Your Committee finds that chore services often enable individuals to remain at home and avoid institutionalization. Currently, eligibility for medical assistance under the Medicaid program is a qualifying income eligibility standard for the receipt of chore services. However, if the Health QUEST program is implemented, a substantial number of individuals not qualifying for Medicaid, with incomes up to three hundred per cent of the poverty level, will qualify for medical assistance.

This bill will give the Department of Human Services the flexibility to determine eligibility standards so that those who are medically needy continue to qualify for chore services by limiting the availability of chore services to individuals who received public assistance in the form of medical services prior to July 1, 1994 and continue to do so.

Your Committee finds that the bill incorrectly numbered the three sections of the bill as sections 1, 3, and 4. Your Committee has, therefore, re-numbered the sections correctly.

Your Committee has also clarified that only the amendments to section 346-64.5(a), Hawaii Revised Statutes (allowing flexible eligibility standards made by section 1 of the bill), are conditioned upon S.B. No. 2382 in any form being passed by the legislature during the 1994 regular session and becoming an Act, or unless the Hawaii Health QUEST program is otherwise implemented. Your Committee has further clarified this latter condition by requiring a gubernatorial proclamation on the implementation of the Hawaii Health QUEST program to provide an appropriate triggering mechanism to establish a date upon which those particular amendments become effective.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3158, 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. 3158, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 2937 Ways and Means on H.B. No. 3132

The purpose of this bill is to establish a trust fund to temporarily hold moneys appropriated for the payment of state warrants and checks that are not timely presented for payment.

The bill also expands coverage of the nonpresentment provisions, which presently only pertain to warrants, to include checks, as the State will be issuing checks instead of warrants as of July 1, 1994.

At present, funds appropriated for any warrant from the State that is not presented for payment before the close of the fiscal year following the fiscal year in which the warrant was issued are transferred to the general fund. Within the next ten fiscal years, the payee or assignee of the warrant can file a claim for recovery with the comptroller and be paid out of the general fund.

Under the provisions in this bill, the moneys will instead initially be turned over to the trust fund, and shall lapse into the general fund at the end of the next fiscal year. Your Committee finds that the advantage of this system is that it will allow claimants to collect on their claim for recovery at any time there are sufficient moneys in the trust fund, rather than waiting for an appropriation at the next legislative session.

Your Committee has amended this bill by removing the appropriation section and by providing for its automatic repeal on July 1, 1996. Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3132, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3132, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 2938 (Majority) Ways and Means on H.B. No. 1663

The purpose of this bill is to transfer responsibility for assessments against self-insured employers from the Department of Commerce and Consumer Affairs to the Department of Labor and Industrial Relations.

Your Committee has replaced the contents of the bill with a provision relating to acupuncturists.

Your Committee finds that under current workers' compensation laws, acupuncturists are not included in the definition of "physician". Because of this omission, acupuncturists cannot act as attending physicians. Attending physicians are responsible for coordinating a claimant's entire treatment program, which involve services rendered by various types of health care professionals.

Your Committee further finds that unlike acupuncturists, other health care professionals such as dentists, chiropractors, optometrists, and podiatrists are recognized as attending physicians. Nonetheless, these health care professionals, including acupuncturists, are all required to be licensed by regulatory agencies attached to the Department of Commerce

and Consumer Affairs. Your Committee is therefore concerned that the different treatment accorded to acupuncturists under workers' compensation laws is not justified.

Accordingly, your Committee has amended this bill by enabling acupuncturists to be attending physicians under workers' compensation laws.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1663, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1663, S.D. 2.

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

SCRep. 2939 Ways and Means on H.B. No. 2235

The purpose of this bill is to exempt state-chartered credit unions from the general excise tax in the same manner as federal credit unions.

Federal law currently exempts federal credit unions from all federal, state, and local taxation, except for nondiscriminatory real and personal property taxes. Thus state law specifically exempts a licensed seller of tangible personal property from the tax on its sales to a federal credit union. This exemption prevents the tax on tangible personal property from being passed on to federal instrumentalities that are exempt from state taxation under principles of federal supremacy and intergovernmental tax immunity.

Neither the principle of federal supremacy nor intergovernmental tax immunity applies in the case of a sale to a state instrumentality such as state credit unions. An exemption for a state instrumentality must be explicitly stated; otherwise no exemption from state taxation exists. There is no exemption from the general excise tax for property to state-chartered credit unions. This bill will extend the exemption for sales to state-chartered credit unions and provide equal tax treatment for state and federally chartered credit unions. In so doing, this bill will make state policy in the general excise tax area consistent with section 412:10-122, Hawaii Revised Statutes, which gives state-chartered credit unions the same immunity from taxation that federally chartered credit unions have under federal law.

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. 2235, 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. 2235, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 2940 Ways and Means on H.B. No. 2500

The purpose of this bill is to appropriate supplemental funds for the support of government operations for the 1994-1995 fiscal year.

FINANCIAL CONDITION OF THE STATE

The national economic slowdown of 1990's illustrated in clear and unequivocal terms the need for the State to develop prudent approaches to counteract or mitigate the effects of such trends on Hawaii's economy in the future. Despite double digit economic growth in the State during the 1980s, the problems of the national economy brought their full impact to bear on Hawaii's economy in 1992. The result was stagnation in the local economy due primarily to declines in visitor arrival figures and cutbacks in construction activity throughout the State.

Although the outlook for the State's economy remains far from certain at this juncture, recent financial reports have pointed to various indicators of recovery and growth in the economy. Some of the notable trends in 1993 include increases in real personal income, real taxable transactions, and the rate of employment. Total employment in the State continued to rise throughout the year to attain record levels in the third quarter of 1993; unemployment declined continuously; and general excise and use tax collections have been relatively stable despite continued concerns in the State's tourism and construction industries. The relatively good performance of these and other important indicators in 1993 demonstrates the underlying resiliency of Hawaii's economy. The latest projections of the state council on revenues for fiscal years 1994 and 1995 seem to validate the cautiously optimistic outlook of most economists. On March 14, the state council on revenues announced increases in their 1993 year-end estimates for state general fund tax revenues for fiscal years 1994 and 1995 to 3.5 per cent and 3.6, respectively.

Despite the encouraging outlook of recent economic forecasts, the view of your Committee remains cautiously optimistic toward the economy for the upcoming fiscal year. In this regard, your Committee remains fully committed to the development of a public sector that is free of inefficiencies and fully capable of taking on the challenges and issues of Hawaii's rapidly changing society and economy. In preparing this bill, your Committee made significant strides toward the embodiment of the concept of "right-sizing" governmental programs. Your Committee believes there are solutions to the problems of the public sector and finds that there are methods of transforming staid and inefficient bureaucracies into innovative, flexible, and responsive organizations. The actions undertaken by your Committee in this bill often require programs to endure their fair share of sacrifice, but the product ultimately crafted is a measure that will ensure the development of a lean, innovative, and mission-oriented system of government. The following summary highlights a few of the major initiatives included by your Committee in the development of this bill.

ECONOMIC DEVELOPMENT

Hawaii's best hope for a full and sustained economic recovery lies in the revitalization of the State's leading industry--tourism. Because of economic slumps in California and Japan--the State's two biggest markets--tourism in Hawaii suffered its worst decline in many years. The downturn in visitor arrivals in Hawaii over the past three years illustrates the need for the State to diversify the Hawaii's tourism base and devise marketing approaches to promote, expand, and improve the visitor experience in Hawaii. Although forecasts indicate that visitor arrivals will increase during the year, the anticipated rebound is not likely to fully offset the recessionary effects lingering in the State's economy. However, a reinvigorated tourist economy will serve to compensate for declines in other sectors of the economy. Accordingly, your Committee has focused its efforts on funding several key economic development initiatives that promise to promote the State's image as a beautiful, clean, and safe place to vacation and keep Hawaii competitive with the primary vacation areas of the world. These initiatives will undoubtedly open Hawaii's tourism industry to a broader, worldwide market.

Your Committee would like to note the authorization of \$350,000,000 from the convention center capital and operations fund for the development of the State's long-awaited convention center facility. After years of deliberation, the area generally known as the Aloha Motors site was selected by the 1993 legislature as the site for the State's convention center. The convention center promises to bring welcomed relief to the State's tourism industry by enabling Hawaii to participate in the lucrative market for large-scale, world-class conventions. This initiative will place Hawaii among the top convention center cities of the world and will help to ensure the long-term growth and stability of the State's overall economy.

To further diversify Hawaii's visitor base, your Committee approved the expenditure of \$100,000 for the development of a strategic plan to promote ecotourism in Hawaii. The plan will address the growing worldwide demand for tours that enable visitors to participate in nature expeditions and generally experience the natural beauty of an area. This initiative will open Hawaii's markets up to a whole new class of visitors and will serve to enhance the State's image throughout the world.

Your Committee would also like to highlight the passage of \$300,000 in funds to develop plans and projects to make improvements to Hawaii's system of airports statewide. Hawaii's airports have frequently been characterized by the general public as being impersonal and lacking in the amenities and characteristics that convey the Aloha Spirit that is so unique to the State of Hawaii. This initiative will establish a cultural development committee to develop a user-oriented system of airports that would more effectively fully incorporate Hawaii's cultural influences, activities, and products into the operation of the airport system.

HEALTH

While the approach taken in the area of health involved a comprehensive evaluation of all the health needs of the people of the State, your Committee wishes to highlight several important initiatives in various critical programs of the Department of Health.

Among the important actions taken by your Committee was an increase of \$10,000,000 in special funds for the state hospital system. The school health services system was provided with \$500,000 in general funds to provide a permanent funding source for three existing school-based health clinics and to develop a mental health component for each of these schools. In addition, general funds of \$472,860 were allocated to the Department of Health to restore funding for various positions eliminated by the Department of Budget and Finance. Finally, the collective bargaining needs of the emergency medical services area were met with an allocation of \$765,766 to the counties of Hawaii, Maui, and Honolulu.

Additionally, your Committee wishes to express its continued support for initiatives to enhance the health delivery and regulatory systems of the Department of Health and will continue to provide guidance in identifying both existing and future health care needs. As always, your Committee is concerned about the efficiency of the Department of Health, and wishes to ensure that the programs of the department operate in the most fiscally efficient manner possible. To this end, your Committee has reduced funding in various areas and reallocated these funds to areas deemed to be a higher legislative and public priority.

HUMAN SERVICES

In light of the various concerns and deficiencies recently uncovered in the state human services system, your Committee performed a detailed analysis of the programs of the Department of Human Services. Because of the frustration experienced by the members of your Committee over the department's apparent lack of concern toward accountability, your Committee has directed the state auditor to perform detailed studies on programs such as the job opportunity and basic skills (JOBS) program; the general assistance work program; the food stamp employment and training work program; and the foster board payment program. Your Committee has also directed the Department of Human Services to evaluate the methodology utilized in projecting the needs of programs such as the general assistance (GA) program and the aid to families with dependent children (AFDC) program.

In addition to approving the supplemental request of the department for the next fiscal year, your Committee allocated an additional \$9,800,000 in general and \$9,800,000 in federal funds to cover anticipated shortfalls in the ADFC program. An additional \$5,400,000 was also provided to the GA program. Your Committee wishes to note that these allotments represent allocations over and above the requests received in messages issued by the governor. Your Committee would also like to note the transfer or restoration of various positions within the public welfare and the child welfare services program.

EDUCATION

Your Committee set out this year with the knowledge that the State can no longer afford to expend funds for education in an arbitrary manner. In this regard, your Committee sought to construct a budget that reflected concern, accountability, and pragmatism. This bill was crafted to meet the immediate needs of the department and, through

additional funds, encourage the development of programs that effectively utilized the funds that were provided. Your Committee is confident that this bill achieves these objectives.

To better oversee the educational process, your Committee finds that there must be a higher degree of accountability on the part of the Department of Education. Your Committee wishes to note, however, that it took great strides to achieve accountability without hampering the operation of the department. Your Committee feels that it has been quite effective in developing budgetary provisos to guide the department toward this end.

As the State moves toward the use of school-based health centers, your Committee finds that there is much work to be done in laying the foundations for this venture. Accordingly, your Committee has required an accounting of the department's activities in the delivery of special education and health-related services, including an accounting of programs that may be eligible for federal reimbursements. These programs could prove to be a source of substantial additional revenues for the department.

The need for extensive accounting in a department the size of Hawaii's Department of Education is preordained. Unfortunately, as the list for required information grows longer and longer, the administrative burden placed on the department and the schools to provide these data increases as well. Your Committee feels that it has taken a dramatic step toward resolving this problem. Rather than requiring the department to spend countless hours compiling exhaustive reports, your Committee has cleared a path for analysts from the legislature to access information directly from the computer files of the department. Your Committee has provided funds for a systems analyst to manage the department's data warehouse information system. In addition to managing this internally developed system, the department has agreed to train legislative analysts in the use of this system, therefore providing the legislature with access to information from all of the department's data systems.

So often the relationship between the Department of Education and the legislature has deteriorated into an adversarial relationship. Your Committee is proud to announce that through efforts that stressed collaboration rather than confrontation, a working environment was created wherein the department as well as the Committee were able to make significant contributions to the achievement of state education goals. A shining example of this collaborative spirit came about from concerns over the development of the department's program equipment list. Working with department personnel, your Committee was able to find savings of approximately \$250,000 from discrepancies in equipment pricing. Your Committee was able to meet all of the equipment needs of the department, and apply the savings to other needs of the department, including providing for thirteen new vice principals.

By performing a thorough and pragmatic evaluation of the department's supplemental request, your Committee was able to provide Hawaii's schools with the resources to satisfy the needs of students as they move into the next century. Your Committee has provided over \$2,500,000 for the text books and equipment needed by our schools; over \$300,000 in cafeteria equipment for three new facilities; and over \$500,000 for thirteen vice principals to assist in the effective administration of various schools statewide.

Your Committee was not content to confine its focus on the needs outlined in the supplemental request. There is a realization that the legislature must take a further step to demonstrate its commitment to education. This step, however, must be taken with the knowledge that we live in a world of finite resources; and that simply adding funds indiscriminately would be both ineffective and irresponsible. Keeping this in mind, your Committee has provided additional funding that will maximize educational gains.

Your Committee has provided an additional \$1,000,000 in funds to the innovation and incentive grant fund. Realizing that innovation is often the product of the school level, your Committee wants to show support for school-based initiative, and it is our feeling that the innovation and incentive grant fund best reflects this spirit.

Your Committee also realizes the importance of keeping qualified personnel in the schools. For this reason, your Committee has provided funds for the reclassification of two hundred sixty-seven school-based educational officers. By providing these funds, your Committee is making clear its commitment to keeping the best and brightest personnel in our schools.

Finally, your Committee realizes that educational excellence requires parental and community involvement. For this reason, your Committee has allocated over \$650,000 to the parent/community networking center (PCNC) programs. By facilitating the involvement of the community in our schools, we can take great strides toward academic success.

Based on the foregoing it is clear that the Committee has devised a budget for education that is fiscally sound, yet casts an eye to the future. Under this budget, the department will undoubtedly be in a better position to meet the needs of our schools--setting the foundation for them to grow.

GENERAL FUND SUMMARY

As noted earlier, the approach taken by your Committee in developing the overall framework for this budget was based directly on the concept of "right-sizing" government. Among the many actions taken by your Committee in this budget that illustrate this concept are the actions taken in addressing the actual needs of fixed costs. Your Committee notes that the administration's total request to the legislature amounted to approximately \$36,000,000. Your Committee wishes to emphasize that the appropriations in this bill have been reduced by over \$25,000,000 by reflecting the actual needs of fixed-costs such as debt service payments, employer health fund premium cost requirements, and social security cost requirements. Your Committee also emphasizes that these funds are not being spent because of the steps taken by the Committee in right-sizing programs and recognizing that these fixed costs need to be addressed in 1996.

Other right-sizing actions include the reprioritizing of priorities within the budget itself. Your Committee also reviewed exempt personnel positions in programs throughout the State and made various cutbacks.

STRENGTHENING FINANCIAL ACCOUNTABILITY

Your Committee began its 1994 budgetary deliberations with a new resolve: to regain control over the state budget. As the branch of government responsible for determining taxes and the manner in which the proceeds should be spent, the legislature needs to reassert its authority over those funds. For too long, the legislature has allowed the agencies of the State to exercise spending flexibility without accountability. For too long, the legislature has waived the requirement that spending agencies submit reports on the discretion they exercised. In addition, the legislature, throughout the past, regularly approved appropriations bills that intentionally gave away fiscal control over the budget. Your Committee intends to bring a halt to these and other practices that have undermined the legislature's ability to monitor and control state spending.

Transfer Authority

For most of the past two decades, the legislature has agreed to executive requests to permit the transfer of funds among programs. Initially, the executive branch was required to obtain the approval of the President of the Senate and the Speaker of the House of Representatives for specific transfers. The procedure was then changed to require agencies to only obtain the prior authorization of legislative leadership. The practice was then altered to require only post notification of all transfers made. At various times, transfers were limited to programs within a department; at other times, transfers could be made between departments.

Your Committee finds that authorization to exercise such flexibility was granted in recognition of the difficulties often encountered by agencies in estimating program costs as far as three years in advance. Based on the expectation that the will of the legislature would be honored and that the agencies exercising such flexibility would fully and willingly account for the actions taken, the legislature authorized the budgetary discretion they requested. Time after time, however, the expectations of the legislature have remained unfulfilled.

To ensure that this practice no longer persists, your Committee has deleted all authorizations for such transfers from this bill. This action ensures that section 37-74(d), Hawaii Revised Statutes, which prohibits the transfers of funds between programs, will govern the budgetary transactions of all executive agencies.

Aggregate Fiscal Control

Your Committee would also like to highlight the approval of S.B. No. 2249, relating to the controls to be exercised by agencies in the execution of the budget and other program appropriations. Aggregate fiscal controls entail a shift in the authority of the central budget agency versus the line agencies of the executive branch. A system of aggregate fiscal controls would provide the Director of Finance and the governor with the power to set the overall level of allotments when spending must be less than appropriations. The system, however, would provide the departments the authority to select the specific programs that would be subject to reduction. Should revenues improve, the Director of Finance would be allowed to increase allotments up to the ceilings represented by legislative appropriations.

At all times, but more so in times of austerity, every agency should be allowed to contribute its expertise in setting priorities. This would also enable the legislature to hold agencies more accountable for their actions--the departments would be unable to point to any programmatic decisions made by the Director of Finance. Accordingly, your Committee has provided for the preservation of the governor's responsibility and authority to ensure the fiscal integrity of the State while giving to the executive agencies the opportunity to make specific spending cuts, should the need arise. Your Committee has extended aggregate fiscal controls beyond that granted to the University of Hawaii and the Department of Education.

Budget Reform

In 1970, the State adopted the then-novel budgeting approach known as the planning, programming, and budgeting (PPB) system. The law embodied the concepts of the system--budgeting by objectives in a six-year planning, spending, and reporting cycle. Systematic analysis was to be the basis of decision-making--the weighing of alternatives for meeting agreed-upon objectives.

Over the past twenty-four years, however, the hopes of the legislature with regard to the PPB system have not materialized. Budget documents continue to be difficult to use; information is obscure; and it is difficult to determine whether program and budget recommendations result from systematic analysis.

In this regard, your Committee wishes to express its intent to support S.C.R. No. 256, which calls for the reevaluation of the state PPB system. Under the measure, the President of the Senate and the Speaker of the House of Representatives are requested to appoint a joint interim committee on budgetary reform. The mission of the interim committee will be to identify the weaknesses in the current budget system; determine the causes of those weaknesses; analyze the experiences of other states that have recently reformed their budget systems; identify the alternatives that show the most promise for the State; and develop recommendations for the entire legislature to consider. The interim committee will be required to report its findings and recommendations to the 1995 regular session of the legislature. Your Committee finds that the recommendations of the interim committee will assist in the elimination of the inefficiencies of the State's current system of budgeting.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2500, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2500, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Solomon.

The purpose of this bill is to include in the definition of "Natural medicine", improved substances whose molecular natural state has not been substantially altered and to further define "Naturopathy" as including practices of the type taught in education and training at naturopathic medical colleges.

Your Committee finds a need to clarify the definition of "Natural medicine" and "Naturopathy" for the protection of those individuals who choose to use naturopathic practitioners, medicine, and treatment modalities.

Your Committee has amended the bill to delete the exclusion of prescription drugs, except for vitamins, minerals, amino acids, and fatty acids from the additions to the definition of "Natural medicine". Other technical changes have been made for the purposes of clarity, style, and conformance with recommended drafting technique.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2238, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2238, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Iwase and Koki.

SCRep. 2942 Consumer Protection on H.B. No. 2909

The purpose of this bill is to provide for regulation of "going out of business sales."

Those who would hold such sales will have to post conspicuous signs providing prospective customers with complete and truthful information regarding the circumstances of the sale, including conditions or events which motivate the event. Violations in the form of misrepresentation of the true character or description of a regulated sale will be guilty of a petty misdemeanor.

Your Committee finds that there is sufficient cause to regulate these kinds of events to protect consumers from unscrupulous and inappropriate selling tactics.

Your Committee has amended this bill by specifying that violations constitute violations of Section 480-2, Hawaii Revised Statutes, punishable as provided in Section 480-3.1. Your Committee has also specified that these sales will have to conform to any other relevant provisions of law relating to sales or conduct of sales, and has made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 2909, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2909, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Iwase and Koki.

SCRep. 2943 Consumer Protection on H.B. No. 3017

The purpose of this bill is to ensure that motor vehicle accident victims receive all necessary medical treatment without undue delay.

Under current no-fault law, an insurer must respond within five days to a request for prior approval from a health care provider to cover treatment that exceeds the limits of the workers' compensation schedules or treatment guidelines. A refusal is forwarded to the appropriate peer review organization for review, a process that may take several months during which the patient does not receive the treatment.

This bill requires the insurer to cover the treatment during the peer review process.

Your Committee believes that injured persons should receive all appropriate treatment under the no-fault law but shares concerns expressed by the Insurance Commissioner regarding the consequences of an eventual finding by the peer review organization that the treatment was unnecessary and should not have been provided. Under this measure as received, the insurance company would be precluded from recovering amounts expended on the inappropriate or unreasonable treatment.

Therefore, your Committee has amended this bill by requiring the health care provider to refund to the insurer or the insured all amounts paid for treatment which the peer review organization determines to be inappropriate or unreasonable.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3017, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Iwase and Koki.

SCRep. 2944 Consumer Protection on H.B. No. 3416

The purpose of this bill is to stimulate philanthropy in Hawaii by authorizing nonprofit organizations to enter into charitable gift annuity agreements with donors and excluding these nonprofit organizations from regulation under the Insurance Code.

To qualify for this privilege, a nonprofit organization must have:

- (1) Been granted tax exempt status as a charitable organization pursuant to the Internal Revenue Code;
- (2) Conducted business in the State continuously for at least ten years;
- (3) A net worth in Hawaii of at least \$5,000,000; and
- (4) A separate annuity fund with at least fifty percent of the value of the annuity.

Your Committee notes that these annuity agreements were commonplace until enactment of the Insurance Code in 1987. This bill will restore the incentive for charitable giving and build support for local service organizations that have been losing charitable dollars to the mainland.

Your Committee has amended this bill by providing that a nonprofit organization that wishes to provide annuities must first obtain a special permit from the Insurance Commissioner, and by leaving blank the percentage that the nonprofit organization must maintain in its separate annuity fund.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3416, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Iwase and Koki.

SCRep. 2945 Consumer Protection on H.B. No. 3212

The purpose of this bill is to enhance and expand the prerogatives of certain highly qualified licensed nurses and to provide for continued regulation of the nursing profession through a reconstituted Board of Nursing.

Specifically, the bill:

- (1) Provides for recognition by the Board of Nursing of advanced practice registered nurses who have advanced degrees and because of training and experience are entitled to prescribe drugs when working in a relationship with a licensed physician or osteopathic physician and surgeon;
- (2) Establishes a formulary council in the Department of Commerce and Consumer Affairs to develop lists of drugs that each kind of advanced practice registered nurse may prescribe;
- (3) Provides for continued regulation of nursing pursuant to Chapter 457, Hawaii Revised Statutes, until December 31, 2000;
- (4) Requires one member of the Board to be an advanced practice registered nurse;
- (5) Authorizes the Board to deny, revoke, or suspend status as an advanced practice registered nurse and discipline an advanced practice registered nurse for misuse of their special prerogatives;
- (6) Authorizes the Board of Medical Examiners to discipline a physician for abuse of a prescriptive authority relationship with an advanced practice registered nurse; and
- (7) Requires the University of Hawaii School of Nursing to evaluate this measure and report to the 1996 Legislature on the recognition of advanced practice registered nurses and prescriptive authority.

Your Committee finds that continued regulation of nursing is necessary to protect the general public. Your Committee further finds that provisions establishing recognition of advanced practice registered nurses with prescriptive authority have merit and could help mitigate the escalating costs of health care services in Hawaii. Your Committee notes that most of the other states have adopted some kind of prescriptive authority for certain highly qualified nurses.

Your Committee has amended this bill by deleting specific references to authority granting and rulemaking departments and boards, and deleting the formulary council. Your Committee has also deleted references to this bill as a two year pilot project and made numerous nonsubstantive technical amendments for purposes of clarification, style, and consistency.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3212, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3212, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Iwase, Kobayashi, B. and Koki.

SCRep. 2946 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, to issue checks drawn from depositories of state treasury moneys in lieu of warrants drawn from the state treasury.

Your Committee has deleted the contents of this bill and substituted material relating to state government payments to candidates for public office.

As amended, the purpose of this bill is to provide that the Hawaii election campaign fund is not obligated to provide moneys to qualified candidates if moneys in that fund have been depleted. If the fund is close to depletion, the bill provides that the commission shall determine the amounts available to qualified candidates based on their order of eligibility in qualifying for public funds in accordance with rules adopted pursuant to chapter 91.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1627, 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. 1627, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Solomon.

SCRep. 2947 Ways and Means on H.B. No. 2284

The purpose of this bill is to prohibit state agencies from implementing a new program unless the agency demonstrates that the program is an appropriate function of state government and can be implemented by the public sector as cost-effectively as the private sector, while meeting the same plans, goals, and conditions of employment of the State.

This bill also requires the Department of Budget and Finance to adopt rules to guide agencies in conducting the necessary research and preparing the required justifications, and that the rules are consistent with the state constitution and statutes, including chapters 42D (grants, subsidies, and purchases of service), 76 (civil service law), 77 (compensation law), 89 (collective bargaining in public employment), 103 (expenditure of public money and public contracts), and 103D (public procurement code), Hawaii Revised Statutes. The bill further requires that where public debt is involved, federal tax exemptions be assessed and accommodated.

Your Committee finds that there is an urgent need to consider ways to cut the cost of government services to the taxpayers of this State, who are already faced with high costs of living and doing business. Your Committee believes that this bill is necessary to ensure that any new state programs, together with the increased costs and payroll of those programs, be justified to produce optimum results for the expenditure of public dollars. While this bill does not require that state agencies turn over the provision of services to private entities, it does require that appropriate new programs be implemented as cost-effectively as the private sector, while retaining state objectives and standards.

Your Committee has amended the bill to accomplish the following objectives:

- (1) Deleting the requirement that the rules be consistent with the state constitution and enumerated statutes, and the provision that where public debt is involved, federal tax exemptions shall be assessed and accommodated. In its place, your Committee has added the requirement that the rules be adopted in accordance with the Administrative Procedure Act, and that they identify and exempt inappropriate functions and programs;
- (2) Amending section 37-68, Hawaii Revised Statutes (responsibilities of agencies), by inserting language similar in effect to the bill's existing language with respect to the proposal of new programs by agencies assigned the task of developing programs and preparing program and financial plans, budgetary requests, and program performance reports; and
- (3) Making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2284, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2284, S.D. 2.

Signed by all members of the Committee except Senators Levin and Solomon.

SCRep. 2948 Ways and Means on H.B. No. 2515

The purpose of this bill is to clarify the intent and purpose of Act 357, Session Laws of Hawaii 1993, relating to the retirement of water safety officers, and to extend temporary legislation providing certain bonuses for retirants, pensioners, and their beneficiaries.

Your Committee has reservations regarding passing the portion of the bill concerning lifeguards in its present form. Although your Committee does not favor retroactive conversion between employees' retirement system (ERS) classes, this case appears to warrant an exception.

Your Committee finds that Act 357, Session Laws of Hawaii 1993, granted certain rights to lifeguards. It mandated the conversion of ERS class C lifeguards to class A, it allowed class A lifeguards to retire early at a higher pension than they would have received without Act 357, and it required all lifeguards hired after December 31, 1993 to be hired as class A members.

Your Committee's first inclination was to repeal Act 357 and provide relief to lifeguards who had unknowingly been converted from class C to A and who legally suspended their increased contribution to the ERS. This repeal, however, would have infringed upon the rights of class A lifeguards whose retirement rights are protected constitutionally, as well as under section 1-10, Hawaii Revised Statutes. Additionally, the rights of lifeguards hired after December 31, 1993 would also be infringed if they preferred to remain in class A.

Thus, to address these legal issues, and correct prior legislative action that resulted in Act 357, your Committee recommends adopting this portion of the bill as received.

Your Committee has amended section 10 dealing with pensioners' bonus to change the automatic repeal date to 1997 instead of 2000.

Your Committee has also added sections to this bill from H.B. No. 3472, H.D.1, S.D.2, which provides for accelerated liquidation of unfunded benefit obligations of the ERS by the State and counties beginning July 1, 1995 in percentage amounts yet to be determined. The intent of your Committee is to liquidate the unfunded benefit obligations by the year 2003 and then begin to use the moneys in the pension accumulation fund to provide benefits exclusively for ERS beneficiaries.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2515, 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. 2515, H.D.1, S.D. 2.

Signed by all members of the Committee except Senator Solomon.

SCRep. 2949 (Majority) Ways and Means on H.B. No. 2730

The purpose of this bill is to establish a permanent public access program for the state legislature.

The bill also assesses, for a period of three years, a fee from cable operators to fund legislative access initiatives, and makes appropriations to:

- (1) Each house of the legislature, for television broadcasts of the 1995 regular session;
- (2) The Department of Accounting and General Services, for installing equipment in the renovated state capitol to provide greater public access; and
- (3) To the legislature, to staff, operate, and equip the public access room.

Your Committee finds that public access to the legislature is not frivolous but is an essential element of the democratic process. It is critical that constituents be able to inform themselves of the issues under discussion by their elected representatives and have the opportunity to participate in the process.

Your Committee has amended this bill by making blank the amount of the appropriations to the houses of the legislature for television coverage and to the legislature for access room staffing and operations to facilitate ongoing discussion, and by making technical nonsubstantive changes for the purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2730, 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. 2730, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Solomon.
Senator George did not concur.

SCRep. 2950 Ways and Means on H.B. No. 3169

The purpose of this bill is to establish a worker profiling system under the employment security law.

Additionally, this bill doubles the amount of maximum potential benefits (by extending the period of eligibility) for a worker who becomes unemployed after June 1, 1993 due to a plant closure or mass lay-off, which causes the job terminations of at least one hundred workers. The period of time during which the eligible worker is entitled to the augmented benefits runs from June 1, 1993 to May 31, 1997.

Your Committee finds that the creation of the worker profiling system is a response to Public Law 103-152, which requires state unemployment insurance programs to systematically identify individuals likely to exhaust benefits and to refer those individuals to reemployment services available under state and federal law. Failure to create the system could result in the loss of federal funds required to operate the State's unemployment insurance program.

Your Committee also finds the early intervention efforts of a worker profiling system cannot avert mass unemployment resulting from plant closures and mass layoffs, which have been occurring with disturbing frequency in this State for the past four years and which are expected to continue for the next few years. For workers who become unemployed as a result of these plant closures and mass layoffs, a doubling of maximum benefits, combined with the early intervention efforts of the profiling system, may more adequately assist such workers in formulating, seeking, and securing alternative career options.

Your Committee has amended this bill by setting June 1, 1995 as the termination date for eligibility augmented benefits due to such plant closures and mass layoffs. Your Committee has further amended this bill by specifying that each worker who is terminated any time between June 1, 1993 and June 1, 1995, is entitled to the augmented benefits for a period of up to two years.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3169, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3169, S.D. 2.

Signed by all members of the Committee except Senator Solomon.

SCRep. 2951 Ways and Means on H.B. No. 3383

The purpose of this bill is to extend the life of certain general excise tax exemptions for certified persons involved with providing affordable housing in this State.

Specifically, this bill amends Act 303, Session Laws of Hawaii 1992, as amended by Act 309, Session Laws of Hawaii 1993. The bill extends the tax-exemption deadlines for moneys received by certified persons, provided construction is started by the end of 1994 rather than 1993, and provided further that construction is completed by the end of 1995 rather than 1994.

Your Committee finds that despite the potential loss of future tax revenues, the current unabated need for affordable housing requires an extension of the exemption deadlines in order to stimulate new housing projects for the people of this State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3383, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Solomon.

SCRep. 2952 (Majority) Ways and Means on H.B. No. 3440

The purpose of this bill is to allow the Department of Health to use not more than fifty per cent of the revenues generated by the environmental response tax to address concerns related to clean water and drinking water.

Your Committee finds that the safe drinking water program of the Department of Health needs additional funding to fulfill state and federal drinking water requirements. The failure of the department to fulfill federal drinking water requirements could result in the loss of both primary enforcement authority (delegated to the State by the United States Environmental Protection Agency) and grant funds to administer federal drinking water requirements in Hawaii.

Your Committee also finds that the clean water branch of the Department of Health needs additional resources to expedite the processing of National Pollution Discharge Elimination System (NPDES) permits. Currently, there exists a backlog of several months to process NPDES permits, the result of which has been the delay of several hundred million dollars worth of construction projects and the consequent loss of state tax revenues.

Your Committee believes that allowing the Department of Health to use the revenues generated by the environmental response tax to address concerns related to drinking water and clean water will provide the safe drinking water program and the clean water branch with sufficient resources to carry out their mandated functions.

Your Committee has amended this bill by:

- (1) Decreasing from fifty per cent to thirty-five per cent, the maximum amount of moneys generated by the environmental response tax that may be used for clean water and drinking water purposes;
- (2) Adding a provision to increase the environmental response tax from 5 cents to 6.5 cents on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user, other than a refiner, of petroleum product;
- (3) Changing the effective date of the bill to July 1, 1994 in order to coincide with the State's fiscal year;
- (4) Repealing this Act on June 30, 1996; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee finds that the State will lose jurisdiction to the federal government if expedient funding is not provided. However, your Committee is uncomfortable using this type of funding. Accordingly, your Committee wishes to provide the State time within which to secure other funding sources during the two years in which this Act will remain in effect.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3440, 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. 3440, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Solomon.
Senator George did not concur.

SCRep. 2953 Ways and Means on H.B. No. 3443

The purpose of this bill is to establish the occupational safety and health training and assistance fund for the use of the Department of Labor and Industrial Relations.

This bill also requires the department to prepare and submit annual reports to the governor and the legislature on occupations and other employment activities that are considered to be unsafe and are predominantly performed by women, prior to each regular session.

Specifically, this bill:

- (1) Allows the department to disseminate information to employers, employees, and the general public regarding the causes and prevention of industrial illnesses, in addition to industrial accidents and injuries;

- (2) Requires the department, where appropriate, to undertake programs in training and consultation with unions, trade and professional associations, and government agencies, in addition to employers and employees, as a means of encouraging voluntary compliance with occupational safety and health standards and rules;
- (3) Specifies that the fund shall consist of \$200,000 in fines, interest, and penalties collected pursuant to the violations and penalties provision (as opposed to the explosives provision) of the occupational safety and health law;
- (4) Requires the Director of Finance to be the custodian of the fund, invest its moneys in accordance with applicable laws and rules, and disburse the moneys in the fund in accordance with instructions from the Director of Labor and Industrial Relations;
- (5) Allows the fund to be used for:
 - (A) Grants to public agencies and organizations that meet the qualifying standards of the grants, subsidies, and purchases of service law;
 - (B) Occupational safety and health training programs;
 - (C) Department-sponsored safety and health conferences;
 - (D) Additional state consultants (occupational safety and health advisors) to assist employers, unions, and employees;
 - (E) Administrative costs associated with the establishment, collection, and maintenance of the fund, including the hiring of necessary staff; and
 - (F) The preparation of annual reports to the governor and the legislature on occupations and other employment activities that are considered to be unsafe and are predominantly performed by women;
- (6) Requires the Director of Labor and Industrial Relations to adopt rules governing the administration and operation of the fund, including the establishment of standards for awarding grants; and
- (7) Requires the Director of Labor and Industrial Relations to submit annual reports to the legislature on the status of the fund, including expenditures and program results, prior to each regular session.

Your Committee finds that employers need occupational safety and health education and training assistance from the department in order to provide safe and healthful workplaces for their employees. Your Committee also finds that enforcement programs, working alone, cannot reduce the incidence of industrial accidents, injuries, and illnesses. Given the preventable nature of most industrial accidents, injuries, and illnesses, your Committee believes that an occupational safety and health education and training program could reduce the incidence of these accidents, injuries, and illnesses, and the resultant financial and human costs to employers and employees.

Because of fiscal constraints and budget cutbacks, your Committee believes that the establishment of an occupational safety and health training and assistance fund is necessary to provide the department with the financial and personnel resources needed to undertake an occupational safety and health education and training program at this time.

Your Committee has amended this bill by:

- (1) Deleting the provision requiring the department to undertake programs in training and consultation with unions, trade and professional associations, and government agencies, in addition to employers and employees;
- (2) Specifically requiring the Director of Finance to disburse the moneys in the fund in accordance with the law relating to transfers from special funds for central service expenses (section 36-27, Hawaii Revised Statutes);
- (3) Deleting the provision allowing the fund to be used for:
 - (A) Grants to public agencies and organizations; and
 - (B) Administrative costs associated with the establishment, collection, and maintenance of the fund;
- (4) Deleting the provision requiring the Director of Labor and Industrial Relations to adopt rules governing the administration and operation of the fund, and the awarding of grants;
- (5) Making this measure effective on July 1, 1994, rather than upon approval;
- (6) Repealing all the provisions in this measure, except for the provision requiring the department to prepare and submit annual reports on occupations and other employment activities that are considered to be unsafe and are predominantly performed by women, on July 1, 1996;
- (7) Requiring the Director of Finance to transfer to the credit of the state general fund, all unexpended or unencumbered balances remaining in the fund, prior to June 30, 1996; and
- (8) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3443, 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. 3443, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Solomon.

SCRep. 2954 Ways and Means on H.B. No. 3602

The purpose of this bill is to provide additional economic assistance to the Hilo-Hamakua coast.

Specifically, the bill increases from \$1,000,000 to \$1,500,000 an appropriation made for fiscal year 1993-1994 and appropriates \$418,000 of that amount for fiscal year 1994-1995. The bill also makes a blank appropriation for fiscal year 1994-1995. The appropriations are to be used for specified programs and projects in the Hilo-Hamakua area.

Your Committee finds that the Hilo-Hamakua coast has been severely affected by the closure of the Hamakua Sugar company. That community lived and grew around sugar cultivation, and with the end of sugar, immediate help is and will be needed to restructure its economy. The legislature is aware of this situation and has taken steps to alleviate it, such as providing a state loan guarantee that ensured a final harvest at Hamakua, designating the Hamakua planning region a community development district, which entitles the area to further state assistance, and by appropriating \$1,000,000 in community assistance to the area for fiscal year 1993-1994. Your Committee also finds that the residents of the Hilo-Hamakua coast have assumed much of the responsibility for developing programs and projects to improve the community.

Your Committee finds that the appropriations made in this bill will support specified services that will provide short- and long-term tangible benefits to the community, such as resources/family/youth centers with outreach and counseling services, agricultural infrastructure development, primary health care center subsidies, and transitional support employment and training for dislocated workers.

Your Committee has amended this bill by extending the initial appropriation of \$1,000,000 for fiscal year 1993-1994 to fiscal years 1993-1994 and 1994-1995, and by specifying that \$472,5000, rather than \$418,000, be appropriated from that sum for the specified purposes. Your Committee also appropriated \$1,500,000 for fiscal year 1994-1995. Your Committee changed the expending agencies from the Department of Business, Economic Development, and Tourism and the governor's agricultural coordinating committee to Department of Budget and Finance.

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

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3602, 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. 3602, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Solomon.

SCRep. 2955 Ways and Means on H.B. No. 2623

The purpose of this bill is to allow the board of land and natural resources, upon application by lessees of public lands, to extend leases to the extent necessary to qualify the lease for mortgage lending or guaranty purposes with lending institutions.

This bill would apply to leases having a total lease period of less than sixty-five years from the date originally entered into and including any extensions. The bill also subjects approval of any lease extension to several conditions, including the requirements that the aggregate of the initial term and any extension be for not more than sixty-five years; that the demised premises be used substantially for the purpose for which they were originally leased; and that the lease not be assigned within five years from the date of execution of the mortgage loan. Lessees would have until June 30, 1995 to apply to the board for a lease extension.

Your Committee finds that lessees of public lands are experiencing difficulty in obtaining mortgage financing for improvements due to the brevity of the lease. Your Committee finds that this bill is necessary to allow these lessees to obtain needed financing to allow them to utilize their land more productively.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2623, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Iwase, Levin and Solomon.

SCRep. 2956 (Majority) Ways and Means on H.B. No. 3003

The purpose of this bill is to exempt nonprofit agricultural and horticultural organizations from the general excise tax law.

Specifically, this bill adds agricultural and horticultural organizations to the rolls of people and entities that are exempt from the general excise tax law and provides an exemption for amounts received by a registered organization of which no profits inure to the benefit of a member, and no activity is for the primary purpose of producing income.

Your Committee finds that past legislatures have recognized the value that nonprofit organizations represent to the State and the communities they serve by exempting several categories of these organizations from the general excise tax law.

Your Committee believes that nonprofit agricultural and horticultural organizations are worthy of similar recognition by the legislature, i.e., exemption from the general excise tax law.

Your Committee also finds that the legislature enacted a special exemption from the transient accommodations tax to encourage and assist the tourist industry on the island of Kauai after the devastation of Hurricane Iniki in September 1992. To date, there are still many hotels struggling to recover and reopen; and the exemption from the transient accommodations tax is set to expire on December 31, 1994, and to be repealed on January 1, 1995. Your Committee believes that this exemption should be extended beyond December 31, 1994, and that the repeal date of the exemption should be extended beyond January 1, 1995.

Your Committee further finds that additional, badly needed state revenues can be generated by imposing a used vehicle transfer tax on the gross sales price of a used motor vehicle, or the retail value of the motor vehicle as established by a nationally accepted used motor vehicle price guide if written documentation of the gross sales price of the used motor vehicle is insufficient or unavailable. Your Committee believes that it is grossly unfair that the purchasers of used motor vehicles are not subject to taxation by the State, while the purchasers of new motor vehicles are subject to this taxation.

Your Committee has amended this bill by:

- (1) Extending the transient accommodations tax law exemption for qualified facilities furnishing transient accommodations located on the island of Kauai from December 31, 1994, to December 31, 1995; and
- (2) Extending the repeal date of the exemption from the transient accommodations tax law from January 1, 1995, to January 1, 1996;
- (3) Establishing a used vehicle transfer tax on purchasers of used vehicles. The used vehicle transfer tax is imposed at the rate of four per cent of the gross sales price of the used motor vehicle, or the retail value of the motor vehicle as established by a nationally accepted used motor vehicle price guide if written documentation of the gross sales price of the used motor vehicle is insufficient or unavailable. The law exempts manufacturers and dealers from the used vehicle transfer tax if the purchasers pay either the general excise tax or the use tax on these vehicles, and furnish written evidence of the same to the county Director of Finance; and
- (4) Making the used vehicle transfer tax applicable to transfers after January 1, 1995.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3003, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3003, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Iwase, Levin and Solomon.
Senator George did not concur.

SCRep. 2957 Ways and Means on H.B. No. 3179

The purpose of this bill is to extend for one additional year the "civil service flexibility law" exempting the Director of Personnel Services from the statutory requirements for filling vacant civil service positions, and establishing specific standards in lieu of these requirements.

Specifically, this law:

- (1) Requires the Director of Personnel Services to determine, establish, and maintain the manner in which positions shall be filled in accordance with the citizenship and residence requirements for government officials and employees, and the following standards:
 - (A) Equal opportunity for all regardless of race, sex, age, religion, color, ancestry, physical handicap, or politics;
 - (B) First consideration for competent employees already within public service; and
 - (C) Impartial selection of the ablest person through competitive means which are fair, objective, and practical; and
- (2) Exempts the civil service for the counties of Hawaii, Maui, and Kauai from the abovementioned provisions.

Your Committee finds that the existing statutory requirements for filling vacant civil service positions contain too many details that affect basic, day-to-day recruiting processes and tie the hands of state and county personnel managers as they attempt to fill vacant positions, as quickly as possible, with the best and brightest candidates. Your Committee also finds that the pilot program exempting the Director of Personnel Services from the statutory requirements for filling vacant civil service positions, and establishing specific standards in lieu of these requirements, has been successful. Given the success of the pilot program, your Committee believes that the continuation of the pilot program is warranted.

Your Committee has amended this bill by extending the repeal date of Act 32, Session Laws of Hawaii 1992, from June 30, 1994 to June 30, 1996, and by repealing the law relating to filling vacant civil service positions. Your Committee has further amended this bill to require the Director of Personnel Services to consult with and provide assistance to the directors of the county departments of civil service and the administrative director of the courts in preparing the counties for the implementation of this bill, and to report to the legislature. Your Committee has also amended this bill by making technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3179, 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. 3179, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Iwase, Levin and Solomon.

SCRep. 2958 Ways and Means on H.B. No. 3194

The purpose of this bill is to apply the central service fee which is deducted from certain special funds to the state highway fund, airport revenue fund, and the harbor special fund in an amount to be determined by the directors of finance and transportation, subject to a limit of five per cent.

After careful consideration, your Committee has replaced the contents of this bill with provisions that would remove revolving funds from the types of state funds which are not subject to the annual or biennial appropriations process and allotment requirements. Your Committee finds that this bill will increase the legislature's oversight over revolving fund expenditures and would subject revolving fund appropriations to automatic lapsing provisions. This procedure would be in accord with the findings and recommendations of the state auditor.

Your Committee believes that this bill will increase legislative control over state finances generally by subjecting moneys tied up in revolving funds to the appropriations process and legislative oversight.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3194, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3194, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Iwase, Levin and Solomon.

SCRep. 2959 Ways and Means on H.B. No. 3300

The overall purpose of this bill is to incorporate existing procurement and surplus property-related provisions in the law relating to the expenditure of public money and public contracts and the federal aid law, into the Hawaii Public Procurement Code.

More specifically, this bill:

- (1) Incorporates existing provisions relating to purchasing preferences for Hawaii products found in the law relating to the expenditure of public money and public contracts (chapter 103, Hawaii Revised Statutes), into the Hawaii Public Procurement Code; and
- (2) Incorporates existing provisions relating to federal and state surplus property found in the federal aid law (chapter 29, Hawaii Revised Statutes), into the Hawaii Public Procurement Code.

This bill also:

- (1) Establishes uniform inventory management procedures for state and county property;
- (2) Establishes purchasing preferences for specific products with recycled contents;
- (3) Moves the law granting reciprocal preference against out-of-state bidders from the part relating to assistance to small businesses to the part relating to purchasing preferences for Hawaii products;
- (4) Repeals the law exempting certain goods, services, and construction from the necessity of having to be procured by a chief procurement officer; and
- (5) Appropriates an unspecified sum to the Department of Accounting and General Services for the establishment of a position in the state procurement office to coordinate and implement the recycled products procurement program for the State.

Your Committee believes that the incorporation of existing procurement and surplus property-related provisions into the Hawaii Public Procurement Code will facilitate the purposes, administration, and oversight of the Code. Your Committee also believes that the establishment of uniform inventory management procedures for state and county property and the establishment of purchasing preferences for specific products with recycled contents, will create a comprehensive "cradle-to-grave" mechanism for goods, services, and construction coming under the aegis of the Hawaii Public Procurement Code.

Your Committee received and incorporated into this measure detailed testimony from the Department of Accounting and General Services.

Your Committee has amended this bill by:

- (1) Incorporating the part relating to products with recycled contents into the part relating to purchasing preferences for Hawaii products and, in the process:
 - (A) Defining the term "recovered material"; and

- (B) Deleting the provision requiring the establishment of purchase specifications for recycled plastics, sewage sludge, and compost;
- (2) Requiring a bid or offer by a non-Hawaii software developmental business to be increased by a preference percentage established by rules;
 - (3) Requiring the Hawaii software service center, rather than the policy office, to develop and make public a list of state agencies requesting software development services;
 - (4) Requiring the Department of Accounting and General Services to undertake a program of office leasing services;
 - (5) Amending the definition of "professional services" to include the professional and scientific occupation series contained in the United States Office of Personnel Management's Qualifications Standards Handbook;
 - (6) Designating the respective finance directors of the several counties as the chief procurement officers for the executive branch, rather than the several counties;
 - (7) Designating the respective chairpersons of the councils of the several counties as the chief procurement officers for the legislative branch;
 - (8) Exempting a construction bid from the requirement that all joint contractors and subcontractors be named and their work described in the bid, if the value of the work to be performed by each of the joint contractors or subcontractors is equal to or less than one per cent of the total bid amount, in addition to being deemed by the policy office to be in the best interest of the public;
 - (9) Requiring bid security in an amount equal to five per cent of the amount bid, whether or not the amount bid exceeds \$50,000 and the nature of the contract is for construction;
 - (10) Establishing a procedure whereby a person who furnished labor and materials to a subcontractor can proceed against the contractor's performance bond for the subcontractor's failure to pay the person in full for the labor and materials;
 - (11) Making the cooperative purchasing provisions of part VIII of the Hawaii Public Procurement Code applicable to the procurement of goods rather than supplies;
 - (12) Requiring bonding companies to be listed in the United States Treasury List, and prohibiting a bond furnished by a listed surety from exceeding the bonding capacity rating of that surety on the Treasury List; and
 - (13) 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. 3300, 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. 3300, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Iwase, Levin and Solomon.

SCRep. 2960 Ways and Means on H.B. No. 3430

The purpose of this bill is to examine the need to statutorily regulate health maintenance organizations (HMO) in Hawaii.

Specifically, the bill requires the auditor to consider the State's professional and vocational regulation policies as they may apply to the regulation of HMOs, the H.D. 2 version of this bill, and any other information that the auditor deems appropriate. The auditor is to report findings, recommendations, and proposed legislation, if necessary, to the legislature prior to the regular session of 1995.

Your Committee finds that HMOs play a significant role in Hawaii's health care system. Their importance can only increase over time as providers, consumers, and third party payors seek managed care alternatives that HMOs offer to control spiraling health care costs. Therefore, HMOs, crucial as they are to the health care delivery system in Hawaii, must be regulated to ensure their financial integrity so that consumers who rely on them are protected from the effects of an HMO's insolvency.

Accordingly, your Committee has amended this bill by replacing its contents with the contents of the H.D. 1 version of this bill which adds a new Health Maintenance Organization Act to the Hawaii Revised Statutes. As amended, the bill provides for the financial regulation of HMOs comparable to that imposed on mutual benefit societies. The bill makes provision for:

- (1) Requirements for application for a certificate of authority, which would allow an HMO to operate;
- (2) Permissible powers of HMOs;
- (3) Reporting requirements for HMOs;
- (4) Requirements for HMOs to provide information to enrollees or subscribers;
- (5) Protection against insolvency;

- (6) Authority of the insurance commissioner to examine any HMO;
- (7) Conditions which may enable the insurance commissioner to suspend or revoke a certificate of authority;
- (8) Confidentiality; and
- (9) Required benefits.

Your Committee notes that the amended bill also regulates premium ratemaking by mutual benefit societies such as the Hawaii Medical Service Association and Hawaii Dental Service. On the other hand, this bill refrains from regulating HMO ratemaking because there is not as yet any "track record" of regulation of HMOs as has been accumulated by mutual benefit societies.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3430, 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. 3430, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Iwase, Levin and Solomon.

SCRep. 2961 Ways and Means on H.B. No. 1332

The purpose of this bill is to allow alternative placement in adult residential care homes (ARCH) at a new level of care (LOC) IV for patients waiting for placement into nursing homes but who also qualify for placement in intermediate care facilities.

Your Committee finds that about two hundred fifty inpatients incurring costly hospital expenses are currently waiting to be placed in nursing facilities. On the one hand, about half of these inpatients do not require skilled nursing care and qualify for placement in less expensive intermediate care facilities. On the other hand, ARCHs could offer an alternative that is less expensive but are currently not qualified to care for residents above LOC III.

This bill would provide for a new LOC IV in ARCHs through the adoption of rules by the Department of Health (DOH). Specifically, the bill:

- (1) Requires patients for LOC IV care to meet LOC III care requirements and have at least one physical, mental, or social condition qualifying the patient for residence in an intermediate care facility;
- (2) Authorizes the DOH to adopt further LOC IV eligibility rules and standards of care; and
- (3) Allows the use of DOH-managed Medicaid waiver funds for LOC IV care on a demonstration basis, if and when they are appropriate.

Your Committee believes that this bill will alleviate the long wait for nursing facilities, reduce costly expenses for lengthy and otherwise unnecessary hospital stays, provide a viable community-based alternative in the least restrictive environment for those patients who qualify for the new LOC IV care in ARCHs, and potentially save further costs through the use of federal Medicaid waiver funds.

Your Committee also finds that the Maluhia waitlist demonstration project (MWDP), contained in S.B. No. 2692, S.D. 1, dovetails neatly with the intent and operation of this bill. S.B. No. 2692, S.D. 1 authorizes the use of existing medicaid waiver funds to support the MWDP which specifically targets hospital patients for discharge to ARCHs. Your Committee believes that the addition of the contents of S.B. No. 2692, S.D. 1 to this bill will strengthen the intent and operation of both bills.

Accordingly, your Committee has amended this bill to add the contents of S.B. No. 2692, S.D. 1 to this bill. Your Committee has 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 H.B. No. 1332, 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. 1332, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Iwase, Levin, Solomon and George.

SCRep. 2962 Ways and Means on H.B. No. 2391

The purpose of this bill is to require all businesses receiving public construction contracts of \$2,500,000 or more to be signatory to project agreements with all AFL-CIO building and construction unions in Hawaii. This bill also requires the chairperson of each county council to act as the chief procurement officer of that council.

Your Committee finds that the legislature passed the Hawaii public procurement code during the special session in 1993. The law provides a comprehensive code for the purchase of goods and services by governmental agencies. Although the new code promises to improve Hawaii's system of purchasing, your Committee finds that various modifications are necessary to further refine the law.

Instead of the language relating to specifications for construction in section 1 of this bill, your Committee has substituted part of the text of S.B. No. 2751, S.D. 2, H.D. 1, dealing with prehire agreements, allowing the chief procurement officer to negotiate agreements with building and trades unions to not strike or cause a work stoppage on a government project of \$2,500,000 or more. This change, with the exception of requiring that these contracts have AFL-

CIO union signatories, preserves the basic intention of not having strikes on governmental construction projects. Your Committee wished to retain the no work stoppage provision because delays would increase costs borne by taxpayers for public projects.

To ensure that all the necessary changes to the new procurement code are addressed in this bill, your Committee inserted new material relating to:

- (1) The details of surety bonds submitted by bidders;
- (2) The types of services and occupations included under the definition of "professional services";
- (3) The county personnel who shall serve as the chief procurement officers of the executive and legislative branches of each county;
- (4) The terms under which certain disclosure requirements for construction bids may be waived;
- (5) The estimated construction contract price that triggers the requirement for bid security; and
- (6) The period within which unpaid persons must take action to collect all payments due from contractors and subcontractors for services provided.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2391, 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. 2391, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators Hagino, Iwase, Levin, Solomon and George.

SCRep. 2963 Ways and Means on H.B. No. 3198

The purpose of this bill is to delay from June 30, 1994 until June 30, 1996 the repeal of the University of Hawaii at Manoa intercollegiate athletic revolving fund and University of Hawaii at Hilo intercollegiate athletic revolving fund. Upon repeal of these revolving funds, the University of Hawaii intercollegiate programs would be funded through the general fund, with proceeds from athletic activities and use of athletic facilities to be deposited into the general fund.

Your Committee finds that legitimate reasons exist to delay the repeal of these revolving funds, currently set for June 30, 1994, for a limited time. Your Committee expresses its concern over the issue of gender equity in university athletics. Your Committee agrees with the university that this bill provides a means of resolving this issue. This bill will provide the university with the opportunity to expand its women's athletics programs through the use of the proceeds of these revolving funds.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3198, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators Iwase, Levin, Solomon and George.

SCRep. 2964 Ways and Means on H.B. No. 3425

The purpose of this bill is to require the public employees health fund (PEHF) to honor qualified medical child support orders to cover noncustodial children in order for the State to continue receiving Medicaid funding.

Your Committee finds that the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993) authorized state courts to require an employer to extend dependent health coverage to children of an employee who no longer live with the employee due to divorce or separation. Although the PEHF is not subject to this federal requirement, OBRA 1993 also amended the Social Security Act to require states to enact laws requiring group health plans to do substantially the same thing in order to continue to receive Medicaid funding. Hawaii has until the end of this regular session to enact such a law that recognizes qualified medical child support orders issued by state courts extending health coverage to noncustodial children.

This bill:

- (1) Amends the public employees health fund law to include noncustodial children under PEHF coverage in recognition of qualified medical child support orders issued by state courts;
- (2) Places certain conditions on such orders;
- (3) Clarifies the use of PEHF funds if rate credits or reimbursements from carriers or self-insured plans are returned for active employees and retirees or other beneficiaries;
- (4) Deletes from the board of trustees of the PEHF a member of the clergy and adds a retiree of the employees' retirement system; and
- (5) Requires the PEHF administrator to submit findings and recommendations to the legislature, by the convening of the regular session of 1995, relating to:

- (A) The feasibility of requiring government retirees with less than twenty-five years of credited service to pay part of the health insurance premiums through the PEHF, giving consideration to H.B. 979 and S.B. 3190, S.D. 1; and
- (B) The feasibility and propriety of suspending for a certain period the health insurance coverage for certain government retirees who subsequently re-enter the work force with separate health insurance.

Your Committee believes that this bill will ensure both that a vulnerable group of children will have access to health coverage and that the State will continue to qualify for Medicaid funding.

Your Committee has amended the bill by changing the reference to "civil servants" on page 9, line 1 to "public servants" to clarify that the reference is not intended to apply only to civil service employees. Your Committee has 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 H.B. No. 3425, 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. 3425, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Solomon.

SCRep. 2965 Ways and Means on H.B. No. 3446

The purpose of this bill is to authorize the Department of Land and Natural Resources to establish a subsistence fishing pilot demonstration project on Molokai, adopt rules designating community-based subsistence fishing areas, and implement fishery management strategies in these areas.

Many people in Hawaii enjoy and benefit from the State's fisheries. However, population increases, modern fishing materials and tools, pollution, and perhaps even global warming contribute to diminished ocean life. Therefore, your Committee is seeking ways to preserve the remaining resources before there is a substantial diminution of resources. Your Committee would like to provide native Hawaiians with an opportunity to educate and perhaps guide Hawaii and the world in fishery conservation.

Your Committee recognizes that Hawaiians were great fishermen and established the kapu system to preserve the ocean's resources. Also, land and ocean divisions through ahupuaa system and konohiki rights were established to allow caretakers to protect the lands and waters of the alii.

Your Committee also recognizes that native Hawaiian practices did not provide free and clear access to resources, nor allow resources to be taken freely. Certain species such as moi were reserved exclusively for the alii class, if a commoner consumed these restricted fish species, the kapu system provided for severe punishment--including death. Also, the ahupuaa system did not provide free and clear access, an individual had to seek permission from the caretaker of the ahupuaa to gather resources. It is with these considerations that your Committee would like to provide an opportunity for subsistence fishing.

Your Committee has amended this bill to:

- (1) Clarify that native Hawaiians engaged in traditional and customary fishing practices, not rights;
- (2) Require that the organization or group submitting a proposal to the Department of Land and Natural Resources submit their name, charter, and a list of its members;
- (3) Clarify that subsistence fishing shall only include direct personal or family consumption or sharing;
- (4) Remove the distance from shore to sea so that the department may determine the appropriate distance through rules adopted pursuant to chapter 91, Hawaii Revised Statutes;
- (5) Delete reference to the organization assigned to act as the steward of the pilot project;
- (6) Provide for continuation of fishing by commercial fishermen. Your Committee realizes that the livelihood of commercial fisherman may be adversely affected if they are restricted in their fishing areas, and every effort should be made to incorporate their concerns;
- (7) Provide for incorporation of non-native Hawaiians into the pilot project because there may be individuals who have fished the area for many years who are not of Hawaiian ancestry;
- (8) Add a termination date to the pilot project; and
- (9) Require the Department of Land and Natural Resources to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, prior to commencement of the pilot project.

Your Committee has received information that there is a federal proposal to provide funding for support of a native Hawaiian fisheries program. It is not your Committee's intent to provide any native Hawaiian group or organization with an unfair advantage if these funds become available. Also, your Committee hopes that federal moneys may be utilized to defray enforcement costs of the pilot project.

It is your Committee's intent that when the Department of Land and Natural Resources adopts its rules, there be included a provision that allows the residents of Kalaupapa to continue fishing in areas which may fall within the pilot project. It is not your Committee's intent to interfere with laws in effect that deal with Kalawao county.

Your Committee would also like to emphasize that the pilot project should not be expanded or made permanent until a careful evaluation is reported to the legislature.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No 3446, 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. 3446, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Solomon.

SCRep. 2966 Consumer Protection on H.B. No. 3429

The purpose of this bill is to amend laws relating to motor vehicle insurance to correct ambiguities and facilitate administration.

Among other matters, the bill clarifies and provides criteria for medical treatment plans, clarifies provisions relating to emergency services, prohibits unlicensed health care providers from making compensation claims, clarifies that a request for an independent medical examination is not a request for additional information, and prevents motorcycle passengers from receiving no-fault benefits.

Your Committee has amended this bill by making several clarifying and procedural changes recommended by the Insurance Commissioner and considered by your Committee to be necessary for this measure to appropriately fulfill its intent and purpose.

Your Committee has further amended this bill by:

- (1) Adding a new article to Chapter 431, Hawaii Revised Statutes, relating to insurance fraud prevention, providing specific definitions of actions and statements that are fraudulent and civil remedies for aggrieved insurance companies;
- (2) Adding a new section to Article 431:14 and amending Sections 431:14-105.5 and 431:14-120 to prohibit insurers from cancelling or refusing to renew policies without proper cause and open up Workers' Compensation ratemaking and rate-filings to public scrutiny and input;
- (3) Prohibiting the Insurance Commissioner from approving any increase in Workers' Compensation premiums prior to December 31, 1995, and requiring insurers and rating organizations that filed Workers' Compensation rate filings for the period July 1, 1994 to December 31, 1995 to make an informational filing by August 1, 1994 in compliance with Article 431:14 of the Code;
- (4) Establishing in the Department of Commerce and Consumer Affairs an advisory commission on insurance to study and assist the Legislature with matters relating to insurance and the Insurance Code. This commission will be staffed by the Insurance Division with assistance from the Office of the Auditor and will make its first report of findings and recommendations to the 1996 Regular Session; and
- (5) Adding a severability provision.

Your Committee finds that the State's insurance market has experienced dramatic changes which have had an adverse impact on the public. For the insurance buying public, insurance costs are a source of continuing anxiety and frustration. Escalating costs present hard challenges for the industry and its regulators.

Your Committee finds that insurance laws are an important component in ensuring that insurance policies and services are offered at prices that are reasonable and fair under newly changing circumstances. Consumer protection and the need to provide regulators with the resources and opportunity to adjust to a changing market are paramount concerns of your Committee.

With respect to no-fault insurance, fraud, and Workers' Compensation, your Committee finds that reforms in other states have been dramatically effective in reducing costs. The substantive amendments your Committee is making herein are intended to improve the system, protect consumers and insurers alike, and attack some of the root causes of escalating premium rates in Hawaii.

Your Committee on Consumer Protection is in accord with the intent and purpose of H.B. No. 3429, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3429, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Kobayashi, B., McCartney and Koki.

SCRep. 2967 Planning, Land and Water Use Management on S.C.R. No. 60

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to acquire by purchase or by swap, designated properties along the Wailua River.

Your Committee finds that the private land sought for purchase has been used since 1990 for Hawaiian canoe racing and paddling. These properties are for sale and are valued at approximately \$450,000. Your Committee further finds the

DLNR already owns land on either side of these parcels, hence acquisition of these lands would link together state lands and would preserve that land for future canoeing activities on Kauai.

Your Committee has amended this concurrent resolution by substituting the term "exchange" for "swap," and by providing that any exchange shall not involve ceded lands, to satisfy the concerns of the DLNR that the corpus of the ceded lands trust be preserved.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 60, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 60, S.D. 1.

Signed by all members of the Committee.

SCRep. 2968 Planning, Land and Water Use Management on S.C.R. No. 80

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to study the fairness of the voting system of land occupiers of soil and water conservation districts.

This concurrent resolution also asks the Department of the Attorney General (AG) for a legal opinion on this issue.

Your Committee finds that questions have been raised regarding the constitutionality and fairness of the present voting system, where large land occupiers appear to have a greater voice in representation because of their vote entitlement than small farmers or homesteaders. A DLNR study and an AG legal opinion should resolve these questions.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 80 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 2969 Planning, Land and Water Use Management on SR. No. 59

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to study the fairness of the voting system of land occupiers of soil and water conservation districts.

This resolution also asks the Department of the Attorney General (AG) for a legal opinion on this issue.

Your Committee finds that questions have been raised regarding the constitutionality and fairness of the present voting system, where large land occupiers appear to have a greater voice in representation because of their vote entitlement than small farmers or homesteaders. A DLNR study and an AG legal opinion should resolve these questions.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 59 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 2970 Planning, Land and Water Use Management on S.C.R. No. 239

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to acquire lands in Pahoia, Hawaii, for community use through land exchange.

Your Committee finds that Pahoia needs adequate community space for recreation, community gatherings, and general social interaction. Strategically developed common areas in neighborhoods enable community members to establish their own special sense of the neighborhood by encouraging residents to become involved in community problems, issues, and cultural affairs. Your Committee further finds that the subject property is currently owned privately and is in commercial use but would be ideal for community use if converted to public land.

Your Committee has amended this concurrent resolution to address the DLNR's concern that the corpus of the ceded lands trust could be diminished in this exchange because of the possible desire for revenue producing properties. Accordingly, your Committee has added a provision that no ceded lands shall be involved in this exchange.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 239, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 239, S.D. 1.

Signed by all members of the Committee.

SCRep. 2971 Planning, Land and Water Use Management on S.R. No. 192

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to acquire lands in Pahoia, Hawaii, for community use through land exchange.

Your Committee finds that Pahoia needs adequate community space for recreation, community gatherings, and general social interaction. Strategically developed common areas in neighborhoods enable community members to establish their own special sense of the neighborhood by encouraging residents to become involved in community problems, issues, and cultural affairs. Your Committee further finds that the subject property is currently owned privately and is in commercial use but would be ideal for community use if converted to public land.

Your Committee has amended this resolution to address the DLNR's concern that the corpus of the ceded lands trust could be diminished in this exchange because of the possible desire for revenue producing properties. Accordingly, your Committee has added a provision that no ceded lands shall be involved in this exchange.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 192, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 192, S.D. 1.

Signed by all members of the Committee.

SCRep. 2972 Planning, Land and Water Use Management on S.C.R. No. 273

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to acquire or lease land in Kapolei, Oahu, to build a new State Office Building.

Your Committee finds that Kapolei is Oahu's "Second City," and as such it should have a state office building. Your Committee agrees that the State should proceed immediately to acquire or to lease land to construct a building and that the public-private lease/purchase agreement as proposed by this concurrent resolution will expedite that effort.

Your Committee has amended the concurrent resolution to make nonsubstantive technical changes for purposes of clarity.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 273, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 273, S.D. 1.

Signed by all members of the Committee.

SCRep. 2973 Planning, Land and Water Use Management on S.R. No. 220

The purpose of this resolution is to request the Department of Accounting and General Services to acquire or lease land in Kapolei, Oahu, to build a new State Office Building.

Your Committee finds that Kapolei is Oahu's "Second City," and as such it should have a state office building. Your Committee agrees that the State should proceed immediately to acquire or to lease land to construct a building and that the public-private lease/purchase agreement as proposed by this resolution will expedite that effort.

Your Committee has amended the resolution to make nonsubstantive technical changes for purposes of clarity.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 220, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 220, S.D. 1.

Signed by all members of the Committee.

SCRep. 2974 Planning, Land and Water Use Management on S.C.R. No. 277

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to continue to provide waivers and deferrals for lease rent payments to commercial lessees of state lands still affected by Hurricane Iniki.

Your Committee finds that the waivers and deferrals for lease rents granted by the DLNR following Hurricane Iniki have been beneficial to small business lessees and should be continued to augment the economic recovery of Kauai, because small businesses form the backbone of the Kauai economy.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 277 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2975 Planning, Land and Water Use Management on S.R. No. 224

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to continue to provide waivers and deferrals for lease rent payments to commercial lessees of state lands still affected by Hurricane Iniki.

Your Committee finds that the waivers and deferrals for lease rents granted by the DLNR following Hurricane Iniki have been beneficial to small business lessees and should be continued to augment the economic recovery of Kauai, because small businesses form the backbone of the Kauai economy.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 224 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 2976 Health on S.C.R. No. 58

The purpose of this concurrent resolution is to support the expansion of the Food Safety Consultative and Education Program of the Department of Health.

Your Committee finds that the Food Safety Consultative and Education Program, through workshops and seminars, has assisted countless food handlers and food service industry managers in preventing foodborne diseases. This concurrent resolution requests the Department of Health to submit a report on the additional funding required to permit this program to add the needed advisors and program managers to administer and direct activities.

Testimony in support of this concurrent resolution was received from the Director of Health and the Hawaii Food Industry Association.

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. 2977 Health on S.C.R. No. 85

The purpose of this concurrent resolution is to request the Auditor to perform a sunrise review of the regulation of respiratory care practitioners and examine the effects of regulating the practice of respiratory therapy and the form of such regulation.

Your Committee finds that there is no statewide standard for the practice of respiratory care, although respiratory care providers operate sophisticated life support systems. Incorrect use of respiratory systems can result in prolonged hospitalization or death, and some respiratory systems are used in a patient's home. This concurrent resolution will provide the groundwork for regulating and licensing respiratory therapy professionals.

Testimony in support of this concurrent resolution was received from the Department of Commerce and Consumer Affairs, the Kapiolani Community College, the Hawaii Society for Respiratory Care, and the Queen's Medical Center.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 85 and recommends that it be referred to the Committee on Consumer Protection.

Signed by all members of the Committee.

SCRep. 2978 Health on S.C.R. No. 132

The purpose of this concurrent resolution is to request the Department of Health (DOH) to comply with the recommendations of the Auditor's report, entitled "Audit of the STD/AIDS Prevention Program in the Department of Health."

Your Committee finds that the Auditor's report indicates that the STD/AIDS program lacks consistent leadership and direction, and timely execution and monitoring of purchase of service contracts. The Auditor recommends that the program hire a permanent STD/AIDS Prevention Branch Chief to ensure organization and to improve the administration of purchase of service contracts.

Testimony in support of this concurrent resolution was received from the Director of Health.

Your Committee has amended this concurrent resolution by adding that the DOH has already implemented the major recommendations of the Auditor's report, and that the DOH report to the legislature any additional resources required to fulfill the Auditor's recommendations.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 132, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 132, S.D. 1.

Signed by all members of the Committee.

SCRep. 2979 Health on S.R. No. 101

The purpose of this resolution is to request the Department of Health (DOH) to comply with the recommendations of the Auditor's report, entitled "Audit of the STD/AIDS Prevention Program in the Department of Health."

Your Committee finds that the Auditor's report indicates that the STD/AIDS program lacks consistent leadership and direction, and timely execution and monitoring of purchase of service contracts. The Auditor recommends that the program hire a permanent STD/AIDS Prevention Branch Chief to ensure organization and to improve the administration of purchase of service contracts.

Testimony in support of this resolution was received from the Director of Health.

Your Committee has amended this resolution by adding that the DOH has already implemented the major recommendations of the Auditor's report, and that the DOH report to the legislature any additional resources required to fulfill the Auditor's recommendations.

Your Committee on Health 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. 2980 Health on S.C.R. No. 149

The purpose of this concurrent resolution is to provide more support to children with cancer by requesting the Department of Health to review its eligibility criteria for the Children with Special Needs Program, improve its informational and referral services, ensure uniform health coverage under Health QUEST, and survey insurance coverage for the families.

Your Committee finds that treating children with cancer must also involve support for the children's families. Physically, psychologically, spiritually, and financially, childhood cancer is a devastating experience for both the child and the child's family. In many cases, families of cancer patients resort to some form of fundraising to cover nonreimbursed expenses. This concurrent resolution will serve as a catalyst for further discussion to address the medical and financial needs of children with cancer.

Testimony in support of this concurrent resolution was received from the Director of Health, the Commission on Persons with Disabilities, and Kapiolani Medical Center.

Your Committee has amended this concurrent resolution by:

- (1) Requiring the Department to consult with Kapiolani Medical Center for Women and Children, the Hawaii Children's Cancer Foundation, and the Department of Human Services to carry out the purposes of this concurrent resolution;
- (2) Deleting the survey of health care providers relating to coverage, and replacing it with a survey of the families of children with cancer to determine gaps in their health care coverage; and
- (3) Requiring transmittal of certified copies of this concurrent resolution to the Director of Human Services, the Director of Kapiolani Medical Center for Women and Children, and the Director of the Hawaii Children's Cancer Foundation.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 149, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 149, S.D. 1.

Signed by all members of the Committee.

SCRep. 2981 Health on S.R. No. 114

The purpose of this resolution is to provide more support to children with cancer by requesting the Department of Health to review its eligibility criteria for the Children with Special Needs Program, improve its informational and referral services, ensure uniform health coverage under Health QUEST, and survey insurance coverage for the families.

Your Committee finds that treating children with cancer must also involve support for the children's families. Physically, psychologically, spiritually, and financially, childhood cancer is a devastating experience for both the child and the child's family. In many cases, families of cancer patients resort to some form of fundraising to cover nonreimbursed expenses. This resolution will serve as a catalyst for further discussion to address the medical and financial needs of children with cancer.

Testimony in support of this resolution was received from the Director of Health, the Commission on Persons with Disabilities, and Kapiolani Medical Center.

Your Committee has amended this resolution by:

- (1) Requiring the Department to consult with Kapiolani Medical Center for Women and Children, the Hawaii Children's Cancer Foundation, and the Department of Human Services to carry out the purposes of this resolution;
- (2) Deleting the survey of health care providers relating to coverage, and replacing it with a survey of the families of children with cancer to determine gaps in their health care coverage; and
- (3) Requiring transmittal of certified copies of this resolution to the Director of Human Services, the Director of Kapiolani Medical Center for Women and Children, and the Director of the Hawaii Children's Cancer Foundation.

Your Committee on Health 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.

SCRep. 2982 Health on S.C.R. No. 246

The purpose of this concurrent resolution is to clarify that appropriations made under HTH530 to the Department of Health for "family health services" under Act 296, Act 300, and Act 289, Session Laws of Hawaii, 1991, 1992, and 1993, respectively, include funding which is available only for the broad range of child abuse and neglect prevention activities.

Your Committee finds that although appropriations in 1991, 1992, and 1993 were made for "family health services," none of the funds were "available only for the broad range of child abuse and neglect prevention activities" as required by the federal Child Abuse Prevention and Treatment Act to receive federal matching funds. As a result, the National Center on Child Abuse and Neglect determined that Hawaii was not eligible for the twenty-five percent matching money. This

concurrent resolution clarifies that the appropriations were intended to conform to federal law to qualify the State to receive federal matching funds.

Testimony in support of this concurrent resolution was received from the Director of Health.

Your Committee has adopted the recommendations of the Director of Health and has amended this concurrent resolution to include the amounts designated for the Healthy Start Program so that it will also qualify for federal matching funds. Your Committee also made technical amendments which have no substantive effect.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 246, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.C.R. No. 246, S.D. 1.

Signed by all members of the Committee.

SCRep. 2983 Health on S.R. No. 199

The purpose of this resolution is to clarify that appropriations made under HTH530 to the Department of Health for "family health services" under Act 296, Act 300, and Act 289, Session Laws of Hawaii, 1991, 1992, and 1993, respectively, include funding which is available only for the broad range of child abuse and neglect prevention activities.

Your Committee finds that although appropriations in 1991, 1992, and 1993 were made for "family health services," none of the funds were "available only for the broad range of child abuse and neglect prevention activities" as required by the federal Child Abuse Prevention and Treatment Act to receive federal matching funds. As a result, the National Center on Child Abuse and Neglect determined that Hawaii was not eligible for the twenty-five percent matching money. This resolution clarifies that the appropriations were intended to conform to federal law to qualify the State to receive federal matching funds.

Testimony in support of this resolution was received from the Director of Health.

Your Committee has adopted the recommendations of the Director of Health and has amended this resolution to include the amounts designated for the Healthy Start Program so that it will also qualify for federal matching funds. Your Committee also made technical amendments which have no substantive effect.

Your Committee on Health concurs with the intent and purpose of S.R. No. 199, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.R. No. 199, S.D. 1.

Signed by all members of the Committee.

SCRep. 2984 Science, Technology and Economic Development on S.C.R. No. 59

The purpose of this concurrent resolution is to request the public utilities commission to conduct a full financial and management audit of GTE Hawaiian Tel, including its regulated and unregulated activities, over the period from 1990 through 1993, to determine whether it has received moneys in excess of amounts allowable as a fair rate of return.

Your Committee finds that serious allegations have been raised by the Consumer Advocate regarding GTE Hawaiian Tel's overearnings, the diversion of certain of its revenues to its parent corporation, and the inappropriate allocation of other revenues. Furthermore, your Committee received testimony that GTE Hawaiian Tel has failed to provide consistent, adequate service to some parts of the State.

Your Committee also finds that GTE Hawaiian Tel has requested approval from the public utilities commission of a substantial revenue increase that would raise basic residential rates from sixty-two per cent on Oahu to one hundred thirty-seven per cent on Lanai. Accordingly, your Committee believes that a full financial and management audit of GTE Hawaiian Tel's entire operations is necessary to protect the interests of telephone ratepayers.

Your Committee has amended this concurrent resolution by:

- (1) Adding language on page 3, lines 28-29, to clarify that at issue is whether money received from regulated operations were in excess of the amounts allowable as a fair rate of return on investments dedicated to regulated activities;
- (2) Clarifying that a team of consultants be hired to conduct the audit;
- (3) Specifying that the audit focus on the allocations of certain costs;
- (4) Requesting the consumer advocate to participate fully in the audit and represent the interests of the telephone ratepayers;
- (5) Adding that the public utilities commission submit any necessary proposed legislation with its final report to the Legislature;
- (6) Adding the Director of Commerce and Consumer Affairs and the President and Chief Executive Officer of GTE Hawaiian Tel and of its parent company to the list of persons to whom the resolution should be transmitted; and
- (7) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Science, Technology, and Economic Development concurs with the intent and purpose of S.C.R. No. 59, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 59, S.D. 1.

Signed by all members of the Committee except Senator Fukunaga.

SCRep. 2985 Science, Technology and Economic Development on S.R. No. 47

The purpose of this resolution is to request the public utilities commission to conduct a full financial and management audit of GTE Hawaiian Tel, including its regulated and unregulated activities, over the period from 1990 through 1993, to determine whether it has received moneys in excess of amounts allowable as a fair rate of return.

Your Committee finds that serious allegations have been raised by the Consumer Advocate regarding GTE Hawaiian Tel's overearnings, the diversion of certain of its revenues to its parent corporation, and the inappropriate allocation of other revenues. Furthermore, your Committee received testimony that GTE Hawaiian Tel has failed to provide consistent, adequate service to some parts of the State.

Your Committee also finds that GTE Hawaiian Tel has requested approval from the public utilities commission of a substantial revenue increase that would raise basic residential rates from sixty-two per cent on Oahu to one hundred thirty-seven per cent on Lanai. Accordingly, your Committee believes that a full financial and management audit of GTE Hawaiian Tel's entire operations is necessary to protect the interests of telephone ratepayers.

Your Committee has amended this resolution by:

- (1) Adding language on page 3, lines 28-29, to clarify that at issue is whether money received from regulated operations were in excess of the amounts allowable as a fair rate of return on investments dedicated to regulated activities;
- (2) Clarifying that a team of consultants be hired to conduct the audit;
- (3) Specifying that the audit focus on the allocations of certain costs;
- (4) Requesting the consumer advocate to participate fully in the audit and represent the interests of the telephone ratepayers;
- (5) Adding that the public utilities commission submit any necessary proposed legislation with its final report to the Legislature;
- (6) Adding the Director of Commerce and Consumer Affairs and the President and Chief Executive Officer of GTE Hawaiian Tel and of its parent company to the list of persons to whom the resolution should be transmitted; and
- (7) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Science, Technology, and Economic Development concurs with the intent and purpose of S.R. No. 47, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 47, S.D. 1.

Signed by all members of the Committee except Senator Fukunaga.

SCRep. 2986 (Joint) Transportation and Higher Education, Culture and Arts and Historic Preservation on S.C.R. No. 17

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to issue a lease for the private development of certain fast and submerged lands at Kawaihae, Hawaii, for marina purposes.

Your Committees find that of the 341 applications awaiting berthing or mooring facilities on the Big Island, 329 of the applications are for facilities on the western shore where Kawaihae Harbor is located. Your Committees also find that development objectives for Kawaihae Harbor, including the optimization of ocean recreational opportunities, the use of private sector funds to implement the recommendations of an updated plan, and the generation of revenues for the State have been authorized by Section 301 of the River and Harbor Act of 18 October 1965. Further, your Committees find that leasing the fast and submerged lands along Kawaihae to develop a marina first requires approval of the Governor and the Legislature by concurrent resolution before the Board of Land and Natural Resources may lease the lands to a private developer.

Your Committees on Transportation and Higher Education, Culture and Arts and Historic Preservation concur with the intent and purpose of S.C.R. No. 17, and recommend that it be referred to the Committee on Planning, Land and Water Use Management.

Signed by all members of the Committees.

SCRep. 2987 (Joint) Health and Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 169

The purpose of this concurrent resolution is to request the Governor to convene a task force of members from the medical and business community, the health industry, the University to Hawaii School of Medicine, and other state

agencies, to address the economic feasibility of a world class medical center in Hawaii, survey similar facilities, and make projections on its usage.

Your Committees find that health care is the third largest industry in Hawaii. With Hawaii's unique geographic location and interracial population, this State has a great potential to market its health care programs to Asian countries. Several major health care facilities on the mainland have already spent considerable time and effort in attracting patients from Asia and the Pacific Rim. The establishment of a world class health care facility in Hawaii would also create jobs and improve access to health care. This concurrent resolution would establish the groundwork for the creation of a world class medical center to serve the health needs of Asia and the Pacific Rim.

Testimony in support of this concurrent resolution was received from the Director of Health, the Hawaii Nurses' Association, and the Hawaii Visitors Bureau.

Your Committees have adopted the recommendations of the Hawaii Nurses' Association and have amended this concurrent resolution by:

- (1) Including nurses and nurse educators to the membership of the task force;
- (2) Including those patients in need of nursing care or specific nursing intervention as subjects of the task force investigation;
- (3) Including the role of the University of Hawaii School of Nursing in the recommendations by the task force;
- (4) Including representatives from the State Health Planning and Development Agency to the membership of the task force; and
- (5) Transmitting a certified copy of this concurrent resolution to the Dean of the College of Nursing at the University of Hawaii.

Your Committees have also amended this concurrent resolution by removing references to Kapolei as a designated site for the medical center and by making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committees on Health and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of S.C.R. No. 169, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 169, S.D. 1.

Signed by all members of the Committees.

SCRep. 2988 (Joint) Health and Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 129

The purpose of this resolution is to request the Governor to convene a task force of members from the medical and business community, the health industry, the University to Hawaii School of Medicine, and other state agencies, to address the economic feasibility of a world class medical center in Hawaii, survey similar facilities, and make projections on its usage.

Your Committees find that health care is the third largest industry in Hawaii. With Hawaii's unique geographic location and interracial population, this State has a great potential to market its health care programs to Asian countries. Several major health care facilities on the mainland have already spent considerable time and effort in attracting patients from Asia and the Pacific Rim. The establishment of a world class health care facility in Hawaii would also create jobs and improve access to health care. This resolution would establish the groundwork for the creation of a world class medical center to serve the health needs of Asia and the Pacific Rim.

Testimony in support of this resolution was received from the Director of Health, the Hawaii Nurses' Association, and the Hawaii Visitors Bureau.

Your Committees have adopted the recommendations of the Hawaii Nurses' Association and have amended this resolution by:

- (1) Including nurses and nurse educators to the membership of the task force;
- (2) Including those patients in need of nursing care or specific nursing intervention as subjects of the task force investigation;
- (3) Including the role of the University of Hawaii School of Nursing in the recommendations by the task force;
- (4) Including representatives from the State Health Planning and Development Agency to the membership of the task force; and
- (5) Transmitting a certified copy of this resolution to the Dean of the College of Nursing at the University of Hawaii.

Your Committees have also amended this resolution by removing references to Kapolei as a designated site for the medical center and by making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committees on Health and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of S.R. No. 129, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 129, S.D. 1.

Signed by all members of the Committees.

SCRep. 2989 Transportation on S.C.R. No. 171

The purpose of this concurrent resolution is to request the Auditor to conduct a management audit of the administrative staff offices of the Department of Transportation (DOT) and to report to the 1995 Regular Legislative Session.

Your Committee finds that the DOT administrative staff offices oversee all the activities of the DOT, including those conducted by the Divisions of Airports, Harbors, and Highways. Your Committee also finds that the competent and efficient administration and management of the DOT, along with its divisions, are vital to both the acquisition and effective use of available funds.

Your Committee has amended this concurrent resolution by adding language to request the Auditor to conduct an examination of the program administration practices.

Your Committee has also deleted the request for the Auditor to examine the fiscal accounting and reporting policies and practices.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 171, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 171, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 2990 Transportation on S.C.R. No. 213

The purpose of this concurrent resolution is to request the Department of Transportation to examine ways that the land between and surrounding highway interchanges and intersections can be beautified.

Your Committee finds that land between and surrounding highway interchanges are often visually unappealing due to lack of maintenance and landscaping. Improving the visual landscape will benefit the general public. Alternatively, such land can be utilized for research purposes and nurseries.

Therefore, your Committee believes it worthwhile to study the feasibility of making productive and aesthetic use of land between and surrounding interchanges and intersections.

Your Committee has amended this concurrent resolution by including land located under the highway interchanges for the study and has amended the title to reflect this change. Your Committee has also made several technical changes which have no substantive effect.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 213, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 213, S.D. 1.

Signed by all members of the Committee except Senators Nakasato and Tungpalan.

SCRep. 2991 Transportation on S.R. No. 171

The purpose of this resolution is to request the Department of Transportation to examine ways that the land between and surrounding highway interchanges and intersections can be beautified.

Your Committee finds that land between and surrounding highway interchanges are often visually unappealing due to lack of maintenance and landscaping. Improving the visual landscape will benefit the general public. Alternatively, such land can be utilized for research purposes and nurseries.

Therefore, your Committee believes it worthwhile to study the feasibility of making productive and aesthetic use of land between and surrounding interchanges and intersections.

Your Committee has amended this resolution by including land located under the highway interchanges for the study and has amended the title to reflect this change. Your Committee has also made several technical changes which have no substantive effect.

Your Committee on Transportation 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 Nakasato.

SCRep. 2992 Transportation on S.C.R. No. 276

The purpose of this concurrent resolution is to request the Department of Transportation to study the feasibility of demolishing the old Anahola Stream Bridge.

Your Committee finds that according to the Governor's Task Force on the disaster caused by heavy rainfall on the island of Kauai on December 13 and 14, the old and abandoned Anahola Stream Bridge is a safety hazard and should be

removed. Your Committee also finds that pedestrians currently utilize the old Anahola Bridge to access the Department of Hawaiian Home Lands (DHHL) properties and may have access problems should the old bridge be destroyed.

Therefore, your Committee believes that a feasibility study is necessary to ascertain the cost of removing the old Anahola Stream Bridge.

Your Committee has amended this concurrent resolution by acknowledging that the DHHL will support the demolition of the bridge if it is determined to be a safety hazard and alternative access to the Kapaa side of the Anahola Stream is provided.

Your Committee has further amended this concurrent resolution by requesting coordination and cooperation between the Department of Transportation and the State Department of Defense, DHHL, and the Department of Land and Natural Resources.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 276, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 276, S.D. 1.

Signed by all members of the Committee except Senators Nakasato and Tungpalan.

SCRep. 2993 Transportation on S.R. No. 223

The purpose of this resolution is to request the Department of Transportation to study the feasibility of demolishing the old Anahola Stream Bridge.

Your Committee finds that according to the Governor's Task Force on the disaster caused by heavy rainfall on the island of Kauai on December 13 and 14, the old and abandoned Anahola Stream Bridge is a safety hazard and should be removed. Your Committee also finds that pedestrians currently utilize the old Anahola Bridge to access the Department of Hawaiian Home Lands (DHHL) properties and may have access problems should the old bridge be destroyed.

Therefore, your Committee believes that a feasibility study is necessary to ascertain the cost of removing the old Anahola Stream Bridge.

Your Committee has amended this resolution by acknowledging that the DHHL will support the demolition of the bridge if it is determined to be a safety hazard and alternative access to the Kapaa side of the Anahola Stream is provided.

Your Committee has further amended this resolution by requesting coordination and cooperation between the Department of Transportation and the State Department of Defense, DHHL, and the Department of Land and Natural Resources.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 223, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 223, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 2994 Transportation on S.R. No. 147

The purpose of this resolution is to request the Hawaii State Senate Standing Committee on Transportation to examine the adequacy of water transportation services to meet existing and future needs of the State for interisland and overseas movement of passengers and cargo.

Your Committee finds that water transportation, the sole alternative to air travel, has historically been more reliable than air travel for transporting cargo. Your Committee further finds that sufficient efforts have not been made in developing Hawaii's water transportation services to facilitate the rapid, safe, and economical movement of people and goods, especially since various types of water vessels are available.

Your Committee has amended this resolution by making several stylistic changes and by limiting reference to interisland travel and transport. The title of the resolution was amended to reflect this change.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 147, as amended herein, and recommends its adoption in the form attached hereto as S.R. NO. 147, S.D. 1.

Signed by all members of the Committee.

SCRep. 2995 Transportation on S.C.R. No. 275

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to evaluate the "design and build" concept for selected highways projects.

Your Committee finds that the "design and build" concept envisions a single contractor engaged to design and construct a selected highway project. Used successfully in other states and Europe, your Committee finds that the "design and build" concept could result in expedient and efficient construction of highway projects at reduced costs and without sacrificing quality.

Your Committee further finds that undertaking a trial/demonstration of a "design and build" project during the DOT study and evaluation period would enhance the DOT's understanding of the feasibility of "design and build."

Your Committee has amended this concurrent resolution by requesting the DOT to provide progress reports to the 1995 and 1996 Legislatures in addition to the final report deadline of prior to the convening of the 1997 Session.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 275, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 275, S.D. 1.

Signed by all members of the Committee except Senator Tungpalan.

SCRep. 2996 Transportation on S.R. No. 222

The purpose of this resolution is to request the Department of Transportation (DOT) to evaluate the "design and build" concept for selected highways projects.

Your Committee finds that the "design and build" concept envisions a single contractor engaged to design and construct a selected highway project. Used successfully in other states and Europe, your Committee finds that the "design and build" concept could result in expedient and efficient construction of highway projects at reduced costs and without sacrificing quality.

Your Committee further finds that undertaking a trial/demonstration of a "design and build" project during the DOT study and evaluation period would enhance the DOT's understanding of the feasibility of "design and build."

Your Committee has amended this resolution by requesting the DOT to provide progress reports to the 1995 and 1996 Legislatures in addition to the final report deadline of prior to the convening of the 1997 Session.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 222, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 222, S.D. 1.

Signed by all members of the Committee.

SCRep. 2997 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 237

The purpose of this concurrent resolution is to request the City and County of Honolulu to expeditiously clear its present baseyard operations from the Kakaako Peninsula and Kokea Street areas.

Your Committee finds that the State has proceeded with its plans to expand the Kakaako Waterfront Park Area to construct a Children's Museum in the area currently occupied by a City Baseyard. In the Kokea Street Baseyard area, the State has also moved forward with its plans to construct a new science and technology building and a child care training facility for the Honolulu Community College.

However, your Committee also finds that negotiations for the relocation of the City's baseyards from these areas have been ongoing for the past ten years, and although the City has expressed intent to relocate its baseyards, it has yet to commit any meaningful funding for the relocation projects.

Your Committee has also learned that since the introduction of this concurrent resolution, negotiations have progressed between the City and the State regarding the relocation of the baseyards.

Therefore, your Committee has amended the concurrent resolution by amending the "Be It Resolved" clause to reflect the possibility of the State and the City coming to a timely agreement on the relocation of the baseyards to Sand Island.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 237, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 237, S.D. 1.

Signed by all members of the Committee except Senator Tungpalan.

SCRep. 2998 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 190

The purpose of this resolution is to request the City and County of Honolulu to expeditiously clear its present baseyard operations from the Kakaako Peninsula and Kokea Street areas.

Your Committee finds that the State has proceeded with its plans to expand the Kakaako Waterfront Park Area to construct a Children's Museum in the area currently occupied by a City Baseyard. In the Kokea Street Baseyard area, the State has also moved forward with its plans to construct a new science and technology building and a child care training facility for the Honolulu Community College.

However, your Committee also finds that negotiations for the relocation of the City's baseyards from these areas have been ongoing for the past ten years, and although the City has expressed intent to relocate its baseyards, it has yet to commit any meaningful funding for the relocation projects.

Your Committee has also learned that since the introduction of this resolution, negotiations have progressed between the City and the State regarding the relocation of the baseyards.

Therefore, your Committee has amended the resolution by amending the "Be It Resolved" clause to reflect the possibility of the State and the City coming to a timely agreement on the relocation of the baseyards to Sand Island.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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 Senator Tungpalan.

SCRep. 2999 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment on S.C.R. No. 3

The purpose of this concurrent resolution is to request the State to reinvest state moneys into South African investments.

Your Committees find that because of the South African national policy of apartheid, the United States and its states have imposed trade sanctions and other restrictions to exert pressure on the South African government to overturn such policy. Your Committees further find that as of April 1994, the Republic of South Africa has scheduled elections which will establish a democratic government, thereby recognizing the right of all citizens to participate in their government. Therefore, your Committees agree that economic sanctions should be lifted to ease the impact of such sanctions on that country's economy.

Testimony in support of this concurrent resolution was submitted by the Office of International Relations and the Employees' Retirement System.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment concur with the intent and purpose of S.C.R. No. 3 and recommend that it be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Tungpalan and McCartney.

SCRep. 3000 Human Services on S.C.R. No. 146

The purpose of this concurrent resolution is to encourage all state employees to participate in the State Employees' Food Drive by donating food or cash.

Your Committee finds that the annual drive to replenish assets of the Hawaii Foodbank is one of the most worthwhile projects to alleviate hunger, the most pressing and immediate need of less fortunate individuals and families.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 146 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3001 Higher Education, Culture and Arts and Historic Preservation on S.C.R. No. 100

The purpose of this concurrent resolution is to request the University of Hawaii Board of Regents to review Project Ma'alo and recommend whether it should be established at the University of Hawaii at Hilo or elsewhere.

Project Ma'alo was proposed in 1989 to promote the protection, registration, and inventory of privately held artifacts of the Pacific in direct response to the need for greater cultural awareness throughout Hawaii, the Polynesian Triangle, and the Pacific Rim.

Your Committee finds that the University of Hawaii-Hilo has a strong Hawaiian language and culture emphasis, and it may be a prime location for the establishment of Project Ma'alo. Thus, your Committee believes that an investigation is warranted into the feasibility of establishing the project at the University of Hawaii-Hilo.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 100 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3002 Higher Education, Culture and Arts and Historic Preservation on S.R. No. 73

The purpose of this resolution is to request the University of Hawaii Board of Regents to review Project Ma'alo and recommend whether it should be established at the University of Hawaii at Hilo or elsewhere.

Project Ma'alo was proposed in 1989 to promote the protection, registration, and inventory of privately held artifacts of the Pacific in direct response to the need for greater cultural awareness throughout Hawaii, the Polynesian Triangle, and the Pacific Rim.

Your Committee finds that the University of Hawaii-Hilo has a strong Hawaiian language and culture emphasis, and it may be a prime location for the establishment of Project Ma'alo. Thus, your Committee believes that an investigation is warranted into the feasibility of establishing the project at the University of Hawaii-Hilo.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 73 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3003 Higher Education, Culture and Arts and Historic Preservation on S.C.R. No. 179

The purpose of this concurrent resolution is to request the University of Hawaii (UH) and the Research Corporation of the University of Hawaii (RCUH) to follow the recommendations contained in the Auditor's report, "Audit of the Research Corporation of the University of Hawaii."

That report states that RCUH is an independent organization operating with little accountability to the UH to which it is administratively attached. As the report points out, the UH has not defined its control over RCUH, and yet it is held responsible to the federal government for any deficiencies in RCUH grants. The Auditor emphasizes that the UH's lack of clearly defined responsibilities has caused RCUH problems such as jeopardizing federal funding and allowing for inappropriate contracts with state agencies for the sake of expediency.

The Auditor's report recommends that the UH provide a report to the Legislature on implementation of the reorganization of the relationship between RCUH and the UH. The report further recommends that RCUH develop clear policies regarding acceptance of State projects, proper internal controls, and formal policies for management fees that are assessed to State agencies. The report also requests the Governor to develop policies guiding State agencies' use of RCUH.

In light of the supporting testimony received by the Hawaii Government Employees Association (HGEA), your Committee has amended this concurrent resolution to include a request for the UH to confer with the HGEA and the United Public Workers Union in developing clear policies, criteria, and guidelines for the contracting of the out-service personnel positions of RCUH. Your Committee has also amended this concurrent resolution to request RCUH to report its progress to the 1995 Legislature. Your Committee also made technical changes which have no substantive effect.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 179, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 179, S.D. 1.

Signed by all members of the Committee.

SCRep. 3004 Higher Education, Culture and Arts and Historic Preservation on S.R. No. 139

The purpose of this resolution is to request the University of Hawaii (UH) and the Research Corporation of the University of Hawaii (RCUH) to follow the recommendations contained in the Auditor's report, "Audit of the Research Corporation of the University of Hawaii."

That report states that RCUH is an independent organization operating with little accountability to the UH to which it is administratively attached. As the report points out, the UH has not defined its control over RCUH, and yet it is held responsible to the federal government for any deficiencies in RCUH grants. The Auditor emphasizes that the UH's lack of clearly defined responsibilities has caused RCUH problems such as jeopardizing federal funding and allowing for inappropriate contracts with state agencies for the sake of expediency.

The Auditor's report recommends that the UH provide a report to the Legislature on implementation of the reorganization of the relationship between RCUH and the UH. The report further recommends that RCUH develop clear policies regarding acceptance of State projects, proper internal controls, and formal policies for management fees that are assessed to State agencies. The report also requests the Governor to develop policies guiding State agencies' use of RCUH.

In light of the supporting testimony received by the Hawaii Government Employees Association (HGEA), your Committee has amended this resolution to include a request for the UH to confer with the HGEA and the United Public Workers Union in developing clear policies, criteria, and guidelines for the contracting of the out-service personnel positions of RCUH. Your Committee has also amended this resolution to request RCUH to report its progress to the 1995 Legislature. Your Committee also made technical changes which have no substantive effect.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 139, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 139, S.D. 1.

Signed by all members of the Committee.

SCRep. 3005 Higher Education, Culture and Arts and Historic Preservation on S.C.R. No. 165

The purpose of this concurrent resolution is to urge the University of Hawaii to establish a physician assistant program at the School of Public Health to prepare physician assistants to provide primary care in Hawaii.

Your Committee finds that currently there is a shortage of qualified physician assistants in the State. Although Hawaii statutes provide for the licensing and practice of physician assistants, the University of Hawaii does not have a degree program for physician assistants. Your Committee further finds that establishing a physician assistant program would benefit the people of Hawaii by supplying medical practitioners who are needed in the rural communities.

Testimony in support of this concurrent resolution was submitted by the University of Hawaii and the Hawaii Academy of Physician Assistants.

In light of the testimony submitted by the Hawaii Academy of Physician Assistants, your Committee has amended this concurrent resolution by clarifying that physician assistants work under physician supervision.

Your Committee on Higher Education, Culture and Arts and Historic Preservation 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. 3006 Executive Appointments on Gov. Msg. No. 163

Recommending that the Senate advise and consent to the nominations of ALTON KUIOKA and DONALD M. TAKAKI to the Convention Center Authority, terms to expire June 30, 1996.

Signed by all members of the Committee.

LCRep. 3007 Executive Appointments on Gov. Msg. No. 181

Recommending that the Senate advise and consent to the nominations of the following to the Hawaii Advisory Commission on Drug Abuse and Controlled Substances:

GABRIELLE B. BATZER and THOMAS H. KAAIAI, JR., terms to expire June 30, 1995; and

ANNA RILEY M. HORNE and VERONICA B. YAMANOHA, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3008 Executive Appointments on Gov. Msg. No. 182

Recommending that the Senate advise and consent to the nomination of JAMES K. ASATO to the Drug Product Selection Board, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3009 Executive Appointments on Gov. Msg. No. 184

Recommending that the Senate advise and consent to the nominations of LORRAINE H. AKIBA, LINDA KAWAI'ONO DELANEY and HENRY C.K. MAUNAKEA to the Environmental Council, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3010 Executive Appointments on Gov. Msg. No. 186

Recommending that the Senate advise and consent to the nomination of CAROL JEAN GILLILAND to the State Council on Mental Health, term to expire June 30, 1996.

Signed by all members of the Committee.

LCRep. 3011 Executive Appointments on Gov. Msg. No. 193

Recommending that the Senate advise and consent to the nomination of CARL K. KAIAMA to the Board of Certification of Operating Personnel in Water Treatment Plants, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3012 Executive Appointments on Gov. Msg. No. 216

Recommending that the Senate advise and consent to the nominations of ANTHONY S. AKAMINE, DEAN M. GEORGIEV, DONALD A. MEDEIROS, STEPHEN A. SCHER and HELEN S. YOUNG to the Commission on Persons with Disabilities, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3013 Executive Appointments on Gov. Msg. No. 217

Recommending that the Senate advise and consent to the nomination of AMY ESAKI to the Hawaii Advisory Commission on Drug Abuse and Controlled Substances, term to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 3014 Executive Appointments on Gov. Msg. No. 218

Recommending that the Senate advise and consent to the nominations of DIANE KOMENAKA, GERALDINE L. MASUNAGA, DAVID M. NELSON, ROBERT K. OVERLOCK, STEVEN L. SCHUMM and RANDOLPH K.M. WONG to the State Emergency Medical Services Advisory Committee, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3015 Executive Appointments on Gov. Msg. No. 219

Recommending that the Senate advise and consent to the nominations of JOHN J. ING, ALLAN R. KUNIMOTO and SHARON HANLEY VITOUSEK to the Board of Health, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3016 Executive Appointments on Gov. Msg. No. 220

Recommending that the Senate advise and consent to the nominations of the following to the Honolulu Subarea Health Planning Council:

AMOS S. KOTOMORI and TED SUBIA MINA, terms to expire June 30, 1996;

ROBERT Y. HEE and JOJI NOUCHI, terms to expire June 30, 1997; and

LANE K. UCHIMURA and MARK H. YAMAKAWA, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3017 Executive Appointments on Gov. Msg. No. 221

Recommending that the Senate advise and consent to the nominations of the following to the Central Oahu Subarea Health Planning Council:

BRIAN F. AHAKUELO and LENORA L. LORENZO, terms to expire June 30, 1997; and

AGNES E. PIGAO CADIZ and RICHARD F. KOLBE, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3018 Executive Appointments on Gov. Msg. No. 222

Recommending that the Senate advise and consent to the nominations of TERRY ANN JONES and JUANITA G. OCLARAY to the Waianae Coast Subarea Health Planning Council, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3019 Executive Appointments on Gov. Msg. No. 223

Recommending that the Senate advise and consent to the nominations of the following to the Windward Oahu Subarea Health Planning Council:

CHRISTOPHER G. PABLO and CLAUDINE MIKI TOMASA, terms to expire June 30, 1997; and

ANN M. DITZLER, LORETTA T. SCHULER and HARVEY W. SMITH, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3020 Executive Appointments on Gov. Msg. No. 224

Recommending that the Senate advise and consent to the nomination of JOHN R. LIPSCOMB to the Hawaii County Subarea Health Planning Council, term to expire June 30, 1996.

Signed by all members of the Committee.

LCRep. 3021 Executive Appointments on Gov. Msg. No. 225

Recommending that the Senate advise and consent to the nominations of the following to the Kauai County Subarea Health Planning Council:

LYNNE JOSEPH, term to expire June 30, 1995; and

JOSEPHINE C. DUVAUCHELLE and NANI LARSEN, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3022 Executive Appointments on Gov. Msg. No. 226

Recommending that the Senate advise and consent to the nominations of MARY M. HEW, KAREN M. HOLT, TERRY LEE POAIPUNI, GUY M. SUGINO and SHIRLEY K. TAKAHASHI to the Maui County Subarea Health Planning Council, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3023 Executive Appointments on Gov. Msg. No. 237

Recommending that the Senate advise and consent to the nominations of CLIFF K. CISCO, RODOLFO V. RAMOS and ELIZABETH ANNE TAGA to the County Public Health Facility Management Advisory Committee, City and County of Honolulu, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3024 Executive Appointments on Gov. Msg. No. 238

Recommending that the Senate advise and consent to the nominations of TSING Y. CANNON, WENDELL M. KELII and DEEN L. WONG to the County Public Health Facility Management Advisory Committee, County of Hawaii, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3025 Executive Appointments on Gov. Msg. No. 239

Recommending that the Senate advise and consent to the nominations of CORRADO A. ALTOMARE, M. JEAN ODO and ALAN T. TSUNODA to the County Public Health Facility Management Advisory Committee, County of Kauai, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3026 Executive Appointments on Gov. Msg. No. 240

Recommending that the Senate advise and consent to the nominations of GRANT Y.M. CHUN, STEVEN M. MOSER and ARNOLD JAMES PYLES to the County Public Health Facility Management Advisory Committee, County of Maui, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3027 Executive Appointments on Gov. Msg. No. 241

Recommending that the Senate advise and consent to the nominations of NICHOLAS JOHN GLADDIS and MARY E.C. OYADOMARI to the Radiologic Technology Board, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3028 Executive Appointments on Gov. Msg. No. 246

Recommending that the Senate advise and consent to the nominations of BYRON A. ELIASHOF and HELEN MAY SMALLEY-BOWER to the Reproductive Rights Protection Committee, terms to expire June 30, 1998.

Signed by all members of the Committee.

SCRep. 3029 (Joint) Planning, Land and Water Use Management and Science, Technology and Economic Development on S.C.R. No. 62

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to study the feasibility of establishing a Hawaii Energy Resources Conservation and Development Commission (Commission).

The Commission would be responsible for ensuring a reliable and affordable energy supply by conducting energy planning, establishing priorities, overseeing non-fossil fuel research and development, energy conservation programs, and improving the efficiency of the permit process for energy facilities development, all without compromise to environmental, social, and other community standards.

Your Committees find that creation of the Commission would emphasize the importance of state energy policies at the highest levels of state government by providing visibility to energy and conservation issues. Your Committees agree, however, that a comprehensive study should be undertaken to analyze the issues and determine the cost implications prior to establishing the Commission.

Your Committees have amended this concurrent resolution to provide comprehensiveness for the study by adding that the LRB seek input from a wide range of government, utility, and private concerns knowledgeable about this area.

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. 62, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 62, S.D. 1.

Signed by all members of the Committees.

SCRep. 3030 (Joint) Planning, Land and Water Use Management and Science, Technology and Economic Development on S.R. No. 49

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to study the feasibility of establishing a Hawaii Energy Resources Conservation and Development Commission (Commission).

The Commission would be responsible for ensuring a reliable and affordable energy supply by conducting energy planning, establishing priorities, overseeing non-fossil fuel research and development, energy conservation programs, and improving the efficiency of the permit process for energy facilities development, all without compromise to environmental, social, and other community standards.

Your Committees find that creation of the Commission would emphasize the importance of state energy policies at the highest levels of state government by providing visibility to energy and conservation issues. Your Committees agree, however, that a comprehensive study should be undertaken to analyze the issues and determine the cost implications prior to establishing the Commission.

Your Committees have amended this resolution to provide comprehensiveness for the study by adding that the LRB seek input from a wide range of government, utility, and private concerns knowledgeable about this area.

Your Committees on Planning, Land and Water Use Management and Science, Technology and Economic Development concur with the intent and purpose of S.R. No. 49, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 49, S.D. 1.

Signed by all members of the Committees.

SCRep. 3031 (Joint) Planning, Land and Water Use Management and Agriculture on S.C.R. No. 220

The purpose of this concurrent resolution is to request the Auditor to conduct a management audit of the aquaculture program of the Department of Land and Natural Resources (DLNR).

Currently, the State's aquaculture development program is under the jurisdiction of the DLNR, while the State's aquaculture loan program is under the jurisdiction of the Board of Agriculture. Your Committees find that after almost a decade of operation, a review of the aquaculture development program is warranted to ensure that it is fulfilling its mission and is poised to continue doing so in the future.

The DLNR submitted testimony indicating it has no objection to this concurrent resolution.

Your Committees on Planning, Land and Water Use Management and Agriculture concur with the intent and purpose of S.C.R. No. 220 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3032 (Joint) Planning, Land and Water Use Management and Agriculture on S.R. No. 177

The purpose of this resolution is to request the Auditor to conduct a management audit of the aquaculture program of the Department of Land and Natural Resources (DLNR).

Currently, the State's aquaculture development program is under the jurisdiction of the DLNR, while the State's aquaculture loan program is under the jurisdiction of the Board of Agriculture. Your Committees find that after almost a decade of operation, a review of the aquaculture development program is warranted to ensure that it is fulfilling its mission and is poised to continue doing so in the future.

The DLNR submitted testimony indicating it has no objection to this resolution.

Your Committees on Planning, Land and Water Use Management and Agriculture concur with the intent and purpose of S.R. No. 177 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees.

SCRep. 3033 Planning, Land and Water Use Management on S.C.R. No. 243

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to adopt the recommendations contained in the Auditor's Study of the Financing of the Small Boat Harbors and Boat Ramps Program of the Department of Land and Natural Resources.

Among the problems found by the study was program operations. The study recommended a more detailed budgeting and accounting system to reconcile internal collections records with the State's Financial Accounting and Management System (FAMIS) reports.

The DLNR testified in support of this measure, but noted that they are unable to comply with the recommendation to reconcile internal collection records with the State's Financial Accounting and Management System (FAMIS) reports, as those reports are available only for expenditures and not revenue collection. The DLNR also stated that it will be difficult to segregate accounting functions as recommended at branch offices manned by only one person who is responsible for all accounting and management functions at that location. The DLNR, however, expressed a willingness to implement alternative procedures and alternative measures to accomplish the intent and purpose of these recommendations, and requested that this concurrent resolution be amended to allow implementation of alternative procedures.

Your Committee has amended this concurrent resolution to permit the DLNR to implement alternative procedures to accomplish the intent of the Auditor's recommendations.

Your Committee on Planning, Land and Water Use Management 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. 3034 Planning, Land and Water Use Management on S.R. No. 196

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to adopt the recommendations contained in the Auditor's Study of the Financing of the Small Boat Harbors and Boat Ramps Program of the Department of Land and Natural Resources.

Among the problems found by the study was program operations. The study recommended a more detailed budgeting and accounting system to reconcile internal collections records with the State's Financial Accounting and Management System (FAMIS) reports.

The DLNR testified in support of this measure, but noted that they are unable to comply with the recommendation to reconcile internal collection records with the State's Financial Accounting and Management System (FAMIS) reports, as those reports are available only for expenditures and not revenue collection. The DLNR also stated that it will be difficult to segregate accounting functions as recommended at branch offices manned by only one person who is responsible for all accounting and management functions at that location. The DLNR, however, expressed a willingness to implement alternative procedures and alternative measures to accomplish the intent and purpose of these recommendations, and requested that this resolution be amended to allow implementation of alternative procedures.

Your Committee has amended this resolution to permit the DLNR to implement alternative procedures to accomplish the intent of the Auditor's recommendations.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 196, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 196, S.D. 1.

Signed by all members of the Committee.

SCRep. 3035 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 211

The purpose of this concurrent resolution is to allow energy efficient state agencies to retain the funds saved due to energy conservation practices.

Your Committee finds that the potential exists to reduce the State's electricity costs by approximately \$10 to \$20 million dollars per year if significant efforts are made to conserve energy. Your Committee believes that allowing state agencies to retain the moneys saved from energy conservation for their own program use will provide the necessary incentive for such energy savings.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 211 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Tungpalan and Solomon.

SCRep. 3036 Transportation on S.C.R. No. 25

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to halt construction of variable message signs on trans-Koolau feeder routes in Windward Oahu.

Your Committee finds that the DOT has installed variable message signs without holding public hearings to determine local public concerns and that several neighborhood boards, the Outdoor Circle, and private citizens have expressed concerns about the detriment to the environment and beauty of the area where the signs are placed. Your Committee also finds that the DOT did not conduct an environmental impact study on the effects of the variable message signs in the area, and that the Oahu Metropolitan Planning Organization recently voted to delete the variable message sign project from the State/County Transportation Improvement Program, thereby eliminating federal funding for the project.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 25, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 25, S.D. 1.

Signed by all members of the Committee except Senators Baker and Tungpalan.

SCRep. 3037 Transportation on S.R. No. 15

The purpose of this resolution is to request the Department of Transportation (DOT) to halt construction of variable message signs on trans-Koolau feeder routes in Windward Oahu.

Your Committee finds that the DOT has installed variable message signs without holding public hearings to determine local public concerns and that several neighborhood boards, the Outdoor Circle, and private citizens have expressed concerns about the detriment to the environment and beauty of the area where the signs are placed. Your Committee also finds that the DOT did not conduct an environmental impact study on the effects of the variable message signs in the area, and that the Oahu Metropolitan Planning Organization recently voted to delete the variable message sign project from the State/County Transportation Improvement Program, thereby eliminating federal funding for the project.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 15, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 15, S.D. 1.

Signed by all members of the Committee except Senators Baker and Tungpalan.

SCRep. 3038 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 7

The purpose of this concurrent resolution is to request that the Departments of Health, Land and Natural Resources, Transportation, and Accounting and General Services and the county Departments of Public Works and Parks and Recreation develop a statewide action plan to implement a green waste ban and to facilitate the development of a local green waste recycling industry.

Your Committee finds that green waste (leaves, garden residues, shrubbery and tree trimmings, grass trimmings, and similar material) comprises the largest single element (approximately twenty-four percent), and is the most easily separated material, in the State's waste stream.

Your Committee further finds that a green waste ban from disposal facilities would significantly extend existing landfill and incinerator capacity, improve the heat generating quality of H-POWER fuel, and provide a major stimulus to waste diversion program development.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 7 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3039 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 8

The purpose of this concurrent resolution is to request the counties to consider the feasibility of variable rate fees or unit-based pricing on waste generation to encourage consumers to reduce waste and recycle.

Your Committee finds that more than two million tons of waste is generated in the State annually. Your Committee also finds that communities across the nation have significantly reduced the generation of solid waste through the adoption of variable rate fees wherein generators of waste are charged for each pound or container of waste generated.

Your Committee believes that such a program could reduce waste generation and conserve landfill space in the State.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 8 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3040 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 9

The purpose of this concurrent resolution is to request the Department of Health and the mayors and councils of each county to identify and obtain consensus on a full cost analysis methodology that can be used to assess solid waste management and source reduction programs under their respective jurisdictions.

Your Committee finds that many solid waste costs are hidden and extremely difficult to quantify under existing economic models, thus the full costs of solid waste disposal are often not included when assessing solid waste management costs. Your Committee believes that this concurrent resolution will help facilitate well-informed decision-making and long-range economic planning.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 9 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3041 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 133

The purpose of this concurrent resolution is to request the Department of Health to implement the recommendations listed in the Auditor's report entitled "Audit of the Hazardous Waste Program of the Department of Health."

Your Committee finds that the Auditor's report focused on the Department of Health's hazardous waste, solid waste, and underground storage tanks programs governed by the Federal Resource Conservation and Recovery Act, and Hawaii's Infectious Waste Management Program which is solely under the jurisdiction of the Department of Health.

Your Committee also finds that the Auditor concluded that the management and accomplishments of the abovementioned programs are in need of improvement and subsequently issued recommendations to assist the Department of Health in accomplishing its mandated responsibilities.

Although your Committee generally concurs with the recommendations of the Auditor, it has amended the concurrent resolution to reflect that the Department of Health should review and update its Infectious Waste Program and formalize its responsibilities and procedures for responding to reports and complaints involving infectious waste rather than amend its administrative rules to include a threshold for reporting infectious waste and a reporting requirement for responding agencies.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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. 3042 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 102

The purpose of this resolution is to request the Department of Health to implement the recommendations listed in the Auditor's report entitled "Audit of the Hazardous Waste Program of the Department of Health."

Your Committee finds that the Auditor's report focused on the Department of Health's hazardous waste, solid waste, and underground storage tanks programs governed by the Federal Resource Conservation and Recovery Act, and Hawaii's Infectious Waste Management Program which is solely under the jurisdiction of the Department of Health.

Your Committee also finds that the Auditor concluded that the management and accomplishments of the abovementioned programs are in need of improvement and subsequently issued recommendations to assist the Department of Health in accomplishing its mandated responsibilities.

Although your Committee generally concurs with the recommendations of the Auditor, it has amended the resolution to reflect that the Department of Health should review and update its Infectious Waste Program and formalize its responsibilities and procedures for responding to reports and complaints involving infectious waste rather than amend its administrative rules to include a threshold for reporting infectious waste and a reporting requirement for responding agencies.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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. 3043 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 169

The purpose of this resolution is to allow energy efficient state agencies to retain the funds saved due to energy conservation practices.

Your Committee finds that the potential exists to reduce the State's electricity costs by approximately \$10 to \$20 million dollars per year if significant efforts are made to conserve energy. Your Committee believes that allowing state agencies to retain the moneys saved from energy conservation for their own program use will provide the necessary incentive for such energy savings.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 169 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 3044 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on S.C.R. No. 113

The purpose of this concurrent resolution is to support initiatives that foster the proliferation of international trade activities between Pacific Rim nations in the State of Hawaii.

Your Committees find that the key to the State's success and long term economic prosperity lies in its ability to master the complexities of global and regional economics. Additionally, the State possesses not only a unique geographic location as the midpoint between the East and the West, but also serves as the nexus between the two cultures. In order to capitalize on these unique attributes, the State must aggressively develop and implement initiatives to promote Hawaii as the "Trade Mecca of the Pacific".

Your Committees also find that in March of 1994, the Asia-Pacific Economic Cooperative (APEC), a cooperative association comprised of the Asia-Pacific region's leading industrial nations, held a meeting in Hawaii of internationally-significant proportion to discuss foreign trade policies.

Your Committees believe that trade symposiums such as these underscore the State's critical role in international trade relations and has focused more attention on Hawaii as a trading hub of the Pacific and support such efforts that bolster Hawaii's status in international trade relations.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development concur with the intent and purpose of S.C.R. No. 113 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3045 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on S.R. No. 82

The purpose of this resolution is to support initiatives that foster the proliferation of international trade activities between Pacific Rim nations in the State of Hawaii.

Your Committees find that the key to the State's success and long term economic prosperity lies in its ability to master the complexities of global and regional economics. Additionally, the State possesses not only a unique geographic location as the midpoint between the East and the West, but also serves as the nexus between the two cultures. In order to capitalize on these unique attributes, the State must aggressively develop and implement initiatives to promote Hawaii as the "Trade Mecca of the Pacific".

Your Committees also find that in March of 1994, the Asia-Pacific Economic Cooperative (APEC), a cooperative association comprised of the Asia-Pacific region's leading industrial nations, held a meeting in Hawaii of internationally-significant proportion to discuss foreign trade policies.

Your Committees believe that trade symposiums such as these underscore the State's critical role in international trade relations and has focused more attention on Hawaii as a trading hub of the Pacific and support such efforts that bolster Hawaii's status in international trade relations.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development concur with the intent and purpose of S.R. No. 82 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3046 Labor and Employment on S.C.R. No. 202

The purpose of this concurrent resolution is to request that the Office of the Auditor investigate and develop corrective measures to eliminate wage inequities among specific public employee job classes.

Your Committee finds that the existence of sex-based wage discrimination has no place in a democratic society and that a study to determine if inequities exist in Hawaii is a necessity. Your Committee further finds that expertise in the field is required for the requisite analyses of the highly technical matters affecting wages and that a professional consultant should be employed for this purpose.

Your Committee on Labor and Employment concurs with the intent and purpose of S.C.R. No. 202 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

LCRep. 3047 Executive Appointments on Gov. Msg. Nos. 206, 207, 208 and 209

Recommending that the Senate advise and consent to the nominations of the following:

LESLIE MARK CANSIBOG and MICHAEL S. TOMEI to the Aquatic Life and Wildlife Advisory Committee, City and County of Honolulu, terms to expire June 30, 1998 (Gov. Msg. No. 206);

BRUCE W. HEIDENFELDT and DON INABA to the Aquatic Life and Wildlife Advisory Committee, County of Hawaii, terms to expire June 30, 1998 (Gov. Msg. No. 207);

SHIRLEY TANI and ELTON S. USHIO to the Aquatic Life and Wildlife Advisory Committee, County of Kauai, terms to expire June 30, 1998 (Gov. Msg. No. 208); and

ALLEN DOUGLAS DAGUAY, IRVIN L. SARSON and KARL K. YOSHIOKA to the Aquatic Life and Wildlife Advisory Committee, County of Maui, terms to expire June 30, 1998 (Gov. Msg. No. 209).

Signed by all members of the Committee.

LCRep. 3048 Executive Appointments on Gov. Msg. Nos. 210 and 214

Recommending that the Senate advise and consent to the nominations of the following:

MILTON Y. MIGITA to the Board of Barbers, term to expire June 30, 1997 (Gov. Msg. No. 210);

GARY N. SUZUKAWA and JOSLYN TAMURA to the Board of Barbers, terms to expire June 30, 1998 (Gov. Msg. No. 210); and

PAUL H. LEWIS and LUCRECIA ANNE WHITEHURST to the Board of Cosmetology, terms to expire June 30, 1998 (Gov. Msg. 214).

Signed by all members of the Committee.

LCRep. 3049 Executive Appointments on Gov. Msg. Nos. 211, 215, 233, 234 and 235

Recommending that the Senate advise and consent to the nominations of the following:

ANNA C. KAOHELALUII to the State Board of Chiropractic Examiners, term to expire June 30, 1997 (Gov. Msg. No. 211);

WILLIAM E. PICKARD and BARRY M. UTSUMI to the State Board of Chiropractic Examiners, terms to expire June 30, 1998 (Gov. Msg. No. 211);

THOMAS M. GREEN to the Board of Dental Examiners, term to expire June 30, 1994 (Gov. Msg. No. 215);

ANGELA M. CHIN, ALAN Y. MIYAMOTO and VICKIE M. PEILER, terms to expire June 30, 1998 (Gov. Msg. No. 215);

WILLIAM E. IACONETTI, DOUGLAS R. SODETANI and JAMES S. TSUJI to the Board of Medical Examiners (Gov. Msg. No. 233);

SCOTT HARADA and DENNIS KUWABARA to the Board of Examiners in Optometry, terms to expire June 30, 1998 (Gov. Msg. No. 234); and

HERBERT K. ENDO to the Board of Osteopathic Examiners, term to expire June 30, 1998 (Gov. Msg. No. 235).

Signed by all members of the Committee.

LCRep. 3050 Executive Appointments on Gov. Msg. No. 213

Recommending that the Senate advise and consent to the nominations of ARMAND KAINOA CHONG, CHERYL GARCIA, GEORGE RAINEY, JR., GRANT TANIMOTO and MICHAEL R. WALSH to the Consumer Advisory Council, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3051 Executive Appointments on Gov. Msg. Nos. 242, 243, 244 and 245

Recommending that the Senate advise and consent to the nominations of the following:

TRUDIE KIESSLING to the Board of Registration, Island of Oahu, term to expire June 30, 1998 (Gov. Msg. No. 242);

ROBERT D.S. KIM to the Board of Registration, Island of Hawaii, term to expire June 30, 1998 (Gov. Msg. No. 243);

JOY F. HIRAOKA to the Board of Registration, Kauai and Niihau, term to expire June 30, 1998 (Gov. Msg. No. 244); and

JOHN K. KAALEKAHI to the Board of Registration, Maui, Molokai, Lanai and Kahoolawe, term to expire June 30, 1998 (Gov. Msg. No. 245).

Signed by all members of the Committee.

LCRep. 3052 Executive Appointments on Gov. Msg. Nos. 247, 248, 249 and 250

Recommending that the Senate advise and consent to the nominations of the following:

ROBERT MEYER to the Board of Taxation Review, First Taxation District (Oahu), term to expire June 30, 1996 (Gov. Msg. No. 247);

DIANNE L.Y. MERRITT to the Board of Taxation Review, First Taxation District (Oahu), term to expire June 30, 1998 (Gov. Msg. No. 247);

EUGENE F. SIMON to the Board of Taxation Review, Second Taxation District (Maui County), term to expire June 30, 1998 (Gov. Msg. No. 248);

CARMELO A. JUSTO to the Board of Taxation Review, Third Taxation District (Hawaii), term to expire June 30, 1998 (Gov. Msg. No. 249); and

KENNETH Y. KIMURA to the Board of Taxation Review, Fourth Taxation District (Kauai), term to expire June 30, 1998 (Gov. Msg. No. 250).

Signed by all members of the Committee.

LCRep. 3053 Executive Appointments on Gov. Msg. No. 251

Recommending that the Senate advise and consent to the nominations of JAN EVERETT-O'GARA and HERBERT M. RICHARDS III to the Board of Veterinary Examiners, terms to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3054 Executive Appointments on Gov. Msg. No. 236

Recommending that the Senate advise and consent to the nominations of the following to the Board of Private Detectives and Guards:

HOWARD TAGOMORI, term to expire June 30, 1996; and

LARRY J. MARIETTI, term to expire June 30, 1998.

Signed by all members of the Committee.

SCRep. 3055 Health on S.C.R. No. 87

The purpose of this concurrent resolution is to request that the Director of Health, in consultation with the University of Hawaii Department of Psychology and the Forest Institute of Professional Psychology, to develop and institute an internship program to be eligible for accreditation within four years by the American Psychological Association.

Your Committee finds that there is a severe shortage of trained psychological personnel with the ability to diagnose and perform clinical testing and treatment. This concurrent resolution will start the development of an internship program which can improve access to mental health care, reduce costs, and increase the available number of trained personnel in Hawaii.

Testimony in support of this concurrent resolution was received from the Director of Health, the University of Hawaii Department of Psychology, and the Hawaii Psychological Association.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 87 and recommends its adoption.

Signed by all members of the Committee except Senator Reed.

SCRep. 3056 Health on S.C.R. No. 86

The purpose of this concurrent resolution is to request the Department of Health to develop a written policy to facilitate the transfer of cases between the Child and Adolescent Mental Health Division and the Adult Mental Health Division by considering transition services in other states, consulting with relevant mental health organizations and institutions, and enabling the plan's implementation by September 30, 1994.

Your Committee finds that mental health patients, upon reaching eighteen, cease to be cared for by the Child and Adolescent Mental Health Division and are unable to find appropriate mental health treatment on their own as adults. This concurrent resolution will enable the emotionally disturbed to receive the appropriate services and to gain capability and stability over time.

Testimony in support of this concurrent resolution was received from the Director of Health, the University of Hawaii, and the Commission on Persons with Disabilities.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 86 and recommends its adoption.

Signed by all members of the Committee except Senator Reed.

SCRep. 3057 Health on S.C.R. No. 216

The purpose of this concurrent resolution is to request the Department of Health to list and describe all of the elements necessary for a comprehensive system of residential treatment for mentally-ill individuals, and to request that the Director of Health evaluate residential programs and provide an overview of the entire system.

Your Committee finds that the statewide system of residential treatment for persons with severe mental disorders was established so that each client has the flexibility to move within the system to the most appropriate, least restrictive level of service. However, there is a continuing need for new classifications and improved licensing procedures. This concurrent resolution will initiate the development of a comprehensive system of residential treatment for the mentally ill.

Testimony in support of this concurrent resolution was received from the Director of Health.

Your Committee has amended this concurrent resolution to include persons suffering from substance abuse.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 216, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 216, S.D. 1.

Signed by all members of the Committee except Senator Reed.

SCRep. 3058 Health on S.R. No. 173

The purpose of this resolution is to request the Department of Health to list and describe all of the elements necessary for a comprehensive system of residential treatment for mentally-ill individuals, and to request that the Director of Health evaluate residential programs and provide an overview of the entire system.

Your Committee finds that the statewide system of residential treatment for persons with severe mental disorders was established so that each client has the flexibility to move within the system to the most appropriate, least restrictive level of service. However, there is a continuing need for new classifications and improved licensing procedures. This resolution will initiate the development of a comprehensive system of residential treatment for the mentally ill.

Testimony in support of this resolution was received from the Director of Health.

Your Committee has amended this resolution to include persons suffering from substance abuse.

Your Committee on Health 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 except Senator Reed.

SCRep. 3059 Health on S.C.R. No. 228

The purpose of this concurrent resolution is to request the Division of Community Hospitals in the Department of Health to consider relieving former Hamakua Sugar Company employees of paying for the medical services that should have been paid through their medical plan.

Your Committee finds that because Hamakua Sugar Company failed to make payments pursuant to its medical plan, the former employees are required to pay for medical services instead. It is expected that the outstanding payments, which total over \$500,000 and are mostly owed to the Community Hospitals Division, will be considered part of administrative expenses in the bankruptcy proceeding. This concurrent resolution would help to relieve the former employees of the stress of having to pay for medical services which should have been covered under the medical plan.

Testimony in support of this concurrent resolution was submitted by the Director of Health.

Your Committee has amended this concurrent resolution by requesting that the Attorney General's Collection Unit as well as the Community Hospitals Division consider relieving the former employees of their medical service payments.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 228, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 228, S.D. 1.

Signed by all members of the Committee except Senator Reed.

SCRep. 3060 Health on S.R. No. 184

The purpose of this resolution is to request the Division of Community Hospitals in the Department of Health to consider relieving former Hamakua Sugar Company employees of paying for the medical services that should have been paid through their medical plan.

Your Committee finds that because Hamakua Sugar Company failed to make payments pursuant to its medical plan, the former employees are required to pay for medical services instead. It is expected that the outstanding payments, which total over \$500,000 and are mostly owed to the Community Hospitals Division, will be considered part of administrative expenses in the bankruptcy proceeding. This resolution would help to relieve the former employees of the stress of having to pay for medical services which should have been covered under the medical plan.

Testimony in support of this resolution was submitted by the Director of Health.

Your Committee has amended this resolution by requesting that the Attorney General's Collection Unit as well as the Community Hospitals Division consider relieving the former employees of their medical service payments.

Your Committee on Health 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 Senator Reed.

SCRep. 3061 Human Services on S.C.R. No. 83

The purpose of this concurrent resolution is to request the establishment of a mediation process to address the issue of long-standing problems in the relationship between the Department of Human Services and foster parents as it relates to the quality of care provided to foster children.

Your Committee finds a need for a commitment by all agencies to provide support, assistance, and training to foster parents to ensure the proper care of the children in their charge. Many solutions to the long-standing problems in the relationship between the Department of Human Services and foster parents can be realized through a mediation process for this purpose.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 83 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3062 Human Services on S.R. No. 62

The purpose of this resolution is to request the establishment of a mediation process to address the issue of long-standing problems in the relationship between the Department of Human Services and foster parents as it relates to the quality of care provided to foster children.

Your Committee finds a need for a commitment by all agencies to provide support, assistance, and training to foster parents to ensure the proper care of the children in their charge. Many solutions to the long-standing problems in the relationship between the Department of Human Services and foster parents can be realized through a mediation process for this purpose.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 62 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3063 (Joint) Human Services and Health on S.C.R. No. 88

The purpose of this concurrent resolution is to request the formation of a task force to recommend more effective ways to deal with Hawaii's drug problems.

Your Committees find a need to examine Hawaii's drug abuse prevention, enforcement, and treatment programs for the purpose of devising an appropriate balance of the State's resources so that the task can be accomplished by the most efficient and effective means.

Your Committees further find a need to develop broader strategies and priorities to guide policymakers and has amended this concurrent resolution accordingly. The Department of Agriculture, the Department of Land and Natural Resources, and the Department of Defense have been excluded and the Chairperson of the Board of Education has been included in the task force membership. Your Committees have further amended this concurrent resolution by specifying that the task force examine drug abuse prevention strategies rather than drug abuse prevention, enforcement, and treatment programs. Other technical amendments were made for the purpose of clarity and style.

Your Committees on Human Services and Health concur with the intent and purpose of S.C.R. No. 88, as amended herein, and recommend that it be referred to the Committee on Judiciary in the form attached hereto as S.C.R. No. 88, S.D. 1.

Signed by all members of the Committees except Senators Grauly and Reed.

SCRep. 3064 Science, Technology and Economic Development on S.C.R. No. 2

The purpose of this concurrent resolution is to request the Public Utilities Commission (PUC) to amend its rules to provide that a nonfossil fuel supplier may, and an electric utility shall, petition it for a hearing if the supplier and the utility cannot agree on the purchase price of energy.

This concurrent resolution also requires the PUC to act expeditiously on any such petition.

This concurrent resolution addresses the situation where a qualifying facility offers to sell energy or capacity to an electric company, and there is failure to reach an agreement on the rate or terms of purchase within seventy-five days after the qualifying facility made its first offer to the electric utility. Should this situation occur, the electric utility or the qualifying facility, either individually or jointly, may petition the PUC for a hearing. The PUC will then act upon the petition within a prescribed deadline.

Testimony in support of this concurrent resolution was offered by the Department of Commerce and Consumer Affairs, the Hawaii Sugar Planters' Association, Kawaihae Cogeneration Partners, Mauna Kea Power Company, and Wailuku River Hydroelectric Power, Inc. Testimony against the concurrent resolution was offered by the Public Utilities Commission and the Hawaiian Electric Company.

In light of the concerns raised by the PUC testimony, your Committee has amended this bill by allowing, rather than mandating, the qualifying facility or the electric utility to submit a petition to the Commission after seventy-five days; regardless, the electric utility is mandated to petition the PUC in the event that agreement has not been reached within seventy-five days of the offer. Your Committee has further amended this concurrent resolution by requesting the PUC to act "expeditiously" upon a petition.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 3065 Science, Technology and Economic Development on S.C.R. No. 53

The purpose of this concurrent resolution is to commend the Natural Energy Laboratory of Hawaii (NELH) for their work in developing alternative energy sources and to recognize the pioneering efforts of its founder Dr. John P. Craven.

Your Committee finds that the NELH has been the site of major experiments in the development of ocean thermal energy conversion. It established the first ocean thermal power plant, and it is world famous for landmark research, development, and commercialization in deep sea aquaculture and cold water tropical agriculture.

Testimony in support of this concurrent resolution was submitted by the Department of Business, Economic Development, and Tourism, and the Natural Energy Laboratory of Hawaii Authority. The Pacific International Center of High Technology Research submitted testimony which indicated that it had a conflict of interest since they are both tenants and supporters of NELH but it also noted the many accomplishments of the NELH.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 53 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3066 Science, Technology and Economic Development on S.C.R. No. 39

The purpose of this concurrent resolution is to request the Public Utilities Commission (PUC) to undertake a comparative study docket on the use of fossil versus nonfossil fuels for generation of electricity.

This concurrent resolution requests the PUC to:

- (1) Undertake a comparative study docket to identify the economic, environmental, and social impacts of using nonfossil versus fossil fuels for the generation of electricity;
- (2) Issue invitations to all electric utilities and nonutility generators to participate in the docket;
- (3) Hold public hearings on the topic of using nonfossil fuels for generation of electricity; and
- (4) Initiate rulemaking proceedings at the completion of the study docket to determine what action, if any, should be taken to utilize nonfossil fuels for generation of electricity.

The PUC is requested to submit a report of its findings and recommendations to the Legislature prior to the convening of the 1995 Regular Session.

Testimony in support of the intent of this concurrent resolution was offered by the Department of Business, Economic Development, and Tourism and the Department of Commerce and Consumer Affairs, but they both deferred to the PUC to determine schedule and resource availability to undertake the docket. Other supporting testimony was offered by the PUC and the Pacific International Center for High Technology Research.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 39 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3067 Science, Technology and Economic Development on S.R. No. 30

The purpose of this resolution is to request the Public Utilities Commission (PUC) to undertake a comparative study docket on the use of fossil versus nonfossil fuels for generation of electricity.

This resolution requests the PUC to:

- (1) Undertake a comparative study docket to identify the economic, environmental, and social impacts of using nonfossil versus fossil fuels for the generation of electricity;
- (2) Issue invitations to all electric utilities and nonutility generators to participate in the docket;
- (3) Hold public hearings on the topic of using nonfossil fuels for generation of electricity; and
- (4) Initiate rulemaking proceedings at the completion of the study docket to determine what action, if any, should be taken to utilize nonfossil fuels for generation of electricity.

The PUC is requested to submit a report of its findings and recommendations to the Legislature prior to the convening of the 1995 Regular Session.

Testimony in support of the intent of this resolution was offered by the Department of Business, Economic Development, and Tourism and the Department of Commerce and Consumer Affairs, but they both deferred to the PUC to determine schedule and resource availability to undertake the docket. Other supporting testimony was offered by the PUC and the Pacific International Center for High Technology Research.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 30 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3068 Science, Technology and Economic Development on S.C.R. No. 40

The purpose of this concurrent resolution is to request that the Public Utilities Commission (PUC) conduct a study on the facilitation of renewable energy resources utilization.

Specifically, this concurrent resolution urges the PUC to conduct a systematic examination of other states' regulatory policies and procedures which facilitate the development and use of renewable resources. The final report to the Legislature must contain a summary of the policies examined, identification of elements applicable to Hawaii, and recommendations for implementation of such elements.

Your Committee finds that the State has the willingness and the resources to become energy self-sufficient through the use of renewable sources of energy such as wind, biomass, and solar. Unlike so many other states, Hawaii has not adopted regulatory policies to facilitate and encourage the development of these resources. The study requested by this concurrent resolution, together with the legislation and regulatory programs that may result, would substantially forward the State of Hawaii's pronounced goals of energy self-sufficiency and promotion of renewable energy sources.

Testimony in support of this concurrent resolution was received from the Department of Business, Economic Development, and Tourism, the Department of Commerce and Consumer Affairs, the Public Utilities Commission, the Consumer Advocate, and the Pacific International Center for High Technology Research.

Your Committee has amended this concurrent resolution by incorporating the substance and intent of Senate Concurrent Resolution No. 41, entitled "Urging Hawaii's Electric Utilities to Explore and Utilize Wind Systems to Satisfy a Greater Proportion of Hawaii's Electrical Generation Requirements" and Senate Concurrent Resolution No. 42, entitled "Urging Hawaii's Electric Utilities to Explore and Adopt 'Green Pricing' and Other Administrative and Technological Options Which Would Facilitate the Use and Development of Renewable Energy Systems in Hawaii." These resolutions were similarly supported by the Department of Business, Economic Development and Tourism, the Public Utilities Commission, the Consumer Advocate, and the Pacific International Center for High Technology Research. However, your Committee has concluded that rather than placing the burden of examination and adoption of these renewable energy initiatives upon the electrical utilities, the PUC should be responsible for the study and recommendation regarding renewable energy initiatives. Accordingly, the concurrent resolution has been amended by expanding the scope of the study to include the review of:

- (1) Regulatory or statutory incentives for utilities to develop, purchase, and use renewable energy sources;
- (2) Wind system development to satisfy a greater proportion of Hawaii's energy needs; and
- (3) Adoption by the electric utilities of "green pricing" and other administrative and technological options which facilitate the use of renewable energy systems.

Your Committee has also amended the concurrent resolution by extending the deadline for the study from 1995 to 1996, to accommodate the expanded scope of the study.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 40, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 40, S.D. 1.

Signed by all members of the Committee.

SCRep. 3069 Science, Technology and Economic Development on S.R. No. 31

The purpose of this resolution is to request that the Public Utilities Commission (PUC) conduct a study on the facilitation of renewable energy resources utilization.

Specifically, this resolution urges the PUC to conduct a systematic examination of other states' regulatory policies and procedures which facilitate the development and use of renewable resources. The final report to the Legislature must contain a summary of the policies examined, identification of elements applicable to Hawaii, and recommendations for implementation of such elements.

Your Committee finds that the State has the willingness and the resources to become energy self-sufficient through the use of renewable sources of energy such as wind, biomass, and solar. Unlike so many other states, Hawaii has not adopted regulatory policies to facilitate and encourage the development of these resources. The study requested by this resolution, together with the legislation and regulatory programs that may result, would substantially forward the State of Hawaii's pronounced goals of energy self-sufficiency and promotion of renewable energy sources.

Testimony in support of this resolution was received from the Department of Business, Economic Development, and Tourism, the Department of Commerce and Consumer Affairs, the Public Utilities Commission, the Consumer Advocate, and the Pacific International Center for High Technology Research.

Your Committee has amended this resolution by incorporating the substance and intent of Senate Concurrent Resolution No. 41, entitled "Urging Hawaii's Electric Utilities to Explore and Utilize Wind Systems to Satisfy a Greater Proportion of Hawaii's Electrical Generation Requirements" and Senate Concurrent Resolution No. 42, entitled "Urging Hawaii's Electric Utilities to Explore and Adopt 'Green Pricing' and Other Administrative and Technological Options Which Would Facilitate the Use and Development of Renewable Energy Systems in Hawaii." These resolutions were similarly supported by the Department of Business, Economic Development and Tourism, the Public Utilities Commission, the Consumer Advocate, and the Pacific International Center for High Technology Research. However, your Committee has concluded that rather than placing the burden of examination and adoption of these renewable energy initiatives upon the electrical utilities, the PUC should be responsible for the study and recommendation regarding renewable energy initiatives. Accordingly, the resolution has been amended by expanding the scope of the study to include the review of:

- (1) Regulatory or statutory incentives for utilities to develop, purchase, and use renewable energy sources;
- (2) Wind system development to satisfy a greater proportion of Hawaii's energy needs; and
- (3) Adoption by the electric utilities of "green pricing" and other administrative and technological options which facilitate the use of renewable energy systems.

Your Committee has also amended the resolution by extending the deadline for the study from 1995 to 1996, to accommodate the expanded scope of the study.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 31, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 31, S.D. 1.

Signed by all members of the Committee.

SCRep. 3070 Science, Technology and Economic Development on S.C.R. No. 197

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to study future space industry opportunities for the State.

Your Committee finds that the Office of Space Industry established in 1988 was designed to assist in the expansion of our State's economy through the development of space-related activities. Your Committee further finds that a number of new national high technology initiatives hold tremendous potential and should be pursued by the Office.

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 concurs with the intent and purpose of S.C.R. No. 197 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3071 Science, Technology and Economic Development on S.R. No. 155

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to study future space industry opportunities for the State.

Your Committee finds that the Office of Space Industry established in 1988 was designed to assist in the expansion of our State's economy through the development of space-related activities. Your Committee further finds that a number of new national high technology initiatives hold tremendous potential and should be pursued by the Office.

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 concurs with the intent and purpose of S.R. No. 155 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3072 Science, Technology and Economic Development on S.C.R. No. 198

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to study the feasibility of expanding the Future Flight Hawaii program to a year-round statewide initiative.

Your Committee finds that since its inception as a summer pilot project in 1991, the Future Flight Hawaii program has proven to be an effective means of strengthening students' interests and skills in math, science, and space technology. Your Committee further finds that the program's capability for expansion is limited due to the lack of dedicated staff and facilities, and thus a study to ascertain what resources are necessary for year-round implementation is appropriate.

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 concurs with the intent and purpose of S.C.R. No. 198 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3073 Science, Technology and Economic Development on S.R. No. 156

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to study the feasibility of expanding the Future Flight Hawaii program to a year-round statewide initiative.

Your Committee finds that since its inception as a summer pilot project in 1991, the Future Flight Hawaii program has proven to be an effective means of strengthening students' interests and skills in math, science, and space technology. Your Committee further finds that the program's capability for expansion is limited due to the lack of dedicated staff and facilities, and thus a study to ascertain what resources are necessary for year-round implementation is appropriate.

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 concurs with the intent and purpose of S.R. No. 156 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3074 Consumer Protection on S.C.R. No. 151

The purpose of this concurrent resolution is to request the Attorney General of the United States (Attorney General) to examine the intent and purpose of the Newspaper Preservation Act (NPA) in relation to the current economic condition of The Honolulu Advertiser (Advertiser) and the Honolulu Star-Bulletin (Star-Bulletin), and generate a written opinion on

the ramifications and propriety of allowing them to continue operating under a joint newspaper operating agreement (JOA).

This concurrent resolution further requests the Attorney General to transmit to each member of Hawaii's Congressional Delegation any information or opinion that may be relevant to the applicability of the NPA and its appropriate enforcement in Hawaii.

The NPA was enacted in 1970 to ensure the continued presence throughout America of a competitive, independent press by allowing two or more competing newspapers, one of which is in probable danger of financial failure, to operate common production facilities under a JOA, an arrangement that would otherwise be in violation of federal antitrust laws.

JOAs arose out of the Great Depression when vigorous competition among metropolitan dailies often resulted in financial chaos and the subsequent failure or elimination of a weaker competitor, depriving the public of diverse and independent editorial viewpoints and news policies. The NPA sought to provide an economic incentive for newspapers in twenty-two American cities, including the Advertiser and the Star-Bulletin, that were currently operating under JOAs, to maintain separate editorial and news reporting policies while coexisting within the same geographical region.

However, the NPA lacks provisions for terminating the JOA when both newspapers are financially healthy, as is the case with Honolulu's two major dailies. This legal loophole allows newspapers that no longer need federal assistance to continue operating in a manner that would otherwise be illegal.

This concurrent resolution requests actions and information necessary to determine whether and the extent to which the NPA, as applied to the Advertiser and the Star-Bulletin, should be amended.

Your Committee finds that The Honolulu Advertiser and the Star-Bulletin have for some time been reaping extraordinary profits and protecting their revenues from the State as well as their shareholders for purely economic reasons, relying on the federal protection of the NPA loophole to justify this behavior. Requesting the Attorney General to examine the loophole is appropriate and in the public interest.

Your Committee has amended this concurrent resolution by requesting the Attorney General to analyze the current perceived editorial convergence of Honolulu's two major dailies. Your Committee believes that this type of oversight is implicit in the granting of a federal antitrust exemption predicated on editorial independence.

Your Committee on Consumer Protection concurs with the intent and purpose of S.C.R. No. 151, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 151, S.D. 1.

Signed by all members of the Committee.

SCRep. 3075 Consumer Protection on S.R. No. 115

The purpose of this resolution is to request the Attorney General of the United States (Attorney General) to examine the intent and purpose of the Newspaper Preservation Act (NPA) in relation to the current economic condition of The Honolulu Advertiser (Advertiser) and the Honolulu Star-Bulletin (Star-Bulletin), and generate a written opinion on the ramifications and propriety of allowing them to continue operating under a joint newspaper operating agreement (JOA).

This resolution further requests the Attorney General to transmit to each member of Hawaii's Congressional Delegation any information or opinion that may be relevant to the applicability of the NPA and its appropriate enforcement in Hawaii.

The NPA was enacted in 1970 to ensure the continued presence throughout America of a competitive, independent press by allowing two or more competing newspapers, one of which is in probable danger of financial failure, to operate common production facilities under a JOA, an arrangement that would otherwise be in violation of federal antitrust laws.

JOAs arose out of the Great Depression when vigorous competition among metropolitan dailies often resulted in financial chaos and the subsequent failure or elimination of a weaker competitor, depriving the public of diverse and independent editorial viewpoints and news policies. The NPA sought to provide an economic incentive for newspapers in twenty-two American cities, including the Advertiser and the Star-Bulletin, that were currently operating under JOAs, to maintain separate editorial and news reporting policies while coexisting within the same geographical region.

However, the NPA lacks provisions for terminating the JOA when both newspapers are financially healthy, as is the case with Honolulu's two major dailies. This legal loophole allows newspapers that no longer need federal assistance to continue operating in a manner that would otherwise be illegal.

This resolution requests actions and information necessary to determine whether and the extent to which the NPA, as applied to the Advertiser and the Star-Bulletin, should be amended.

Your Committee finds that The Honolulu Advertiser and the Star-Bulletin have for some time been reaping extraordinary profits and protecting their revenues from the State as well as their shareholders for purely economic reasons, relying on the federal protection of the NPA loophole to justify this behavior. Requesting the Attorney General to examine the loophole is appropriate and in the public interest.

Your Committee has amended this resolution by requesting the Attorney General to analyze the current perceived editorial convergence of Honolulu's two major dailies. Your Committee believes that this type of oversight is implicit in the granting of a federal antitrust exemption predicated on editorial independence.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 115, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 115, S.D. 1.

Signed by all members of the Committee.

SCRep. 3076 (Majority) Consumer Protection on S.C.R. No. 151

The purpose of this concurrent resolution is to request Congress to amend the Newspaper Preservation Act (NPA) to close the loophole that allows The Honolulu Advertiser (Advertiser) and the Honolulu Star-Bulletin (Star-Bulletin) to continue operating under a joint newspaper operating agreement (JOA).

The NPA was enacted in 1970 to ensure the continued presence throughout America of a competitive, independent press by allowing two or more competing newspapers, one of which is in probable danger of financial failure, to operate common production facilities under a JOA, an arrangement that would otherwise be in violation of federal antitrust laws.

JOAs arose out of the Great Depression, when vigorous competition among metropolitan dailies often resulted in financial chaos and the subsequent failure or elimination of a weaker competitor, depriving the public of diverse and independent editorial viewpoints and news policies. The NPA sought to provide an economic incentive for newspapers in twenty-two American cities, including the Advertiser and the Star-Bulletin, that were currently operating under JOAs, to maintain separate editorial and news reporting policies while coexisting within the same geographical region.

However, the NPA lacks provisions for terminating the JOA when both newspapers are financially healthy, as is the case with Honolulu's two major dailies. This legal loophole allows newspapers that no longer need federal assistance to continue operating in a manner that otherwise would be illegal.

This concurrent resolution requests Congress to amend the NPA to close that loophole specifically as it applies to Honolulu's jointly operating newspapers.

Your Committee finds that the Advertiser and the Star-Bulletin have for some time been reaping extraordinary profits and protecting their revenues from the State as well as their shareholders for purely economic reasons, relying on the federal protection of the NPA loophole to justify this behavior. Requesting Congress to close the loophole is appropriate and in the public interest.

Your Committee has amended this concurrent resolution by requesting Congress to further amend the NPA by requiring regular reviews of the activities and finances of newspapers in JOAs; addressing the approval and renewal process; making it unlawful to pool and distribute profits according to a fully predetermined rate; prohibiting price fixing between parties to a JOA, and coercive requirements that force advertisers into purchasing space in both newspapers; and placing a limitation on the duration of JOAs.

Your Committee on Consumer Protection 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.
Senator McCartney did not concur.

SCRep. 3077 (Majority) Consumer Protection on S.R. No. 116

The purpose of this resolution is to request Congress to amend the Newspaper Preservation Act (NPA) to close the loophole that allows The Honolulu Advertiser (Advertiser) and the Honolulu Star-Bulletin (Star-Bulletin) to continue operating under a joint newspaper operating agreement (JOA).

The NPA was enacted in 1970 to ensure the continued presence throughout America of a competitive, independent press by allowing two or more competing newspapers, one of which is in probable danger of financial failure, to operate common production facilities under a JOA, an arrangement that would otherwise be in violation of federal antitrust laws.

JOAs arose out of the Great Depression, when vigorous competition among metropolitan dailies often resulted in financial chaos and the subsequent failure or elimination of a weaker competitor, depriving the public of diverse and independent editorial viewpoints and news policies. The NPA sought to provide an economic incentive for newspapers in twenty-two American cities, including the Advertiser and the Star-Bulletin, that were currently operating under JOAs, to maintain separate editorial and news reporting policies while coexisting within the same geographical region.

However, the NPA lacks provisions for terminating the JOA when both newspapers are financially healthy, as is the case with Honolulu's two major dailies. This legal loophole allows newspapers that no longer need federal assistance to continue operating in a manner that otherwise would be illegal.

This resolution requests Congress to amend the NPA to close that loophole specifically as it applies to Honolulu's jointly operating newspapers.

Your Committee finds that the Advertiser and the Star-Bulletin have for some time been reaping extraordinary profits and protecting their revenues from the State as well as their shareholders for purely economic reasons, relying on the federal protection of the NPA loophole to justify this behavior. Requesting Congress to close the loophole is appropriate and in the public interest.

Your Committee has amended this resolution by requesting Congress to further amend the NPA by requiring regular reviews of the activities and finances of newspapers in JOAs; addressing the approval and renewal process; making it unlawful to pool and distribute profits according to a fully predetermined rate; prohibiting price fixing between parties to

a JOA, and coercive requirements that force advertisers into purchasing space in both newspapers; and placing a limitation on the duration of JOAs.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 116, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 116, S.D. 1.

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

SCRep. 3078 Higher Education, Culture and Arts and Historic Preservation on S.C.R. No. 95

The purpose of this concurrent resolution is to request the Governor to declare one week in May of every year as "State of Hawaii Archaeology Week."

Your Committee has deleted the contents of this concurrent resolution and substituted language encouraging the University of Hawaii (UH) to establish a program in maritime archaeology and history. The title has been amended accordingly.

Your Committee finds that there is great potential to explore, document, preserve, and interpret the rich heritage of our ocean-related activities and that the UH is well situated for such endeavors.

Your Committee further finds that the School of Ocean and Earth Science and Technology has taken a preliminary step towards implementing such a program by designing a proposal to offer a graduate certificate in maritime archaeology and history. By organizing such a program, your Committee finds that the UH has the potential to become the center for Pacific Ocean maritime archaeology and history of Polynesians and other Pacific Islanders as well as the maritime peoples of Asia.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 95, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 95, S.D. 1.

Signed by all members of the Committee.

SCRep. 3079 Higher Education, Culture and Arts and Historic Preservation on S.R. No. 68

The purpose of this resolution is to request the Governor to declare one week in May of every year as "State of Hawaii Archaeology Week."

Your Committee has deleted the contents of this resolution and substituted language encouraging the University of Hawaii (UH) to establish a program in maritime archaeology and history. The title has been amended accordingly.

Your Committee finds that there is great potential to explore, document, preserve, and interpret the rich heritage of our ocean-related activities and that the UH is well situated for such endeavors.

Your Committee further finds that the School of Ocean and Earth Science and Technology has taken a preliminary step towards implementing such a program by designing a proposal to offer a graduate certificate in maritime archaeology and history. By organizing such a program, your Committee finds that the UH has the potential to become the center for Pacific Ocean maritime archaeology and history of Polynesians and other Pacific Islanders as well as the maritime peoples of Asia.

Your Committee on Higher Education, Culture and Arts and Historic Preservation 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. 3080 Higher Education, Culture and Arts and Historic Preservation on S.C.R. No. 111

The purpose of this concurrent resolution is to request the proclamation of an archaeology week for the State of Hawaii.

Your Committee finds that Hawaii has unique, significant, and valuable cultural and historical sites in need of protection. A statewide program such as an "Archaeology Week" will promote public awareness of the importance of preserving information about the past.

Your Committee has amended this concurrent resolution by urging that the Governor proclaim the week of April 1-9 as "Archaeology Week" for the State of Hawaii to promote Hawaii's unique and significant cultural and historical resources. Your Committee has amended the title to reflect these changes.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 111, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 111, S.D. 1.

Signed by all members of the Committee.

SCRep. 3081 Higher Education, Culture and Arts and Historic Preservation on S.R. No. 80

The purpose of this resolution is to request the proclamation of an archaeology week for the State of Hawaii.

Your Committee finds that Hawaii has unique, significant, and valuable cultural and historical sites in need of protection. A statewide program such as an "Archaeology Week" will promote public awareness of the importance of preserving information about the past.

Your Committee has amended this resolution by urging that the Governor proclaim the week of April 1-9 as "Archaeology Week" for the State of Hawaii to promote Hawaii's unique and significant cultural and historical resources. Your Committee has amended the title to reflect these changes.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 80, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 80, S.D. 1.

Signed by all members of the Committee.

SCRep. 3082 (Joint) Higher Education, Culture and Arts and Historic Preservation and Education on S.C.R. No. 223

The purpose of this concurrent resolution is to urge the expansion and support of the Hawaiian Language Immersion Program.

Your Committees find that continuation of the Hawaiian Language Immersion Program has been approved by the Board of Education in response to students' increased desire to learn the Hawaiian language. Your Committees further find that more classroom space and physical facilities are needed to accommodate the extensive lists of children awaiting placement at various Hawaiian Language Immersion Program sites.

Your Committees have amended this concurrent resolution by encouraging the Association of Hawaiian Civic Clubs to support the efforts of Na Leo Kako'o o O'ahu, Inc., by utilizing the Department of Education's long-range plan for direction and guidance in the expansion and development of the Hawaiian Language Immersion Program. Technical, stylistic changes have also been made.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Education concur with the intent and purpose of S.C.R. No. 223, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 223, S.D. 1.

Signed by all members of the Committees.

SCRep. 3083 (Joint) Higher Education, Culture and Arts and Historic Preservation and Education on S.R. No. 180

The purpose of this resolution is to urge the expansion and support of the Hawaiian Language Immersion Program.

Your Committees find that continuation of the Hawaiian Language Immersion Program has been approved by the Board of Education in response to students' increased desire to learn the Hawaiian language. Your Committees further find that more classroom space and physical facilities are needed to accommodate the extensive lists of children awaiting placement at various Hawaiian Language Immersion Program sites.

Your Committees have amended this resolution by encouraging the Association of Hawaiian Civic Clubs to support the efforts of Na Leo Kako'o o O'ahu, Inc., by utilizing the Department of Education's long-range plan for direction and guidance in the expansion and development of the Hawaiian Language Immersion Program. Technical, stylistic changes have also been made.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Education concur with the intent and purpose of S.R. No. 180, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 180, S.D. 1.

Signed by all members of the Committees.

SCRep. 3084 Transportation on S.C.R. No. 33

The purpose of this concurrent resolution is to request the Federal Aviation Administration to initiate rulemaking procedures for the adoption of a special Federal Aviation Regulation for helicopter operations in the State of Hawaii.

Your Committee has amended this concurrent resolution by deleting its contents and substituting a request that the Department of Transportation form a temporary Hawaii airports cultural development committee for the purpose of creating a master plan which incorporates Hawaii's multi-cultural influences into the physical structure and operations of state airport facilities.

Your Committee finds that there is a lack of facilities at Hawaii's airports which reflect the unique cultural experience of arriving in Hawaii. Efforts should be made to introduce Hawaii's unique cultural experience to visitors as they arrive at, or depart the airports.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 33, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 3085 Transportation on S.R. No. 26

The purpose of this resolution is to request the Federal Aviation Administration to initiate rulemaking procedures for the adoption of a special Federal Aviation Regulation for helicopter operations in the State of Hawaii.

Your Committee has amended this resolution by deleting its contents and substituting a request that the Department of Transportation form a temporary Hawaii airports cultural development committee for the purpose of creating a master plan which incorporates Hawaii's multi-cultural influences into the physical structure and operations of state airport facilities.

Your Committee finds that there is a lack of facilities at Hawaii's airports which reflect the unique cultural experience of arriving in Hawaii. Efforts should be made to introduce Hawaii's unique cultural experience to visitors as they arrive at, or depart the airports.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 26, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 26, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 3086 Transportation on S.C.R. No. 278

The purpose of this concurrent resolution is to request the Congress of the United States to amend the Highway Safety Act of 1966 to prohibit sanctions against states with no mandatory motorcycle helmet law.

Your Committee finds that the United States Department of Transportation has the authority to impose funding sanctions against states which do not have mandatory helmet laws. This authority was limited by the 1976 Highway Safety Act, and this concurrent resolution asks Congress to delete that authority entirely. Your Committee further finds that studies regarding the use of helmets are inconclusive, and no evidence exists which shows that states without mandatory helmet laws have higher fatality rates than states with mandatory helmet laws.

Your Committee believes that the federal government can reduce accidents and promote safety by concentrating on safety education instead of mandating the use of helmets.

Testimony in favor of this concurrent resolution was offered by the Department of Transportation and Street Bikers United.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 278 and recommends its adoption.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 3087 Transportation on S.R. No. 225

The purpose of this resolution is to request the Congress of the United States to amend the Highway Safety Act of 1966 to prohibit sanctions against states with no mandatory motorcycle helmet law.

Your Committee finds that the United States Department of Transportation has the authority to impose funding sanctions against states which do not have mandatory helmet laws. This authority was limited by the 1976 Highway Safety Act, and this resolution asks Congress to delete that authority entirely. Your Committee further finds that studies regarding the use of helmets are inconclusive, and no evidence exists which shows that states without mandatory helmet laws have higher fatality rates than states with mandatory helmet laws.

Your Committee believes that the federal government can reduce accidents and promote safety by concentrating on safety education instead of mandating the use of helmets.

Testimony in favor of this resolution was offered by the Department of Transportation and Street Bikers United.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 225 and recommends its adoption.

Signed by all members of the Committee except Senators Matsuura and Nakasato.

SCRep. 3088 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on S.C.R. No. 157

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to develop a Pacific Islands trade policy for the State of Hawaii.

Your Committees find that establishing such trade relationships could prove to be extremely beneficial to the State as well as to the Pacific Island nations.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs, and Science, Technology and Economic Development, concur with the intent and purpose of S.C.R. No. 157 and recommends its adoption.

Signed by all members of the Committees.

SCRep. 3089 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on S.R. No. 121

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to develop a Pacific Islands trade policy for the State of Hawaii.

Your Committees find that establishing such trade relationships could prove to be extremely beneficial to the State as well as to the Pacific Island nations.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs, and Science, Technology and Economic Development, concur with the intent and purpose of S.R. No. 121 and recommends its adoption.

Signed by all members of the Committees.

SCRep. 3090 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on S.C.R. No. 230

The purpose of this concurrent resolution is to request the Governor and the Mayor of the County of Hawaii to establish a Hilo-Hamakua strategic development alliance.

Your Committees find that the Hilo-Hamakua region of the Island of Hawaii is in the midst of a severe social and economic upheaval due to the phase out of the sugar industry in the region. The immediate destabilizing effect that the demise of the sugar industry has upon the Hilo-Hamakua communities and the grave, long-term implications of the loss of the region's primary economic base are widely recognized and have already been well-documented in various studies and plans drafted in response to the situation.

Although numerous ad hoc efforts have been established, the sheer scope and magnitude of the problems and issues facing the Hilo-Hamakua region require that a concerted effort be established to confront these imminent social and economic concerns. Therefore, your Committees support the establishment of a strategic development alliance to address these issues in a cohesive and expeditious manner.

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. 230, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3091 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on S.R. No. 186

The purpose of this resolution is to request the Governor and the Mayor of the County of Hawaii to establish a Hilo-Hamakua strategic development alliance.

Your Committees find that the Hilo-Hamakua region of the Island of Hawaii is in the midst of a severe social and economic upheaval due to the phase out of the sugar industry in the region. The immediate destabilizing effect that the demise of the sugar industry has upon the Hilo-Hamakua communities and the grave, long-term implications of the loss of the region's primary economic base are widely recognized and have already been well-documented in various studies and plans drafted in response to the situation.

Although numerous ad hoc efforts have been established, the sheer scope and magnitude of the problems and issues facing the Hilo-Hamakua region require that a concerted effort be established to confront these imminent social and economic concerns. Therefore, your Committees support the establishment of a strategic development alliance to address these issues in a cohesive and expeditious manner.

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. 186, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3092 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on S.C.R. No. 240

The purpose of this concurrent resolution is to request the Office of International Relations and the Department of Business, Economic Development, and Tourism to determine the feasibility of establishing a branch office in the Philippines and to recommend ways to encourage commercial activities between Hawaii and the Philippines.

Your Committees find that many businesses in Hawaii are interested in developing and maintaining strong economic linkages between Hawaii and the Philippines. Organizations such as the Filipino Chamber of Commerce have attempted to encourage economic ties and stimulate the growth of new markets and businesses of mutual benefit to Hawaii and the Philippines.

Your Committees believe that encouraging international trade relations is in the best interest of the State and would increase the State's economic diversity and stability for future generations.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development concur with the intent and purpose of S.C.R. No. 240 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3093 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on S.R. No. 193

The purpose of this resolution is to request the Office of International Relations and the Department of Business, Economic Development, and Tourism to determine the feasibility of establishing a branch office in the Philippines and to recommend ways to encourage commercial activities between Hawaii and the Philippines.

Your Committees find that many businesses in Hawaii are interested in developing and maintaining strong economic linkages between Hawaii and the Philippines. Organizations such as the Filipino Chamber of Commerce have attempted to encourage economic ties and stimulate the growth of new markets and businesses of mutual benefit to Hawaii and the Philippines.

Your Committees believe that encouraging international trade relations is in the best interest of the State and would increase the State's economic diversity and stability for future generations.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development concur with the intent and purpose of S.R. No. 193 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3094 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 180

The purpose of this concurrent resolution is to request the Hawaiian Home Lands Individual Claims Review Panel (Panel) to create an informational record on breaches of the Hawaiian Home Lands Trust affecting individual beneficiaries that occurred prior to statehood.

Your Committee finds that the Panel was created by the Legislature in 1991 to receive, investigate, review, and make recommendations to the Legislature on claims of individual native Hawaiian beneficiaries who have suffered actual damages as a result of a breach of the Hawaiian Home Lands Trust occurring between August 21, 1959 and June 30, 1988. Your Committee also finds that the Panel has received and is investigating over three hundred claims to date.

Although the Panel has been diligent in its efforts to resolve these claims, your Committee has learned that approximately twenty percent of the claims reported involve breaches which were initiated prior to statehood. Since no mechanism currently exists for reviewing and resolving these claims that were initiated prior to statehood, your Committee believes that there is a need to gather information on these breaches so that if a resolution process ever arises, the information will be readily available for review.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 180 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3095 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 140

The purpose of this resolution is to request the Hawaiian Home Lands Individual Claims Review Panel (Panel) to create an informational record on breaches of the Hawaiian Home Lands Trust affecting individual beneficiaries that occurred prior to statehood.

Your Committee finds that the Panel was created by the Legislature in 1991 to receive, investigate, review, and make recommendations to the Legislature on claims of individual native Hawaiian beneficiaries who have suffered actual damages as a result of a breach of the Hawaiian Home Lands Trust occurring between August 21, 1959 and June 30, 1988. Your Committee also finds that the Panel has received and is investigating over three hundred claims to date.

Although the Panel has been diligent in its efforts to resolve these claims, your Committee has learned that approximately twenty percent of the claims reported involve breaches which were initiated prior to statehood. Since no mechanism currently exists for reviewing and resolving these claims that were initiated prior to statehood, your Committee believes that there is a need to gather information on these breaches so that if a resolution process ever arises, the information will be readily available for review.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 140 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3096 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 265

The purpose of this concurrent resolution is to request the Department of Health to conduct wastewater treatment education workshops with community organizations in several Windward Oahu communities.

Your Committee finds that several communities on the windward shore of Oahu utilize cesspools and septic tanks because access to modern sewage systems is unavailable. Your Committee also finds that the failure rates of these systems are relatively high, causing harm to the State's water quality and coastal areas. By conducting educational workshops on this subject, your Committee believes that more responsible utilization of these sewage systems will transpire.

Your Committee has amended the measure by replacing the specific references to the windward communities with a general reference to organizations within the windward and northshore areas of Oahu so as to broaden the scope of the educational project.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 265, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 265, S.D. 1.

Signed by all members of the Committee.

SCRep. 3097 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 214

The purpose of this resolution is to request the Department of Health to conduct wastewater treatment education workshops with community organizations in several Windward Oahu communities.

Your Committee finds that several communities on the windward shore of Oahu utilize cesspools and septic tanks because access to modern sewage systems is unavailable. Your Committee also finds that the failure rates of these systems are relatively high, causing harm to the State's water quality and coastal areas. By conducting educational workshops on this subject, your Committee believes that more responsible utilization of these sewage systems will transpire.

Your Committee has amended the measure by replacing the specific references to the windward communities with a general reference to organizations within the windward and northshore areas of Oahu so as to broaden the scope of the educational project.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 214, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 214, S.D. 1.

Signed by all members of the Committee.

SCRep. 3098 Labor and Employment on S.C.R. No. 50

The purpose of this concurrent resolution is to approve the biennial review of the compensation plans for civil service employees and the costs thereof submitted by the conference of personnel directors to take effect on July 1, 1994.

Your Committee has studied and reviewed the "Report of Findings on Adjustments to the Compensation Plans", the compensation plans, and the costs thereof as required by statute.

Your Committee received testimony in support of this concurrent resolution from the Conference of Personnel Directors and the Hawaii Government Employees Association.

Your Committee on Labor and Employment concurs with the intent and purpose of S.C.R. No. 50 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3099 (Joint) Planning, Land and Water Use Management and Tourism and Recreation on S.C.R. No. 54

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to revise, simplify, consolidate, and eliminate unnecessary administrative rules relating to small boat harbors and boating.

The DLNR is also requested to make the rules user-friendly and to prepare a rule book for laypeople for distribution to owners of registered vessels.

Your Committees find that the DLNR rules, now encompassing 469 pages and weighing two and one-half pounds, have become unwieldy, excessive, and complicated, thus making it difficult for the average boater to follow. Your Committees further find that a clear and simple guidebook describing the rules for recreational boating, use of small boat harbors, and the like would be greatly appreciated by the boating public.

Your Committees have amended this concurrent resolution by:

- (1) Deleting the fourth and fifth WHEREAS clauses, which cite examples of inappropriate or excessive rules;
- (2) Deleting the word "unreasonableness" from the sixth WHEREAS clause describing the rules;
- (3) Requesting the DLNR to "review its" rather than "eliminate unnecessary" rules;
- (4) Deleting reference to distribution of the rule book and substituting making it available;
- (5) Deleting reference to publication of the guidebook and this concurrent resolution in a newspaper; and
- (6) Amending the title to appropriately reflect the changes.

Your Committees on Planning, Land and Water Use Management and Tourism and Recreation concur with the intent and purpose of S.C.R. No. 54, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 54, S.D. 1.

Signed by all members of the Committees.

SCRep. 3100 (Joint) Planning, Land and Water Use Management and Tourism and Recreation on S.R. No. 43

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to revise, simplify, consolidate, and eliminate unnecessary administrative rules relating to small boat harbors and boating.

The DLNR is also requested to make the rules user-friendly and to prepare a rule book for laypeople for distribution to owners of registered vessels.

Your Committees find that the DLNR rules, now encompassing 469 pages and weighing two and one-half pounds, have become unwieldy, excessive, and complicated, thus making it difficult for the average boater to follow. Your Committees further find that a clear and simple guidebook describing the rules for recreational boating, use of small boat harbors, and the like would be greatly appreciated by the boating public.

Your Committees have amended this resolution by:

- (1) Deleting the fourth and fifth WHEREAS clauses, which cite examples of inappropriate or excessive rules;
- (2) Deleting the word "unreasonableness" from the sixth WHEREAS clause describing the rules;
- (3) Requesting the DLNR to "review its" rather than "eliminate unnecessary" rules;
- (4) Deleting reference to distribution of the rule book and substituting making it available;
- (5) Deleting reference to publication of the guidebook and this resolution in a newspaper; and
- (6) Amending the title to appropriately reflect the changes.

Your Committees on Planning, Land and Water Use Management and Tourism and Recreation concur with the intent and purpose of S.R. No. 43, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 43, S.D. 1.

Signed by all members of the Committees.

SCRep. 3101 (Joint) Planning, Land and Water Use Management and Tourism and Recreation on S.C.R. No. 55

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to create an oversight committee to monitor the progress of the recreational boating program.

Your Committees find that several audits conducted by the Auditor over the years have identified the single most important recommendation for improved operations to be a need for a clearly defined and comprehensive programmatic approach to recreational boating. Responsibility for boating activity currently rests among three departments: the Department of Land and Natural Resources, the Department of Transportation, and the Department of Public Safety. Your Committees further find that an oversight committee would resolve the problem of fragmented responsibility for boating activities in this State.

Your Committees have amended this concurrent resolution by deleting references to administrative inaction and to publication of this concurrent resolution in a newspaper. Your Committees have provided that the oversight committee shall cease to exist after two years, because this should be adequate time to accomplish bringing together the various interest groups for the purpose of this concurrent resolution.

Your Committees on Planning, Land and Water Use Management and Tourism and Recreation concur with the intent and purpose of S.C.R. No. 55, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 55, S.D. 1.

Signed by all members of the Committees.

SCRep. 3102 (Joint) Planning, Land and Water Use Management and Tourism and Recreation on S.R. No. 44

The purpose of this resolution is to request the Department of Land and Natural Resources to create an oversight committee to monitor the progress of the recreational boating program.

Your Committees find that several audits conducted by the Auditor over the years have identified the single most important recommendation for improved operations to be a need for a clearly defined and comprehensive programmatic approach to recreational boating. Responsibility for boating activity currently rests among three departments: the Department of Land and Natural Resources, the Department of Transportation, and the Department of Public Safety. Your Committees further find that an oversight committee would resolve the problem of fragmented responsibility for boating activities in this State.

Your Committees have amended this resolution by deleting references to administrative inaction and to publication of this resolution in a newspaper. Your Committees have provided that the oversight committee shall cease to exist after two years, because this should be adequate time to accomplish bringing together the various interest groups for the purpose of this resolution.

Your Committees on Planning, Land and Water Use Management and Tourism and Recreation concur with the intent and purpose of S.R. No. 44, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 44, S.D. 1.

Signed by all members of the Committees.

SCRep. 3103 (Joint) Planning, Land and Water Use Management and Agriculture on S.C.R. No. 156

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to conduct a feasibility study on establishing community-based fisheries demonstration projects in selected areas of the State.

Your Committees find that near shore fishery resources of the Hawaiian islands are threatened by over-fishing, urbanization, pollution, habitat alteration, and management and enforcement deficiencies. This is at odds with native Hawaiian fishing practices of resource conservation to provide sustenance.

Your Committees further find that the Main Hawaiian Islands Marine Resources Investigation Planning Workshop recommended in July 1991 an increase in the involvement of fishery resource users through the establishment of community-based planning bodies comprised of fishermen, researchers, and managers, to emphasize the role of community residents to control their fishing resources and to develop conservation compatible enterprises. An initial step would be to develop native Hawaiian community-based commercial fisheries demonstration projects in certain localities to illustrate the feasibility of the concept.

Your Committees on Planning, Land and Water Use Management and Agriculture concur with the intent and purpose of S.C.R. No. 156 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3104 (Joint) Planning, Land and Water Use Management and Agriculture on S.R. No. 120

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a feasibility study on establishing community-based fisheries demonstration projects in selected areas of the State.

Your Committees find that near shore fishery resources of the Hawaiian islands are threatened by over-fishing, urbanization, pollution, habitat alteration, and management and enforcement deficiencies. This is at odds with native Hawaiian fishing practices of resource conservation to provide sustenance.

Your Committees further find that the Main Hawaiian Islands Marine Resources Investigation Planning Workshop recommended in July 1991 an increase in the involvement of fishery resource users through the establishment of community-based planning bodies comprised of fishermen, researchers, and managers, to emphasize the role of community residents to control their fishing resources and to develop conservation compatible enterprises. An initial step would be to develop native Hawaiian community-based commercial fisheries demonstration projects in certain localities to illustrate the feasibility of the concept.

Your Committees on Planning, Land and Water Use Management and Agriculture concur with the intent and purpose of S.R. No. 120 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3105 Planning, Land and Water Use Management on S.C.R. No. 285

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to coordinate efforts between two of its divisions to remove forest debris from Kauai State Parks.

Your Committee finds that Hurricane Iniki caused an abundance of fallen trees on Kauai, particularly in Kauai State Parks where trees are still laying on the ground. An issue has been raised as to whether the State Parks Division of the DLNR should permit salvage removal of forest debris from Kauai State Parks, although the Kauai District Forest and Wildlife Division of the DLNR has the expertise to provide technical oversight for such removal. Your Committee further finds that fallen trees could provide valuable Koa and Kau'ila wood for woodcrafters to ply their trade.

Your Committee has amended this concurrent resolution to address the concerns raised by the DLNR as to overall park management objectives, salvage costs, and any environmental impact.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 285, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 285, S.D. 1.

Signed by all members of the Committee.

SCRep. 3106 Planning, Land and Water Use Management on S.R. No. 232

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to coordinate efforts between two of its divisions to remove forest debris from Kauai State Parks.

Your Committee finds that Hurricane Iniki caused an abundance of fallen trees on Kauai, particularly in Kauai State Parks where trees are still laying on the ground. An issue has been raised as to whether the State Parks Division of the DLNR should permit salvage removal of forest debris from Kauai State Parks, although the Kauai District Forest and

Wildlife Division of the DLNR has the expertise to provide technical oversight for such removal. Your Committee further finds that fallen trees could provide valuable Koa and Kau'ila wood for woodcrafters to ply their trade.

Your Committee has amended this resolution to address the concerns raised by the DLNR as to overall park management objectives, salvage costs, and any environmental impact.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 232, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 232, S.D. 1.

Signed by all members of the Committee.

SCRep. 3107 (Joint) Planning, Land and Water Use Management and Transportation on S.C.R. No. 19

The purpose of this concurrent resolution is to authorize a time extension for the Department of Land and Natural Resources and the Department of Transportation to lease certain submerged lands in Ke'ehi Lagoon to a private developer.

Your Committees find that the 1988 Legislature authorized the lease of these lands, with a deadline of July 1, 1993, to a private developer for recreational, educational, research, and commercial or light industrial purposes. However, private developers are reluctant to commit to a lease until major federal and state permits are obtained. In 1992, the Legislature authorized by concurrent resolution an extension until July 1, 1994. Your Committees find that necessary federal permit approvals for dredging and filling cannot be completed by that date and so a further extension until July 1, 1996 is warranted. To assure that this matter need not again come before the Legislature for an extension, this concurrent resolution also provides that this deadline shall be deemed to have been met by the execution of a development agreement between the State and the developer.

Your Committees received testimony in support of this concurrent resolution from the Department of Transportation and the Department of Land and Natural Resources.

Your Committees on Planning, Land and Water Use Management and Transportation concur with the intent and purpose of S.C.R. No. 19 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3108 Planning, Land and Water Use Management on S.C.R. No. 17

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to issue a lease for the private development of certain fast and submerged lands at Kawaihae, Hawaii, for marina purposes.

Your Committee finds that of the 341 applications awaiting berthing or mooring facilities on the Big Island, 329 of the applications are for facilities on the western shore where Kawaihae Harbor is located. Your Committee also finds that development objectives for Kawaihae Harbor, including the optimization of ocean recreational opportunities, the use of private sector funds to implement the recommendations of an updated plan, and the generation of revenues for the State have been authorized by Section 301 of the River and Harbor Act of 18 October 1965. Further, your Committee finds that leasing the fast and submerged lands along Kawaihae to develop a marina first requires approval of the Governor and the Legislature by concurrent resolution before the Board of Land and Natural Resources may lease the lands to a private developer.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 17 and recommends its adoption.

Signed by all members of the Committee except Senator Aki.

SCRep. 3109 Planning, Land and Water Use Management on S.C.R. No. 136

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR), the County of Hawaii Planning Department, and various Big Island community groups to identify important access routes over state and private lands to forest and marine resources on the Big Island.

Your Committee finds that access routes to the ocean, mountains, valleys, landscapes, and other cultural and historical resources should be identified and maintained for public purposes of recreation, subsistence, culture, and aesthetic enjoyment.

Your Committee received supporting testimony from the DLNR.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 136 and recommends its adoption.

Signed by all members of the Committee except Senator Aki.

SCRep. 3110 Planning, Land and Water Use Management on S.R. No. 104

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR), the County of Hawaii Planning Department, and various Big Island community groups to identify important access routes over state and private lands to forest and marine resources on the Big Island.

Your Committee finds that access routes to the ocean, mountains, valleys, landscapes, and other cultural and historical resources should be identified and maintained for public purposes of recreation, subsistence, culture, and aesthetic enjoyment.

Your Committee received supporting testimony from the DLNR.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 104 and recommends its adoption.

Signed by all members of the Committee except Senator Aki.

SCRep. 3111 Consumer Protection on S.C.R. No. 201

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study and report on the feasibility of utilizing physician assistants to the maximum capacity of their training and professional abilities.

The study will include relevant information from other states, the impact on the public, and an analysis of the relative benefits of establishing a physician assistant program at the University of Hawaii School of Public Health versus recruitment from the mainland United States.

The Bureau will provide draft legislation appropriate to its findings and recommendations, prior to the convening of the 1995 Regular Session of the Legislature.

The physician assistant profession was created more than twenty-five years ago to increase the number of primary care providers and address critical shortages of qualified health care providers throughout the United States. Over the years they have worked well in virtually every type of health practice setting providing diagnostic, therapeutic, and preventive health care services in partnership with supervising physicians or in isolation, linked with a physician by telephone or radio. Studies clearly establish that physician assistants can effectively and efficiently perform seventy-five to eighty percent of the duties that would otherwise require a licensed physician; however, this information was unknown when Hawaii developed and put into place its laws and rules relating to physician assistants.

This concurrent resolution will be instrumental in establishing the extent to which Hawaii can and will benefit from the services of these trained health care providers.

Your Committee has amended this concurrent resolution by deleting the request to examine the feasibility of establishing a physician assistant program at the University of Hawaii School of Public Health. Your Committee finds that such a program is already under way and scheduled to begin in July of this year.

Your Committee on Consumer Protection concurs with the intent and purpose of S.C.R. No. 201, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 201, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Ikeda and Kobayashi, B..

SCRep. 3112 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 283

The purpose of this concurrent resolution is to urge the County of Kauai to consider deferring the collection of real property taxes and water fees from hotels damaged by Hurricane Iniki.

Your Committee finds that the detrimental economic effects of Hurricane Iniki are still quite evident on the island of Kauai. Many businesses physically and economically damaged by the hurricane have yet to fully recover. Your Committee believes that deferring the collection of real property taxes and water fees from hotels damaged by Hurricane Iniki will facilitate a quicker economic recovery of Kauai's tourism industry and thereby expedite the recovery of the island's general economy.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 283 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Solomon.

SCRep. 3113 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 230

The purpose of this resolution is to urge the County of Kauai to consider deferring the collection of real property taxes and water fees from hotels damaged by Hurricane Iniki.

Your Committee finds that the detrimental economic effects of Hurricane Iniki are still quite evident on the island of Kauai. Many businesses physically and economically damaged by the hurricane have yet to fully recover. Your Committee believes that deferring the collection of real property taxes and water fees from hotels damaged by Hurricane Iniki will facilitate a quicker economic recovery of Kauai's tourism industry and thereby expedite the recovery of the island's general economy.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 230 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Solomon.

SCRep. 3114 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment on S.C.R. No. 271

The purpose of this concurrent resolution is to request that the Governor convene a Ka'u Coordinating Committee to coordinate efforts at the federal, state, and county government levels to address the various problems faced by Ka'u residents due to the closure of the sugar operations of Ka'u Agribusiness Co., Inc.

Your Committees find that the closure of Ka'u Agribusiness' sugar operations has created a significantly detrimental economic impact on the residents and surrounding communities of Ka'u. By providing a cohesive, coordinated effort to address the pressing problems of the Ka'u region, a more efficient use of resources and effective means of expeditiously delivering necessary assistance will result.

Your Committees have amended the measure by requiring that a representative from the Ka'u Community Development Council be added to the committee and by requiring that the County Council member representing the Ka'u district should sit on the committee rather than the County Council Chairperson. Your Committees have also made technical amendments for the purposes of style and clarity.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment concur with the intent and purpose of S.C.R. No. 271, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 271, S.D. 1.

Signed by all members of the Committees except Senator Matsunaga.

SCRep. 3115 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment on S.R. No. 219

The purpose of this resolution is to request that the Governor convene a Ka'u Coordinating Committee to coordinate efforts at the federal, state, and county government levels to address the various problems faced by Ka'u residents due to the closure of the sugar operations of Ka'u Agribusiness Co., Inc.

Your Committees find that the closure of Ka'u Agribusiness' sugar operations has created a significantly detrimental economic impact on the residents and surrounding communities of Ka'u. By providing a cohesive, coordinated effort to address the pressing problems of the Ka'u region, a more efficient use of resources and effective means of expeditiously delivering necessary assistance will result.

Your Committees have amended the measure by requiring that a representative from the Ka'u Community Development Council be added to the committee and by requiring that the County Council member representing the Ka'u district should sit on the committee rather than the County Council Chairperson. Your Committees have also made technical amendments for the purposes of style and clarity.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Labor and Employment concur with the intent and purpose of S.R. No. 219, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 219, S.D. 1.

Signed by all members of the Committees except Senator Matsunaga.

SCRep. 3116 (Joint) Higher Education, Culture and Arts and Historic Preservation and Judiciary on S.C.R. No. 26

The purpose of this concurrent resolution is to request that the Judiciary establish an interim task force to discuss, develop, and propose amendments to Chapter 571, Hawaii Revised Statutes, to protect the interests of Hawaiian families and native Hawaiian children.

Your Committees find that family court statutes do not provide for cultural sensitivity in the placement of native Hawaiian children in foster or adoptive homes. This concurrent resolution will initiate reforms in the adoption and foster care processes to provide cultural sensitivity to the needs of Native Hawaiian children.

Testimony in support of this concurrent resolution was received from the Native Hawaiian Advisory Council, the Department of Human Services, and the Office of Hawaiian Affairs.

Your Committees have amended this concurrent resolution by including all members of Hui 'Imi to the task force, and two members from the Native Hawaiian Bar Association. Your Committees have further amended this concurrent resolution by removing all other names from the membership of the task force.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Judiciary concur with the intent and purpose of S.C.R. No. 26, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 26, S.D. 1.

Signed by all members of the Committees except Senators Aki, Solomon and Matsuura.

SCRep. 3117 (Joint) Higher Education, Culture and Arts and Historic Preservation and Education on S.C.R. No. 178

The purpose of this concurrent resolution is to request the School Community Based Management Councils of the Department of Education to retain the Kupuna component of the Hawaiian Studies program in the curriculum of public education.

Your Committees find that the Constitution of the State of Hawaii provides that the State shall promote the study of Hawaiian culture, history, and language. The Kupunas, instrumental in the education of Hawaiian culture, history, values, and language, are often not used by public schools, and the funds appropriated for compensating the Kupunas go to other purposes. This concurrent resolution requests the Department of Education to retain the Kupunas as part of the Hawaiian Studies programs in the curriculum of public education.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Education concur with the intent and purpose of S.C.R. No. 178 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3118 (Joint) Higher Education, Culture and Arts and Historic Preservation and Education on S.R. No. 142

The purpose of this resolution is to request the School Community Based Management Councils of the Department of Education to retain the Kupuna component of the Hawaiian Studies program in the curriculum of public education.

Your Committees find that the Constitution of the State of Hawaii provides that the State shall promote the study of Hawaiian culture, history, and language. The Kupunas, instrumental in the education of Hawaiian culture, history, values, and language, are often not used by public schools, and the funds appropriated for compensating the Kupunas go to other purposes. This resolution requests the Department of Education to retain the Kupunas as part of the Hawaiian Studies programs in the curriculum of public education.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Education concur with the intent and purpose of S.R. No. 142 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3119 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on S.C.R. No. 118

The purpose of this concurrent resolution is to request that the Board of Land and Natural Resources, in conjunction with the Aha Punana Leo Preschool, establish a Hawaiian language and culture curriculum in Kahana Valley State Park.

Your Committees find that the past banning of the Hawaiian language in island schools has caused an eclipse in the use of the language. However, in recent years, there has been a resurgence of interest and pride in the Hawaiian language and Kahana Valley Park, with its unique cultural, historical, and natural resources, would be an ideal place to establish a Hawaiian language and culture program. This concurrent resolution would initiate the establishment of such a program where perpetuation of the language would be a vital part of the theme park concept.

Testimony in support of this concurrent resolution was received from the Office of Hawaiian Affairs.

Your Committees have amended this concurrent resolution by including the Kahana Valley residents in the development of the program and making the program consistent with the Department of Education's (DOE) Hawaiian Language Immersion Program.

Your Committees have further amended this concurrent resolution by requesting the Board of Land and Natural Resources to utilize the Kahana Valley manaleo, along with specialists from the DOE's Hawaiian Language Immersion Program and faculty from the Windward Community College's Hawaiian Studies Program, in the development of the program.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 118, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 118, S.D. 1.

Signed by all members of the Committees except Senators Aki and Solomon.

SCRep. 3120 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on S.R. No. 87

The purpose of this resolution is to request that the Board of Land and Natural Resources, in conjunction with the Aha Punana Leo Preschool, establish a Hawaiian language and culture curriculum in Kahana Valley State Park.

Your Committees find that the past banning of the Hawaiian language in island schools has caused an eclipse in the use of the language. However, in recent years, there has been a resurgence of interest and pride in the Hawaiian language and Kahana Valley Park, with its unique cultural, historical, and natural resources, would be an ideal place to establish a Hawaiian language and culture program. This resolution would initiate the establishment of such a program where perpetuation of the language would be a vital part of the theme park concept.

Testimony in support of this resolution was received from the Office of Hawaiian Affairs.

Your Committees have amended this resolution by including the Kahana Valley residents in the development of the program and making the program consistent with the Department of Education's (DOE) Hawaiian Language Immersion Program.

Your Committees have further amended this resolution by requesting the Board of Land and Natural Resources to utilize the Kahana Valley manaleo, along with specialists from the DOE's Hawaiian Language Immersion Program and faculty from the Windward Community College's Hawaiian Studies Program, in the development of the program.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of S.R. No. 87 as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 87, S.D. 1.

Signed by all members of the Committees except Senators Aki and Solomon.

SCRep. 3121 (Joint/Majority) Higher Education, Culture and Arts and Historic Preservation and Transportation on S.R. No. 138

The purpose of this resolution is to request the Higher Education, Culture and Arts and Historic Preservation Committee to investigate commercial helicopter activity in Waipio Valley, Hawaii, and the impact of such activity on the cultural and historical integrity of Waipio Valley.

Your Committees find that Waipio Valley is worthy of preservation for being one of the earliest human settlements on the island of Hawaii and for being an important historic, cultural, and demographic center for the past 800 years. Many of the archaeological sites are located along the cliffs of Waipio Valley, where helicopter tour traffic has increased substantially.

Your Committees further find that the helicopter tour traffic threatens the preservation of the archaeological sites. The noise decibel from the helicopters are detrimental to the appreciation of the spiritual ambiance of Waipio Valley.

Your Committees have amended the title and the "BE IT RESOLVED" clauses of this resolution to substitute the Department of Transportation for the Committee on Higher Education, Culture and Arts and Historic Preservation.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Transportation concur with the intent and purpose of S.R. No. 138, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 138, S.D. 1.

Signed by all members of the Committees.
Senator Koki did not concur.

SCRep. 3122 (Joint) Higher Education, Culture and Arts and Historic Preservation and Transportation on S.R. No. 188

The purpose of the resolution is to urge the development of a Hawaii Aviation Training Center at Hilo International Airport.

Your Committees find that despite Hawaii's reliance on air travel, no formalized program or curriculum exists within the State for certifying and licensing individuals who wish to pursue aviation industry professions.

Your Committees further find that aircraft manufacturers, airlines, and the Federal Aviation Administration all predict that the Pacific-Asia region will experience the greatest need for aviation professionals over the next fifteen years.

The University of Hawaii (UH) has entered into an affiliation agreement with the University of North Dakota Center for Aerospace Sciences and the University of North Dakota Aerospace Foundation to assist the UH to establish a Hawaii Aviation Training Center (HATC) for local students. The HATC will provide excellent career opportunities for Hawaii's youth and will be a key component for revitalization of the economy of the Hilo-Hamakua Coast.

Present funding for short-term planning and marketing of the HATC is provided by the Department of Business, Economic Development, and Tourism, and the Department of Labor and Industrial Relations. The UH will request federal funding for the design, construction, and equipping of the HATC.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Transportation concur with the intent and purpose of S.R. No. 188 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3123 (Joint) Higher Education, Culture and Arts and Historic Preservation and Transportation on S.C.R. No. 232

The purpose of the concurrent resolution is to urge the development of a Hawaii Aviation Training Center at Hilo International Airport.

Your Committees find that despite Hawaii's reliance on air travel, no formalized program or curriculum exists within the State for certifying and licensing individuals who wish to pursue aviation industry professions.

Your Committees further find that aircraft manufacturers, airlines, and the Federal Aviation Administration all predict that the Pacific-Asia region will experience the greatest need for aviation professionals over the next fifteen years.

The University of Hawaii (UH) has entered into an affiliation agreement with the University of North Dakota Center for Aerospace Sciences and the University of North Dakota Aerospace Foundation to assist the UH to establish a Hawaii

Aviation Training Center (HATC) for local students. The HATC will provide excellent career opportunities for Hawaii's youth and will be a key component for revitalization of the economy of the Hilo-Hamakua Coast.

Present funding for short-term planning and marketing of the HATC is provided by the Department of Business, Economic Development, and Tourism, and the Department of Labor and Industrial Relations. The UH will request federal funding for the design, construction, and equipping of the HATC.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Transportation concur with the intent and purpose of S.C.R. No. 232 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3124 Judiciary on S.C.R. No. 160

The purpose of the concurrent resolution is to request the Department of the Attorney General to take appropriate action to comply with the recommendations of the Auditor as published in Report No. 92-21.

Your Committee has taken a great interest in the operational structure of the department, especially the Child Support Enforcement Agency. Your Committee therefore requests a report of all actions taken pursuant to this concurrent resolution no later than twenty days prior to the convening of the 1995 Regular Session.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 160 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3125 Judiciary on S.C.R. No. 250

The purpose of this concurrent resolution is to request the corrections population management commission to report to the legislature its progress in setting population limits at state correctional facilities.

Your Committee finds that the purpose of the concurrent resolution has been met by the scheduling of an informational briefing for the Judiciary Committee regarding corrections population management on April 19.

Upon further consideration, your Committee has amended the concurrent resolution by deleting its title and contents, and substituting a new title of the concurrent resolution to read:

"SENATE CONCURRENT RESOLUTION RECOGNIZING THE OUTSTANDING WORK OF HAWAII'S POLICE OFFICERS AND REQUESTING THE CHIEF OF POLICE OF EACH COUNTY TO REVIEW THEIR SYSTEM OF INTERNAL DISCIPLINE IN VIEW OF RECENT AMENDMENTS TO THE UNIFORM INFORMATION PRACTICES ACT (MODIFIED)."

As amended, the purpose of this concurrent resolution is to recognize the work of Hawaii's police officers and request the chief of police of each county to review their system of internal discipline in view of recent amendments to the uniform informational practices act (modified).

In particular, the concurrent resolution requests the chiefs of police to ensure that only those police officers who engage in criminal misconduct while in the performance of their duties are suspended or discharged, which may be accompanied by a public reprimand, and that less serious forms of misconduct are accompanied by no suspension or discharge and less severe disciplinary action.

Your Committee joins the concurrent resolution in recognizing the superb work of Hawaii's police officers as being among the best police forces in the nation, noted for their exceptional dedication, self-sacrifice, and bravery despite the challenging and often hazardous nature of their work.

Your Committee further believes that with respect to a police officer who has engaged in misconduct while in the course of the officer's official duties, the public's right to access to the officer's name, nature and allegations of misconduct, and other information required by the 1993 amendments to the uniform information practices act (modified) must be tempered by the possible harm to the officers and their families resulting from the release of that information.

Your Committee therefore agrees that only those officers who are found to have committed criminal misconduct should be subject to suspension or discharge, which by law requires automatic disclosure of the officers' names and other required information, and that the county police commissions should review and modify their internal disciplinary systems, as may be necessary, in accordance with this finding.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 250, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 250, S.D. 1.

Signed by all members of the Committee.

SCRep. 3126 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 166

The purpose of this resolution is to request that the Navy disclose information to the Department of Health on its nuclear waste storage and containment facilities and practices at the Pearl Harbor Naval Base.

Your Committee finds that the public has the right to know how hazardous waste is being contained in their community. However, through the course of its deliberations, your Committee has found that the Navy already discloses nuclear storage information to the Department of Health.

Your Committee has amended the title and has added language to the body of the resolution to commend the Navy for its commitment to keeping the public informed on matters that could potentially affect the well-being of the surrounding community. Your Committee also requests the Navy to disclose historical and new environmental radiation data for the area where the nuclear waste shipping containers are held.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 166, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 166, S.D. 1.

Signed by all members of the Committee except Senators Fukunaga, Solomon and Tanaka.

SCRep. 3127 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 148

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs to convene a conference of early childhood education and child care agencies and other organizations that serve native Hawaiians and Hawaiians.

Your Committee finds that education contributes significantly to the long-term physical, sociological, psychological, and economic well-being of native Hawaiians and Hawaiians and the success of early educational efforts in the Hawaiian community, including quality child care, is pivotal in the effort to better the conditions of native Hawaiians and Hawaiians.

Your Committee has amended the measure by replacing all references to the Office of Hawaiian Affairs with the Hui 'Imi Task Force since the Hui 'Imi Task Force encompasses a broader spectrum of service providers for native Hawaiians and Hawaiians. Your Committee has also added language to:

- (1) Clarify the purpose of convening the conference;
- (2) Add the Office of Hawaiian Affairs and the Queen Lili'uokalani Children's Center to the list of those from whom assistance and support should be sought; and
- (3) Specify that the individual groups represented at the conference should share in the conference costs on a matching, dollar-for-dollar basis.

Your Committee has also made technical amendments which have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 148, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 148, S.D. 1.

Signed by all members of the Committee except Senators Fukunaga, Solomon and Tanaka.

SCRep. 3128 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 113

The purpose of this resolution is to request the Office of Hawaiian Affairs to convene a conference of early childhood education and child care agencies and other organizations that serve native Hawaiians and Hawaiians.

Your Committee finds that education contributes significantly to the long-term physical, sociological, psychological, and economic well-being of native Hawaiians and Hawaiians and the success of early educational efforts in the Hawaiian community, including quality child care, is pivotal in the effort to better the conditions of native Hawaiians and Hawaiians.

Your Committee has amended the measure by replacing all references to the Office of Hawaiian Affairs with the Hui 'Imi Task Force since the Hui 'Imi Task Force encompasses a broader spectrum of service providers for native Hawaiians and Hawaiians. Your Committee has also added language to:

- (1) Clarify the purpose of convening the conference;
- (2) Add the Office of Hawaiian Affairs and the Queen Lili'uokalani Children's Center to the list of those from whom assistance and support should be sought; and
- (3) Specify that the individual groups represented at the conference should share in the conference costs on a matching, dollar-for-dollar basis.

Your Committee has also made technical amendments which have no substantive effect.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 113, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 113, S.D. 1.

Signed by all members of the Committee except Senators Fukunaga, Solomon and Tanaka.

SCRep. 3129 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 206

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources and the City and County of Honolulu to develop and implement a plan to rehabilitate Nuuanu Stream.

Your Committee finds that Nuuanu Stream is not only home to a number of Hawaii's native species, but also acts as a lifesource for other lifeforms that live alongside its banks. In recent years the stream has progressively deteriorated in environmental quality due to pollution and abuse by visitors to the area.

Your Committee understands that efforts to rehabilitate Nuuanu Stream may have been delayed to some extent because jurisdictional issues over the upkeep of the stream have arisen between the Department of Land and Natural Resources and the City and County of Honolulu.

Your Committee believes that the rehabilitation of Nuuanu Stream is an important environmental matter that should not be neglected merely because of jurisdictional issues between the City and the State. Consequently, your Committee has amended the measure to request that the Department of Land and Natural Resources and the City and County of Honolulu expeditiously resolve any jurisdictional issues and move forward in rehabilitation activities.

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 Fukunaga, Solomon and Tanaka.

SCRep. 3130 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 164

The purpose of this resolution is to request the Department of Land and Natural Resources and the City and County of Honolulu to develop and implement a plan to rehabilitate Nuuanu Stream.

Your Committee finds that Nuuanu Stream is not only home to a number of Hawaii's native species, but also acts as a lifesource for other lifeforms that live alongside its banks. In recent years the stream has progressively deteriorated in environmental quality due to pollution and abuse by visitors to the area.

Your Committee understands that efforts to rehabilitate Nuuanu Stream may have been delayed to some extent because jurisdictional issues over the upkeep of the stream have arisen between the Department of Land and Natural Resources and the City and County of Honolulu.

Your Committee believes that the rehabilitation of Nuuanu Stream is an important environmental matter that should not be neglected merely because of jurisdictional issues between the City and the State. Consequently, your Committee has amended the measure to request that the Department of Land and Natural Resources and the City and County of Honolulu expeditiously resolve any jurisdictional issues and move forward in rehabilitation activities.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 164, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 164, S.D. 1.

Signed by all members of the Committee except Senators Fukunaga, Solomon and Tanaka.

SCRep. 3131 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 210

The purpose of this concurrent resolution is to request the legislative reference bureau to review, compile, and report on the existing theories and mitigation technologies available on asbestos, and to request the auditor to report on the total cost of asbestos abatement activities conducted on state buildings.

Your Committee finds that state policies and recommendations governing asbestos in public buildings have had, and will continue to have, a substantial fiscal impact on the State of Hawaii. Your Committee believes that these policies and recommendations should be reviewed in light of the published scientific and medical literature on building exposure to and risks from asbestos, current abatement theories and mitigation technologies available on asbestos, current federal regulations and recommendations regarding asbestos management in buildings, and the total past, present, and future cost of asbestos abatement activities in state buildings, in order to provide the legislature with up-to-date information on the most cost-efficient means of protecting the public's health.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that the abovementioned review, compilation, and report on asbestos is to relate to existing abatement theories;
- (2) Requesting that the review, compilation, and report on asbestos include the published scientific and medical literature on building exposure to and risks from asbestos, and current federal regulations and recommendations regarding asbestos management in buildings;
- (3) Requesting the University of Hawaii school of public health, rather than the legislative reference bureau, to review, compile, and report on the published scientific and medical literature on building exposure to and risks from asbestos, current abatement theories and mitigation technologies available on asbestos, and current federal regulations and recommendations regarding asbestos management in buildings;

- (4) Transmitting certified copies of this concurrent resolution to the president and chairperson of the board of regents of the University of Hawaii, and the dean of the University of Hawaii school of public health, rather than the director of the legislative reference bureau; and
- (5) Making numerous technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee understands that the University of Hawaii school of public health has expressed an interest in conducting the study, and that the school of public health is extremely well qualified to handle the task.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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 except Senator Solomon.

SCRep. 3132 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 168

The purpose of this resolution is to request the legislative reference bureau to review, compile, and report on the existing theories and mitigation technologies available on asbestos, and to request the auditor to report on the total cost of asbestos abatement activities conducted on state buildings.

Your Committee finds that state policies and recommendations governing asbestos in public buildings have had, and will continue to have, a substantial fiscal impact on the State of Hawaii. Your Committee believes that these policies and recommendations should be reviewed in light of the published scientific and medical literature on building exposure to and risks from asbestos, current abatement theories and mitigation technologies available on asbestos, current federal regulations and recommendations regarding asbestos management in buildings, and the total past, present, and future cost of asbestos abatement activities in state buildings, in order to provide the legislature with up-to-date information on the most cost-efficient means of protecting the public's health.

Your Committee has amended this resolution by:

- (1) Clarifying that the abovementioned review, compilation, and report on asbestos is to relate to existing abatement theories;
- (2) Requesting that the review, compilation, and report on asbestos include the published scientific and medical literature on building exposure to and risks from asbestos, and current federal regulations and recommendations regarding asbestos management in buildings;
- (3) Requesting the University of Hawaii school of public health, rather than the legislative reference bureau, to review, compile, and report on the published scientific and medical literature on building exposure to and risks from asbestos, current abatement theories and mitigation technologies available on asbestos, and current federal regulations and recommendations regarding asbestos management in buildings;
- (4) Transmitting certified copies of this resolution to the president and chairperson of the board of regents of the University of Hawaii, and the dean of the University of Hawaii school of public health, rather than the director of the legislative reference bureau; and
- (5) Making numerous technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee understands that the University of Hawaii school of public health has expressed an interest in conducting the study, and that the school of public health is extremely well qualified to handle the task.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 168, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 168, S.D.1.

Signed by all members of the Committee except Senator Solomon.

SCRep. 3133 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 269

The purpose of this concurrent resolution is to request the Auditor to conduct an analysis of the Department of Health's policy concerning the approval of individual wastewater systems in Windward Oahu sewerage subdistricts.

Your Committee finds that many rural communities in Windward Oahu are served by on-site individual wastewater systems which existed prior to the Department's present administrative rules prohibiting the construction of such systems. Your Committee further finds that the continued use of these systems presents potential and real threats to the surrounding groundwater systems. Therefore, a study of this nature is warranted.

Testimony regarding this measure was submitted by the Department of Health, expressing support for a study but requesting that the scope be expanded to include all communities on the North Shore of Oahu.

Your Committee has amended this concurrent resolution by amending the title and appropriate clauses to expand the scope of the study to include communities from Kahaluu to Waialua.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 269, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 269, S.D. 1.

Signed by all members of the Committee except Senators Solomon and Tanaka.

SCRep. 3134 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on S.C.R. No. 63

The purpose of this concurrent resolution is to request that the Hawaii State Association of Counties establish a task force to examine methods of improving the management of Hawaii's beaches and shoreline areas.

Your Committees find that the management of Hawaii's beaches and shoreline areas is fragmented and lacks coordination. Because of this, Hawaii's beaches and shoreline areas are slowly disappearing due to natural and human-induced erosion.

Your Committees believe that establishing a task force to develop methods to coordinate efforts will result in a concerted effort to effectively manage and protect Hawaii's precious beaches and shoreline areas.

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. 63 and recommend its adoption.

Signed by all members of the Committees except Senators Fukunaga, Solomon, Tanaka, Aki, Holt and Ikeda.

SCRep. 3135 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on S.C.R. No. 244

The purpose of this concurrent resolution is to request that the Department of Health, with the assistance of the Attorney General, develop standards to differentiate between public and private nuisances and to define when actions are harmful to the health and safety of the public.

Your Committees find that the laws defining nuisances were created over a century ago and are too dated and ambiguous to be used by modern, urban society. This measure requests the administrative agencies, which are in a better position to deal in this area, to develop proposals which specifically define public standards for nuisance.

Your Committees have amended the measure by requesting the University of Hawaii's School of Public Health and School of Law to assist in the development of these standards.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary concur with the intent and purpose of S.C.R. No. 244, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 244, S.D. 1.

Signed by all members of the Committees except Senators Solomon and Matsuura.

SCRep. 3136 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on S.R. No. 197

The purpose of this resolution is to request that the Department of Health, with the assistance of the Attorney General, develop standards to differentiate between public and private nuisances and to define when actions are harmful to the health and safety of the public.

Your Committees find that the laws defining nuisances were created over a century ago and are too dated and ambiguous to be used by modern, urban society. This measure requests the administrative agencies, which are in a better position to deal in this area, to develop proposals which specifically define public standards for nuisance.

Your Committees have amended the measure by requesting the University of Hawaii's School of Public Health and School of Law to assist in the development of these standards.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary concur with the intent and purpose of S.R. No. 197, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 197, S.D. 1.

Signed by all members of the Committees except Senator Solomon.

SCRep. 3137 Judiciary on S.C.R. No. 158

The purpose of the concurrent resolution is to request the Department of Public Safety to take appropriate action to comply with the recommendations of the Auditor as published in Report No. 92-26.

Testimony from the Department of Public Safety indicated that the department intends to follow the recommendations and will present a report to the Legislature prior to the start of the 1995 regular session.

Your Committee finds that the department is currently undertaking measures to strengthen its internal controls and procedures at its correctional facilities, but that additional time is needed for the department to complete its corrective action. Requiring a report twenty days prior to the convening of the next session would therefore be appropriate.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 158 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3138 Tourism and Recreation on S.C.R. No. 76

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 satellite convention facilities on the neighbor islands.

Your Committee finds that the convention center proposed for Oahu will target convention and business markets to attract additional visitors to the State for both business and pleasure. Your Committee further finds that this potential market could be shared with the neighbor islands through the identification and development of satellite convention center sites.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Hawaii Convention Center Authority.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 76 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3139 Tourism and Recreation on S.C.R. No. 117

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to develop a community process for planning and management of public lands and natural resources for Hamakua on the Big Island.

Your Committee finds that the Hamakua area of the Big Island is rich in natural resources which are culturally and environmentally significant. Your Committee further finds that community input is critical to ensure that such resources are appropriately managed and adequately protected for future generations.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and the Nature Conservancy of Hawaii.

Your Committee has amended this concurrent resolution by making technical changes to reflect the correct number and size of the game management areas in the State's program.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 117, S.D. 1.

Signed by all members of the Committee.

SCRep. 3140 Tourism and Recreation on S.C.R. No. 134

The purpose of this concurrent resolution is request the Hawaii Visitors Bureau and the Department of Business, Economic Development, and Tourism to implement the recommendations of the Auditor in Report No. 93-25.

Your Committee finds that there is a need for the Department and the Bureau to more clearly delineate their roles and responsibilities with regard to the development and marketing of the State's visitor industry. Your Committee further finds that the implementation of the Auditor's recommendations will assist in this effort.

Testimony regarding this measure was submitted by the Department of Business, Economic Development, and Tourism and the Hawaii Visitors Bureau indicating that they have developed a plan of action to address the concerns expressed by the Auditor.

Your Committee has amended this concurrent resolution by indicating that the Auditor found that the Bureau's reporting does not appropriately account for the effective use of public funds.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 134, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 134, S.D. 1.

Signed by all members of the Committee.

SCRep. 3141 Tourism and Recreation on S.R. No. 103

The purpose of this resolution is request the Hawaii Visitors Bureau and the Department of Business, Economic Development, and Tourism to implement the recommendations of the Auditor in Report No. 93-25.

Your Committee finds that there is a need for the Department and the Bureau to more clearly delineate their roles and responsibilities with regard to the development and marketing of the State's visitor industry. Your Committee further finds that the implementation of the Auditor's recommendations will assist in this effort.

Testimony regarding this measure was submitted by the Department of Business, Economic Development, and Tourism and the Hawaii Visitors Bureau indicating that they have developed a plan of action to address the concerns expressed by the Auditor.

Your Committee has amended this resolution by indicating that the Auditor found that the Bureau's reporting does not appropriately account for the effective use of public funds.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 103, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 103, S.D. 1.

Signed by all members of the Committee.

SCRep. 3142 Tourism and Recreation on S.C.R. No. 231

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to increase opportunities for businesses and agencies to compete for tourism marketing contracts.

Your Committee finds that the bulk of the State's funding for tourism marketing is given to the Hawaii Visitors Bureau. Your Committee further finds that competitive bidding for tourism marketing contracts could augment the State's current efforts of worldwide marketing of Hawaii.

Testimony regarding this measure was submitted by the Department of Business, Economic Development, and Tourism, commenting that the Department will reexamine its tourism program to determine the most effective use of available resources.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 231 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3143 Tourism and Recreation on S.C.R. No. 248

The purpose of this concurrent resolution is to request the Auditor to conduct a financial audit of the Hawaii Visitors Bureau's neighbor island affiliate organizations.

Your Committee finds that the Hawaii Visitors Bureau is comprised of both neighbor island chapters as well as intrastate destination offices and out-of-state regional offices. Your Committee further finds that the majority of the Hawaii Visitors Bureau funding is provided by the State, and yet there has been no direct reporting to the State about the expenditures of or by these separate entities.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 248 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3144 Science, Technology and Economic Development on S.C.R. No. 175

The purpose of this concurrent resolution is to urge Hawaii's electric utility companies to develop and adopt a net energy billing program to facilitate the use of renewable energy systems.

Your Committee finds that the concept of net energy billing was discussed at the 1993 Energy and Environmental Summit as a method of encouraging the development of renewable energy resources. Your Committee further finds that requesting a report from the Public Utilities Commission on its efforts regarding this concurrent resolution will provide further incentive to the utility companies in the development of this program.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, and the Consumer Advocate. Testimony in opposition was submitted by Hawaiian Electric Company and its subsidiaries.

Your Committee has amended this concurrent resolution by requesting that the report by the Public Utilities Commission include identification of the costs and benefits to participating and non-participating utility customers.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 175, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 175, S.D. 1.

Signed by all members of the Committee except Senator Matsuura.

SCRep. 3145 Science, Technology and Economic Development on S.R. No. 134

The purpose of this resolution is to urge Hawaii's electric utility companies to develop and adopt a net energy billing program to facilitate the use of renewable energy systems.

Your Committee finds that the concept of net energy billing was discussed at the 1993 Energy and Environmental Summit as a method of encouraging the development of renewable energy resources. Your Committee further finds that requesting a report from the Public Utilities Commission on its efforts regarding this resolution will provide further incentive to the utility companies in the development of this program.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, and the Consumer Advocate. Testimony in opposition was submitted by Hawaiian Electric Company and its subsidiaries.

Your Committee has amended this resolution by requesting that the report by the Public Utilities Commission include identification of the costs and benefits to participating and non-participating utility customers.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 134, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 134, S.D. 1.

Signed by all members of the Committee except Senator Matsuura.

SCRep. 3146 Science, Technology and Economic Development on S.C.R. No. 176

The purpose of this concurrent resolution is to urge Hawaii's Public Utilities Commission and the Department of Business, Economic Development, and Tourism (Department) to assist in the development of production incentives to facilitate the use of renewable energy systems.

Your Committee finds that renewable energy conversion and energy storage systems were discussed at the 1993 Energy and Environmental Summit as methods of encouraging energy self-sufficiency within the State. Your Committee further finds that requesting a report by the Public Utilities Commission and the Department on their efforts regarding this concurrent resolution will provide further incentive to develop and adopt a production incentive program to assist companies in the development of renewable energy conversion and energy storage systems in Hawaii.

Testimony in support of this measure was submitted by the Department, the Public Utilities Commission, and the Consumer Advocate. Testimony in opposition was submitted by Hawaiian Electric Company and its subsidiaries.

Your Committee has amended this concurrent resolution by requesting that the report by the Public Utilities Commission and the Department include identification of the costs and benefits to the respective utility's customers based upon each company's production incentive program.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 176, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 176, S.D. 1.

Signed by all members of the Committee except Senator Matsuura.

SCRep. 3147 Science, Technology and Economic Development on S.R. No. 135

The purpose of this resolution is to urge Hawaii's Public Utilities Commission and the Department of Business, Economic Development, and Tourism (Department) to assist in the development of production incentives to facilitate the use of renewable energy systems.

Your Committee finds that renewable energy conversion and energy storage systems were discussed at the 1993 Energy and Environmental Summit as methods of encouraging energy self-sufficiency within the State. Your Committee further finds that requesting a report by the Public Utilities Commission and the Department on their efforts regarding this resolution will provide further incentive to develop and adopt a production incentive program to assist companies in the development of renewable energy conversion and energy storage systems in Hawaii.

Testimony in support of this measure was submitted by the Department, the Public Utilities Commission, and the Consumer Advocate. Testimony in opposition was submitted by Hawaiian Electric Company and its subsidiaries.

Your Committee has amended this resolution by requesting that the report by the Public Utilities Commission and the Department include identification of the costs and benefits to the respective utility's customers based upon each company's production incentive program.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 135, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 135, S.D. 1.

Signed by all members of the Committee except Senator Matsuura.

SCRep. 3148 (Joint) Science, Technology and Economic Development and Higher Education, Culture and Arts and Historic Preservation on S.C.R. No. 101

The purpose of this concurrent resolution is to request that new buildings constructed for the University of Hawaii comply with the Model Energy Code.

Your Committees find that state policy endorses increasing the energy efficiency of all state buildings, both newly constructed and those being renovated. Your Committees further find that the Model Energy Code is designed to ensure that new buildings are as much as thirty percent more energy efficient than conventional buildings.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, and the University of Hawaii.

Your Committees on Science, Technology and Economic Development and Higher Education, Culture and Arts and Historic Preservation concur with the intent and purpose of S.C.R. No. 101 and recommend its adoption.

Signed by all members of the Committees except Senators Matsuura, Aki and Solomon.

SCRep. 3149 (Joint) Science, Technology and Economic Development and Higher Education, Culture and Arts and Historic Preservation on S.R. No. 74

The purpose of this resolution is to request that new buildings constructed for the University of Hawaii comply with the Model Energy Code.

Your Committees find that state policy endorses increasing the energy efficiency of all state buildings, both newly constructed and those being renovated. Your Committees further find that the Model Energy Code is designed to ensure that new buildings are as much as thirty percent more energy efficient than conventional buildings.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, and the University of Hawaii.

Your Committees on Science, Technology and Economic Development and Higher Education, Culture and Arts and Historic Preservation concur with the intent and purpose of S.R. No. 74 and recommend its adoption.

Signed by all members of the Committees except Senators Matsuura, Aki and Solomon.

SCRep. 3150 (Joint) Science, Technology and Economic Development and Transportation on S.C.R. No. 140

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to study the feasibility of providing incentives to encourage the use of alternative fuels.

Your Committees find that Hawaii's reliance on imported fossil fuels endangers the environment and inhibits the economic development of the State. The use of locally produced alternative fuels would reduce dependence on fossil fuels and produce environmental and economic benefits. This concurrent resolution would provide initiative to use alternative fuels to satisfy a substantial part of Hawaii's transportation demands.

Your Committees have amended this concurrent resolution by requesting that DBEDT also examine the disincentives which prevent the use of alternative transportation fuels and stating that the study should not duplicate nor interfere with any related study being conducted by DBEDT.

Your Committees on Science, Technology and Economic Development and Transportation 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 except Senators Matsuura and Nakasato.

SCRep. 3151 (Joint) Science, Technology and Economic Development and Transportation on S.R. No. 107

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to study the feasibility of providing incentives to encourage the use of alternative fuels.

Your Committees find that Hawaii's reliance on imported fossil fuels endangers the environment and inhibits the economic development of the State. The use of locally produced alternative fuels would reduce dependence on fossil fuels and produce environmental and economic benefits. This resolution would provide initiative to use alternative fuels to satisfy a substantial part of Hawaii's transportation demands.

Your Committees have amended this resolution by requesting that DBEDT also examine the disincentives which prevent the use of alternative transportation fuels and stating that the study should not duplicate nor interfere with any related study being conducted by DBEDT.

Your Committees on Science, Technology and Economic Development and Transportation concur with the intent and purpose of S.R. No. 107, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 107, S.D. 1.

Signed by all members of the Committees except Senators Matsuura and Nakasato.

SCRep. 3152 (Joint) Science, Technology and Economic Development and Transportation on S.C.R. No. 177

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to study ways to encourage the use of fuel-efficient vehicles such as requiring state government to purchase fuel-efficient vehicles and creating financial incentives for people to purchase fuel-efficient vehicles.

Your Committees find that Hawaii's dependence on imported fossil fuels endangers the environment and inhibits economic development. The use of fuel-efficient vehicles reduces fuel costs and protects the environment, at comparable prices and comparable performance characteristics to fuel-inefficient vehicles. This concurrent resolution will encourage the purchase of fuel-efficient vehicles.

Your Committees have amended this concurrent resolution by requesting that DBEDT also examine the possible disincentives for the purchase of fuel-efficient cars and stating that this study should not duplicate nor interfere with any related study being conducted by DBEDT.

Your Committees on Science, Technology and Economic Development and Transportation concur with the intent and purpose of S.C.R. No. 177, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 177, S.D. 1.

Signed by all members of the Committees except Senators Matsuura and Nakasato.

SCRep. 3153 (Joint) Science, Technology and Economic Development and Transportation on S.R. No. 136

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to study ways to encourage the use of fuel-efficient vehicles such as requiring state government to purchase fuel-efficient vehicles and creating financial incentives for people to purchase fuel-efficient vehicles.

Your Committees find that Hawaii's dependence on imported fossil fuels endangers the environment and inhibits economic development. The use of fuel-efficient vehicles reduces fuel costs and protects the environment, at comparable prices and comparable performance characteristics to fuel-inefficient vehicles. This resolution will encourage the purchase of fuel-efficient vehicles.

Your Committees have amended this resolution by requesting that DBEDT also examine the possible disincentives for the purchase of fuel-efficient cars and stating that this study should not duplicate nor interfere with any related study being conducted by DBEDT.

Your Committees on Science, Technology and Economic Development and Transportation concur with the intent and purpose of S.R. No. 136, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 136, S.D. 1.

Signed by all members of the Committees except Senators Matsuura and Nakasato.

SCRep. 3154 (Joint) Science, Technology and Economic Development and Education on S.C.R. No. 190

The purpose of this concurrent resolution is to request the Public Utilities Commission to establish and review discounted telecommunications rates for distance learning as part of its current telecommunications docket.

Your Committees find that the Department of Education makes extensive use of telecommunications services in support of distance learning programs. Your Committees further find that telecommunication providers charge business rates for the school's distance learning, making this service a large budget item and inhibiting the installation of new lines. Your Committees encourage the development of distance learning within our public school system and therefore urge the Commission to consider the establishment of discounted rates through its current telecommunications infrastructure docket.

Testimony in support of this measure was submitted by the Department of Education, the Public Utilities Commission, the Consumer Advocate, the University of Hawaii, GTE Hawaiian Tel, and the Hawaii State Teachers Association.

Your Committees on Science, Technology and Economic Development and Education concur with the intent and purpose of S.C.R. No. 190 and recommend its adoption.

Signed by all members of the Committees except Senators Matsuura and Fernandes Salling.

SCRep. 3155 (Joint) Science, Technology and Economic Development and Education on S.R. No. 150

The purpose of this resolution is to request the Public Utilities Commission to establish and review discounted telecommunications rates for distance learning as part of its current telecommunications docket.

Your Committees find that the Department of Education makes extensive use of telecommunications services in support of distance learning programs. Your Committees further find that telecommunication providers charge business rates for the school's distance learning, making this service a large budget item and inhibiting the installation of new lines. Your Committees encourage the development of distance learning within our public school system and therefore urge the Commission to consider the establishment of discounted rates through its current telecommunications infrastructure docket.

Testimony in support of this measure was submitted by the Department of Education, the Public Utilities Commission, the Consumer Advocate, the University of Hawaii, GTE Hawaiian Tel, and the Hawaii State Teachers Association.

Your Committees on Science, Technology and Economic Development and Education concur with the intent and purpose of S.R. No. 150 and recommend its adoption.

Signed by all members of the Committees except Senators Matsuura and Fernandes Salling.

SCRep. 3156 Tourism and Recreation on S.R. No. 143

The purpose of this resolution is to request the Hawaii Visitors Bureau to work with the visitor industry to promote Hawaii as a health and fitness vacation destination leading up to the 1998 Nagano winter games and the 2000 Sydney summer games.

Your Committee finds that efforts to diversify our economy through the expansion of the visitor industry include the development of additional markets such as sports vacations. Your Committee further finds that targeted promotions of Hawaii as a before and after Olympic destination is a perfect opportunity to develop this market and provide immediate as well as long-term economic benefits.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Royal Hawaiian Rowing Challenge.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 143 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3157 Tourism and Recreation on S.R. No. 204

The purpose of this resolution is to request the Governor to enter into discussions with the Walt Disney Company concerning the development of a Hawaii History Theme Park on the Big Island of Hawaii.

Your Committee finds that the Big Island's economy needs diversification due to the recent loss of traditional agricultural industries. Your Committee further finds that the Big Island has many culturally significant places which could be highlighted through a Disney type theme park for both education and entertainment of visitors and residents.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 204 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3158 (Joint) Tourism and Recreation and Judiciary on S.R. No. 205

The purpose of this resolution is to request the Hawaii's Attorney General to establish a visa waiver program for Hawaii similar to that which pertains to aliens entering Guam.

Your Committees find that present federal law prohibits certain Asian visitors to enter Hawaii without a visa, whereas these same visitors may enter Guam without a visa. Your Committees further find that the visa waiver program operating in Guam could easily be implemented in Hawaii and thereby encourage certain foreign travellers to visit Hawaii.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Hawaii Visitors Bureau.

Your Committees have amended this resolution by indicating that the target groups to receive visa waivers would be Singaporeans and Malaysians.

Your Committees on Tourism and Recreation and Judiciary concur with the intent and purpose of S.R. No. 205, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 205, S.D. 1.

Signed by all members of the Committees.

SCRep. 3159 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on S.C.R. No. 116

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to assess the resources of the leeward North Kohala coastline, including historic parks and various conservation and recreational areas, for possible public acquisition prior to construction of additional infrastructure.

Your Committees find that the North Kohala area is a scenic area characterized by several archaeological sites along the coastline and mainly used for public recreation. Although few residents live in the area, the county is anticipating the installation of power and water lines. The improvement of the infrastructure will probably increase development in the area. This concurrent resolution will allow examination of ways to preserve the natural beauty of the area.

Testimony in support of this concurrent resolution was received from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and Hui Lihikai.

Your Committees have amended this concurrent resolution by stating that Hui Lihikai has been working to preserve this area and has agreed to assist in the assessment by the Department of Land and Natural Resources.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 116, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 116, S.D. 1.

Signed by all members of the Committees except Senators Aki, Baker, Solomon, Chang, Hagino, Holt and McCartney.

SCRep. 3160 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on S.R. No. 85

The purpose of this resolution is to request the Department of Land and Natural Resources to assess the resources of the leeward North Kohala coastline, including historic parks and various conservation and recreational areas, for possible public acquisition prior to construction of additional infrastructure.

Your Committees find that the North Kohala area is a scenic area characterized by several archaeological sites along the coastline and mainly used for public recreation. Although few residents live in the area, the county is anticipating the

installation of power and water lines. The improvement of the infrastructure will probably increase development in the area. This resolution will allow examination of ways to preserve the natural beauty of the area.

Testimony in support of this resolution was received from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and Hui Lihikai.

Your Committees have amended this resolution by stating that Hui Lihikai has been working to preserve this area and has agreed to assist in the assessment by the Department of Land and Natural Resources.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of S.R. No. 85, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 85, S.D. 1.

Signed by all members of the Committees except Senators Aki, Baker, Solomon, Chang, Holt and McCartney.

SCRep. 3161 Human Services on S.C.R. No. 84

The purpose of this concurrent resolution is to request the Auditor to conduct a management audit of the Department of Human Services (DHS).

Your Committee finds that the DHS should have policies and procedures to maximize federal matching funds to ensure adequate services, and policies and procedures to ensure unbiased selection and fair treatment of qualified service providers.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 84 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3162 Human Services on S.R. No. 118

The purpose of this resolution is to request the Department of Human Services to examine the possibility of transferring recipients of General Assistance (GA) to the federal Supplemental Security Income (SSI) program.

Testimony relative to the resolution was received from the Department of Human Services, the Legal Aid Society of Hawaii and the Committee on Welfare Concerns.

Your Committee finds that experiences in other states indicate that such transfers are a means of saving state funds and providing more assistance to low income SSI qualified persons. The transfer would mean that the State ceases to pay financial benefits to those persons, and also saves on medical costs because federal funds reimburse the State for medical costs for the former GA recipient who is now on SSI. Moreover, persons on SSI are not affected by the State's freeze on welfare payments.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 118 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Aki and Kobayashi, A.

SCRep. 3163 Human Services on S.C.R. No. 129

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the feasibility of the development of entrepreneurial ventures within or in partnership with nonprofit agencies.

Your Committee finds that reverses in the State's economy have had a major impact on the funds ordinarily available to non-profit organizations for their programs to provide needed goods and services to less fortunate residents. The development of economic opportunities by nonprofit agencies in the for-profit sector of the business community would result in an alternative to State funds as a source of finance for social services provided by these nonprofit operations.

Your Committee has amended the title and the "BE IT RESOLVED" clause of this concurrent resolution to designate the target as "economic opportunities" rather than "entrepreneurial ventures," as the focus of this effort.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 129, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 129, S.D. 1.

Signed by all members of the Committee.

SCRep. 3164 Human Services on S.R. No. 98

The purpose of this resolution is to request the Legislative Reference Bureau to study the feasibility of the development of entrepreneurial ventures within or in partnership with nonprofit agencies.

Your Committee finds that reverses in the State's economy have had a major impact on the funds ordinarily available to non-profit organizations for their programs to provide needed goods and services to less fortunate residents. The development of economic opportunities by nonprofit agencies in the for-profit sector of the business community would result in an alternative to State funds as a source of finance for social services provided by these nonprofit operations.

Your Committee has amended the title and the "BE IT RESOLVED" clause of this resolution to designate the target as "economic opportunities" rather than "entrepreneurial ventures," as the focus of this effort.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 98, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 98, S.D. 1.

Signed by all members of the Committee.

SCRep. 3165 Human Services on S.C.R. No. 154

The purpose of this concurrent resolution is to request the Department of Human Services to examine the possibility of transferring recipients of General Assistance (GA) to the federal Supplemental Security Income (SSI) program.

Testimony relative to the concurrent resolution was received from the Department of Human Services, the Legal Aid Society of Hawaii and the Committee on Welfare Concerns.

Your Committee finds that experiences in other states indicate that such transfers are a means of saving state funds and providing more assistance to low income SSI qualified persons. The transfer would mean that the State ceases to pay financial benefits to those persons, and also saves on medical costs because federal funds reimburse the State for medical costs for the former GA recipient who is now on SSI. Moreover, persons on SSI are not affected by the State's freeze on welfare payments.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 154 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 3166 Human Services on S.C.R. No. 168

The purpose of this concurrent resolution is to request the Standing Committees of the Legislature having jurisdiction over human services to address the problem of providing long-term care in the State.

Your Committee received testimony in support of this concurrent resolution from the Chamber of Commerce, Hawaii State Association of Life Underwriters, Long Term Care, Hawaii, and ILWU Local 142. Reservations that this concurrent resolution is unnecessary and redundant were expressed in testimony from the Executive Office on Aging, State Health Planning and Development Agency, Family Hope Coalition, and the American Association of Retired Persons.

Your Committee finds a need to direct attention to creating, encouraging and supporting a variety of alternatives to address the problem of providing long-term care in the State. The standing committees in both the House and the Senate are in a unique position to identify problem areas in existing long-term care and to originate viable solutions for the most effective and efficient programs.

Your Committee has amended this concurrent resolution to broaden the scope of consideration to be given by the standing committees to include the following:

- (1) An inventory and cost of all long-term care services now provided by both state and county agencies;
- (2) An appraisal of the State's anti-impoveryment law, to include the number of individuals affected and the savings realized;
- (3) An evaluation of concepts for progressive care and swing beds being used in hospital care;
- (4) An evaluation of acute care bed use by individuals who could receive the services needed at a different level of care; and
- (5) An evaluation of incentives to caregivers in the form of tax relief, direct payments, or retirement plans.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 168, 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. 168, S.D. 1.

Signed by all members of the Committee.

SCRep. 3167 Human Services on S.C.R. No. 185

The purpose of this concurrent resolution is to request the Auditor to study the reimbursement methodology for Waimano Training School and Hospital.

Your Committee finds that the operating costs for this facility are increasing while the population being served is decreasing. Consequently, as the population decreases so will the federal funds for its support, thereby causing a need for an increase in state funds to meet these costs of operation. Accordingly, there is a need to determine whether reimbursement rates under the state Medicaid program are reasonable, adequate and in accordance with federal Medicaid requirements.

Your Committee has amended this concurrent resolution to request an evaluation of the impact of any changes to the State Plan for the Waimano Training School and Hospital on the rates of smaller ICF/MR facilities and if the State Upper Limit Assistance under federal law will be jeopardized.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 185, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 185, S.D. 1.

Signed by all members of the Committee except Senators Aki and Kobayashi, A.

SCRep. 3168 Human Services on S.C.R. No. 195

The purpose of this concurrent resolution is to express legislative support for collaboration among state agencies for public-private partnerships between the State and providers of human services in furthering family preservation and support.

Your Committee finds that family preservation and support is a priority at all levels of government and that the State of Hawaii has received national recognition for its Families Together Initiative. Your Committee further finds that the first phase of the Interagency Coordinating team has met with success in its initial year of existence. The continued collaborative efforts and participation in this state-wide program to create a multi-agency, public-private approach to family preservation and support is to be encouraged.

Your Committee has amended this concurrent resolution to broaden the language in support of the collaborative efforts, to urge strengthening of the contribution of each participant, and to clarify the request for a renewed commitment in reaching the goals of the participants.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 195, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 195, S.D. 1.

Signed by all members of the Committee except Senators Aki and Kobayashi, A.

SCRep. 3169 Human Services on S.C.R. No. 238

The purpose of this concurrent resolution is to request the Department of Human Services to defer until June 15, 1995, proposed policy changes to their chore service for the elderly that would prohibit new applicants after June 15, 1994, so that other avenues of funding such services can be explored and service delivery can be continued.

Your Committee finds that the elimination or reduction of funds necessary to provide chore services would be devastating to those in need and every effort must be made to continue and expand these benefits.

Your Committee has amended this concurrent resolution to include persons with disabilities and to include a request to the Department of Human Services to study specific aspects of chore services and to report to the Legislature before the 1995 Session. Your Committee has also amended the title of this concurrent resolution to include the disabled.

Your Committee on Human Services concurs with the intent and purpose of S.C.R. No. 238, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 238, S.D. 1.

Signed by all members of the Committee except Senators Aki and Kobayashi, A.

SCRep. 3170 Human Services on S.R. No. 191

The purpose of this resolution is to request the Department of Human Services to defer until June 15, 1995, proposed policy changes to their chore service for the elderly that would prohibit new applicants after June 15, 1994, so that other avenues of funding such services can be explored and service delivery can be continued.

Your Committee finds that the elimination or reduction of funds necessary to provide chore services would be devastating to those in need and every effort must be made to continue and expand these benefits.

Your Committee has amended this resolution to include persons with disabilities and to include a request to the Department of Human Services to study specific aspects of chore services and to report to the Legislature before the 1995 Session. Your Committee has also amended the title of this resolution to include the disabled.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 191, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 191, S.D. 1.

Signed by all members of the Committee except Senators Aki and Kobayashi, A.

SCRep. 3171 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on S.C.R. No. 258

The purpose of this concurrent resolution is to urge the State of Hawaii and the United States Government to recognize Ka Lahui Hawai'i as a sovereign nation.

The Legislature and the Governor have voiced their commitment to encouraging a process by which indigenous Hawaiian people could achieve self-determination and self-governance in a manner which the Hawaiian people deem appropriate.

Your Committees, although mindful of the diligent efforts of Ka Lahui Hawai'i to bring the concept of sovereignty to fruition, believe that more information on the process of attaining sovereignty is in order. Your Committees are particularly interested in the form, manner, and timing of state recognition in relation to formal federal action. In light of this, your Committees have amended the concurrent resolution by substituting a request that the Legislative Reference Bureau study the processes by which entities are recognized as being sovereign by the federal government and concomitantly by state governments. Your Committees have also amended the title of the concurrent resolution to reflect the amendments made to the text of the concurrent resolution.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary concur with the intent and purpose of S.C.R. No. 258, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 258, S.D. 1.

Signed by all members of the Committees except Senators Fukunaga, Solomon, Baker, Kobayashi, A. and Matsuura.

SCRep. 3172 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 208

The purpose of this concurrent resolution is to request that the Navy disclose information to the Department of Health on its nuclear waste storage and containment facilities and practices at the Pearl Harbor Naval Base.

Your Committee finds that the public has the right to know how hazardous waste is being contained in their community. However, through the course of its deliberations, your Committee has found that the Navy already discloses nuclear storage information to the Department of Health.

Your Committee has amended the title and has added language to the body of the concurrent resolution to commend the Navy for its commitment to keeping the public informed on matters that could potentially affect the well-being of the surrounding community. Your Committee also requests the Navy to disclose historical and new environmental radiation data for the area where the nuclear waste shipping containers are held.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 208, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 208, S.D. 1.

Signed by all members of the Committee except Senators Fukunaga and Solomon.

SCRep. 3173 Tourism and Recreation on S.C.R. No. 252

The purpose of this concurrent resolution is to request the Governor to enter into discussions with the Walt Disney Company concerning the development of a Hawaii History Theme Park on the Big Island of Hawaii.

Your Committee finds that the Big Island's economy needs diversification due to the recent loss of traditional agricultural industries. Your Committee further finds that the Big Island has many culturally significant places which could be highlighted through a Disney type theme park for both education and entertainment of visitors and residents.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 252 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3174 Tourism and Recreation on S.R. No. 86

The purpose of this resolution is to request the Department of Land and Natural Resources to develop a community process for planning and management of public lands and natural resources for Hamakua on the Big Island.

Your Committee finds that the Hamakua area of the Big Island is rich in natural resources which are culturally and environmentally significant. Your Committee further finds that community input is critical to ensure that such resources are appropriately managed and adequately protected for future generations.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and the Nature Conservancy of Hawaii.

Your Committee has amended this resolution by making technical changes to reflect the correct number and size of the game management areas in the State's program.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 86, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 86, S.D. 1.

Signed by all members of the Committee.

SCRep. 3175 Tourism and Recreation on S.R. No. 187

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to increase opportunities for businesses and agencies to compete for tourism marketing contracts.

Your Committee finds that the bulk of the State's funding for tourism marketing is given to the Hawaii Visitors Bureau. Your Committee further finds that competitive bidding for tourism marketing contracts could augment the State's current efforts of worldwide marketing of Hawaii.

Testimony regarding this measure was submitted by the Department of Business, Economic Development, and Tourism, commenting that the Department will reexamine its tourism program to determine the most effective use of available resources.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 187 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3176 Agriculture on S.C.R. No. 183

The purpose of this concurrent resolution is to urge the county governments and state Departments of Land and Natural Resources, Transportation and Accounting and General Services to promote the use of xeriscape landscaping.

Your Committee received testimony in unanimous support of this concurrent resolution from the Department of Transportation, the Department of Land and Natural Resources, the Honolulu Board of Water Supply and the Friends of Halawa Xeriscape Garden.

Your Committee finds that the implementation of xeriscape landscaping programs will make more efficient use of water in those areas where supplies are limited.

Your Committee on Agriculture concurs with the intent and purpose of S.C.R. No. 183 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda and Matsuura.

SCRep. 3177 Agriculture on S.R. No. 144

The purpose of this resolution is to urge the county governments and state Departments of Land and Natural Resources, Transportation and Accounting and General Services to promote the use of xeriscape landscaping.

Your Committee received testimony in unanimous support of this resolution from the Department of Transportation, the Department of Land and Natural Resources, the Honolulu Board of Water Supply and the Friends of Halawa Xeriscape Garden.

Your Committee finds that the implementation of xeriscape landscaping programs will make more efficient use of water in those areas where supplies are limited.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 144 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda, Matsuura and Reed.

SCRep. 3178 (Joint) Agriculture and Education on S.C.R. No. 47

The purpose of this concurrent resolution is to request the Department of Education to establish statewide hotel partnership training programs within the public school system using the Farrington high school, travel industry and tourism academy as a model.

Your Committees have amended this concurrent resolution by deleting its contents entirely and substituting provisions requesting the Department of Education (DOE), school food services program to purchase food, supplies, and equipment that are locally grown, manufactured, or constructed, whenever possible.

Your Committees find that the DOE school food services program expended \$25,958,455 during fiscal year 1992-1993 for food, supplies, and equipment (including \$2,861,758 in federal commodities). Your Committees also find that state funding for the DOE is dependent on the health and vitality of the islands' economy, which in turn are dependent on the health and vitality of Hawaii-owned businesses, which in turn are dependent on the use of general fund revenues and special fund revenues to purchase locally grown, manufactured, and constructed items. Consequently, your Committees believe that it would be in the best interest of the DOE to purchase locally grown, manufactured, and constructed items whenever possible, regardless of the source of funding, since there is a direct -- although not immediate -- relationship between the purchase of these items and state funding for the DOE.

Your Committees on Agriculture and Education concur with the intent and purpose of S.C.R. No. 47, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 47, S.D. 1.

Signed by all members of the Committees except Senators Ikeda, Matsuura, Fernandes Salling and Kobayashi, B.

SCRep. 3179 (Joint) Agriculture and Education on S.R. No. 38

The purpose of this resolution is to request the Department of Education to establish statewide hotel partnership training programs within the public school system using the Farrington high school, travel industry and tourism academy as a model.

Your Committees have amended this resolution by deleting its contents entirely and substituting provisions requesting the Department of Education (DOE), school food services program to purchase food, supplies, and equipment that are locally grown, manufactured, or constructed, whenever possible.

Your Committees find that the DOE school food services program expended \$25,958,455 during fiscal year 1992-1993 for food, supplies, and equipment (including \$2,861,758 in federal commodities). Your Committees also find that state funding for the DOE is dependent on the health and vitality of the islands' economy, which in turn are dependent on the health and vitality of Hawaii-owned businesses, which in turn are dependent on the use of general fund revenues and special fund revenues to purchase locally grown, manufactured, and constructed items. Consequently, your Committees believe that it would be in the best interest of the DOE to purchase locally grown, manufactured, and constructed items whenever possible, regardless of the source of funding, since there is a direct -- although not immediate -- relationship between the purchase of these items and state funding for the DOE.

Your Committees on Agriculture and Education concur with the intent and purpose of S.R. No. 38, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 38, S.D. 1.

Signed by all members of the Committees except Senators Ikeda, Matsuura, Fernandes Salling and Kobayashi, B.

SCRep. 3180 (Joint) Agriculture and Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 219

The purpose of this concurrent resolution is to request the counties to review real property tax ordinances to support agricultural policies.

Your Committees received testimony in unanimous support of this concurrent resolution from the Department of Agriculture, Hawaii Farm Bureau, Estate of James Campbell and the Land Use Research Foundation of Hawaii.

Your Committees find a need for the counties to promote the process of transition of agricultural lands from plantation uses to other crops and attributable uses which support viable agricultural operations, by providing real property tax relief and other incentives through review and revision of their ordinances and rules. The Revised Ordinances for the City and County of Honolulu currently provides "up to three years" for the transition of crops on lands dedicated for agriculture. Although this is an acknowledged step in the right direction, the granting of this transition period is at the sole discretion of the Director of Finance. A clear definition of how the determination will be made is not provided. Additionally, the paperwork and time associated with changing uses is cumbersome and limits a user's ability to adjust to changing market conditions. In turn, this limits the business' ability to remain competitive and hampers the operation's financial viability.

Your Committees have amended this concurrent resolution to clarify the inequity of "in-use" taxation during the crucial start-up period and to point out the need to broaden the definition of "agricultural uses."

Your Committees on Agriculture and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of S.C.R. No. 219, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 219, S.D. 1.

Signed by all members of the Committees except Senators Ikeda, Matsuura and Solomon.

SCRep. 3181 (Joint) Agriculture and Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 176

The purpose of this resolution is to request the counties to review real property tax ordinances to support agricultural policies.

Your Committees received testimony in unanimous support of this resolution from the Department of Agriculture, Hawaii Farm Bureau, Estate of James Campbell and the Land Use Research Foundation of Hawaii.

Your Committees find a need for the counties to promote the process of transition of agricultural lands from plantation uses to other crops and attributable uses which support viable agricultural operations, by providing real property tax relief and other incentives through review and revision of their ordinances and rules. The Revised Ordinances for the City and County of Honolulu currently provides "up to three years" for the transition of crops on lands dedicated for agriculture. Although this is an acknowledged step in the right direction, the granting of this transition period is at the sole discretion of the Director of Finance. A clear definition of how the determination will be made is not provided. Additionally, the paperwork and time associated with changing uses is cumbersome and limits a user's ability to adjust to changing market conditions. In turn, this limits the business' ability to remain competitive and hampers the operation's financial viability.

Your Committees have amended this resolution to clarify the inequity of "in-use" taxation during the crucial start-up period and to point out the need to broaden the definition of "agricultural uses."

Your Committees on Agriculture and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of S.R. No. 176, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 176, S.D. 1.

Signed by all members of the Committees except Senators Ikeda, Matsuura, Levin and Solomon.

SCRep. 3182 (Joint) Human Services and Judiciary on S.C.R. No. 89

The purpose of this concurrent resolution is to request an evaluation of the child welfare system of the Department of Human Services, specifically child protective services, to develop a blueprint for the future.

Your Committees find that the existing evils of child abuse and neglect in Hawaii must be addressed with every effort and means available to this society. Your Committees also find that the generational cycle of abusing parent, abused child; abusing parent, abused child, perpetuates increased crime rates, family and neighborhood violence and overburdens society in terms of both financial and general welfare. In view of these findings, your Committees believe the establishment of a Child Welfare Services Reform Task Force to develop a forward looking blueprint for child welfare services reform for the next state administration and beyond is warranted.

Your Committees have amended this concurrent resolution to further identify the need for adequate solutions to the problem of child abuse and neglect and to designate those agencies, both public and private, who are called upon to undertake a collaborative effort for the eventual transformation of the blueprint from the vision and goal state to reality. Further amendments establish a task force which, with assistance from the Legislative Reference Bureau, will develop the blueprint and report findings and recommendations to the Legislature in 1995. Finally, your Committees have amended the title of this concurrent resolution to reflect those changes.

Your Committees on Human Services and Judiciary concur with the intent and purpose of S.C.R. No. 89, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 89, S.D. 1.

Signed by all members of the Committees except Senators Aki and Matsuura.

SCRep. 3183 (Joint) Human Services and Transportation on S.C.R. No. 251

The purpose of this concurrent resolution is to request that the Governor's Task Force on Makaala be reconvened in order to find ways and means to keep Makaala and its valuable programs for the disabled viable in our State.

Your Committees find an urgent need to provide support for the well being of blind and disabled persons in their efforts to become self-sustaining. The previously appointed task force on Makaala and Makaala Inc., are dedicated to finding ways and means to develop and expand programs for this purpose.

Your Committees have amended the concurrent resolution to point out the urgency of action and to request the Governor to expand the membership of the Task Force on Makaala for participation by more public and private agencies.

Your Committees on Human Services and Transportation concur with the intent and purpose of S.C.R. No. 251, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 251, S.D. 1.

Signed by all members of the Committees except Senators Aki, Matsuura and George.

SCRep. 3184 Human Services on S.R. No. 153

The purpose of this resolution is to express legislative support for collaboration among state agencies for public-private partnerships between the State and providers of human services in furthering family preservation and support.

Your Committee finds that family preservation and support is a priority at all levels of government and that the State of Hawaii has received national recognition for its Families Together Initiative. Your Committee further finds that the first phase of the Interagency Coordinating team has met with success in its initial year of existence. The continued collaborative efforts and participation in this state-wide program to create a multi-agency, public-private approach to family preservation and support is to be encouraged.

Your Committee has amended this resolution to broaden the language in support of the collaborative efforts, to urge strengthening of the contribution of each participant, and to clarify the request for a renewed commitment in reaching the goals of the participants.

Your Committee on Human Services concurs with the intent and purpose of S.R. No. 153, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 153, S.D. 1.

Signed by all members of the Committee except Senators Aki and Kobayashi, A.

SCRep. 3185 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 82

The purpose of this concurrent resolution is to request the Department of Health to develop a task force to monitor geothermal gas leaks in Puna, Hawaii.

Your Committee finds that geothermal energy development has been conducted in the Puna area of the island of Hawaii for over ten years. The areas surrounding the geothermal energy development projects are residential communities which have contended with instances of toxic gas releases over the years that these geothermal energy development projects have been operating.

Your Committee believes that monitoring of toxic gas leaks is necessary to ensure the health and safety of nearby residents.

In the course of its deliberations, your Committee discovered that a voluntary group of area residents has initiated a monitoring program of their own. Therefore, your Committee has amended the measure by deleting the third, fourth, and fifth "WHEREAS" clauses and changed the intent of the measure to state that the Department of Health should support the efforts of the resident volunteer monitoring program. Your Committee has also made technical amendments for the purposes of style and clarity.

Your Committee on Government Operation, Environmental Protection and Hawaiian Programs 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 except Senators Tungpalan, Levin and Solomon.

SCRep. 3186 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 61

The purpose of this resolution is to request the Department of Health to develop a task force to monitor geothermal gas leaks in Puna, Hawaii.

Your Committee finds that geothermal energy development has been conducted in the Puna area of the island of Hawaii for over ten years. The areas surrounding the geothermal energy development projects are residential communities which have contended with instances of toxic gas releases over the years that these geothermal energy development projects have been operating.

Your Committee believes that monitoring of toxic gas leaks is necessary to ensure the health and safety of nearby residents.

In the course of its deliberations, your Committee discovered that a voluntary group of area residents has initiated a monitoring program of their own. Therefore, your Committee has amended the measure by deleting the third, fourth, and fifth "WHEREAS" clauses and changed the intent of the measure to state that the Department of Health should support the efforts of the resident volunteer monitoring program. Your Committee has also made technical amendments for the purposes of style and clarity.

Your Committee on Government Operation, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 61, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 61, S.D. 1.

Signed by all members of the Committee except Senators Tungpalan, Levin and Solomon.

SCRep. 3187 (Joint) Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 209

The purpose of this resolution is to urge the State of Hawaii and the United States Government to recognize Ka Lahui Hawai'i as a sovereign nation.

The Legislature and the Governor have voiced their commitment to encouraging a process by which indigenous Hawaiian people could achieve self-determination and self-governance in a manner which the Hawaiian people deem appropriate.

Your Committees, although mindful of the diligent efforts of Ka Lahui Hawai'i to bring the concept of sovereignty to fruition, believe that more information on the process of attaining sovereignty is in order. Your Committees are particularly interested in the form, manner, and timing of state recognition in relation to formal federal action. In light of this, your Committees have amended the resolution by substituting a request that the Legislative Reference Bureau study the processes by which entities are recognized as being sovereign by the federal government and concomitantly by state governments. Your Committees have also amended the title of the resolution to reflect the amendments made to the text of the resolution.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Judiciary concur with the intent and purpose of S.R. No. 209, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 209, S.D. 1.

Signed by all members of the Committees except Senators Fukunaga, Solomon, Baker, Kobayashi, A. and Matsuura.

SCRep. 3188 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on S.C.R. No. 51

The purpose of this concurrent resolution is to call for the immediate termination of any further participation by the State of Hawaii in the proposed commercial satellite launching facility.

Your Committees find that although the Legislature, through the enactment of Act 172, Session Laws of Hawaii 1990, expressly prohibited the practice launching of radioactive payloads from any such facility in the State, concerns still remain over the possibility that radioactive material may present unnecessary risks to the community-at-large. Your Committees believe that the launching of radioactive payloads could pose an unacceptable risk of human injury, death, and environmental destruction.

Your Committees are also mindful of the significant economic potential that such a facility may provide to the State. Therefore, your Committees have amended the measure, including the title, to address the concerns of area residents by requesting that the Department of Business, Economic Development, and Tourism resolve environmental concerns related to the proposed commercial satellite launching facility prior to pursuing the actual development of the facility.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development concur with the intent and purpose of S.C.R. No. 51, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 51, S.D. 1.

Signed by all members of the Committees except Senators Tungpalan, Solomon, Tanaka, Baker, Matsuura and Koki.

SCRep. 3189 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development on S.R. No. 41

The purpose of this resolution is to call for the immediate termination of any further participation by the State of Hawaii in the proposed commercial satellite launching facility.

Your Committees find that although the Legislature, through the enactment of Act 172, Session Laws of Hawaii 1990, expressly prohibited the practice launching of radioactive payloads from any such facility in the State, concerns still remain over the possibility that radioactive material may present unnecessary risks to the community-at-large. Your Committees believe that the launching of radioactive payloads could pose an unacceptable risk of human injury, death, and environmental destruction.

Your Committees are also mindful of the significant economic potential that such a facility may provide to the State. Therefore, your Committees have amended the measure, including the title, to address the concerns of area residents by requesting that the Department of Business, Economic Development, and Tourism resolve environmental concerns related to the proposed commercial satellite launching facility prior to pursuing the actual development of the facility.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Science, Technology and Economic Development concur with the intent and purpose of S.R. No. 41, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 41, S.D. 1.

Signed by all members of the Committees except Senators Tungpalan, Solomon, Tanaka, Baker, Matsuura and Koki.

SCRep. 3190 Tourism and Recreation on S.C.R. No. 182

The purpose of this concurrent resolution is to request the Hawaii Visitors Bureau to work with the visitor industry to promote Hawaii as a health and fitness vacation destination leading up to the 1998 Nagano winter games and the 2000 Sydney summer games.

Your Committee finds that efforts to diversify our economy through the expansion of the visitor industry include the development of additional markets such as sports vacations. Your Committee further finds that targeted promotions of Hawaii as a before and after Olympic destination is a perfect opportunity to develop this market and provide immediate as well as long-term economic benefits.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Royal Hawaiian Rowing Challenge.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 182 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3191 (Joint) Tourism and Recreation and Judiciary on S.C.R. No. 253

The purpose of this concurrent resolution is to request Hawaii's Attorney General to establish a visa waiver program for Hawaii similar to that which pertains to aliens entering Guam.

Your Committees find that present federal law prohibits certain Asian visitors to enter Hawaii without a visa, whereas these same visitors may enter Guam without a visa. Your Committees further find that the visa waiver program operating in Guam could easily be implemented in Hawaii and thereby encourage certain foreign travellers to visit Hawaii.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Hawaii Visitors Bureau.

Your Committees have amended this concurrent resolution by indicating that the target groups to receive visa waivers would be Singaporeans and Malaysians.

Your Committees on Tourism and Recreation and Judiciary concur with the intent and purpose of S.C.R. No. 253, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 253, S.D. 1.

Signed by all members of the Committees except Senator Matsuura.

SCRep. 3192 Education on S.C.R. No. 24

The purpose of this concurrent resolution is to assist in creating a standardized, statewide program for early childhood education and care.

Your Committee finds that many children under the age of five are not prepared for kindergarten because of a lack of early education programs. Your Committee further finds a public/private partnership study group comprised of the Hawaii Business Roundtable, the Hawaii Community Foundation and the Governor's Office of Children and Youth identified various financing mechanisms, both public and private, which could be developed and used to create a statewide program for early education and care.

Testimony in support of this measure was submitted by the Governor's Office of Children and Youth, the Department of Education, the Hawaii Community Foundation, and the University of Hawaii Community College System. The testimony indicated that the recently appointed Hawaii Early Education and Care Coordinating Committee attached to the Governor's Office of Children and Youth will be building upon the work of the public/private study group. The testimony further indicated that the Committee will be using the recommendations of the study group reflected in its report, "Highlights of Early Childhood Education and Care in Hawaii" in developing an implementation plan as well as implementing those recommendations for which funds are available.

Your Committee has amended this concurrent resolution by requesting status reports to be submitted to the Legislature prior to the 1995 and 1996 Regular Sessions, including suggested legislation necessary to implement the early childhood education and care system framework.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 24, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 24, S.D. 1.

Signed by all members of the Committee except Senators Fernandes Salling, Kobayashi, B., Matsuura and Koki.

SCRep. 3193 (Joint) Education and Planning, Land and Water Use Management on S.C.R. No. 267

The purpose of this concurrent resolution is to request the Department of Education, the Board of Land and Natural Resources and the Department of Accounting and General Services to facilitate a lease/purchase agreement for a second elementary school facility in Kihei, Maui.

Supporting testimony for this measure was given by the Department of Education.

Your Committees on Education and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 267 and recommend its adoption.

Signed by all members of the Committees except Fernandes Salling, Kobayashi, B., Matsuura, Koki, Aki, Holt and George.

SCRep. 3194 (Joint) Education and Planning, Land and Water Use Management on S.R. No. 216

The purpose of this resolution is to request the Department of Education, the Board of Land and Natural Resources and the Department of Accounting and General Services to facilitate a lease/purchase agreement for a second elementary school facility in Kihei, Maui.

Supporting testimony for this measure was given by the Department of Education.

Your Committees on Education and Planning, Land and Water Use Management concur with the intent and purpose of S.R. No. 216 and recommend its adoption.

Signed by all members of the Committees except Senators Fernandes Salling, Kobayashi, B., Matsuura, Koki, Aki, Holt and George.

SCRep. 3195 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 181

The purpose of this concurrent resolution is to request the Bishop Museum to formulate a formal plan and timetable for the repatriation of Iwi, Ka'ai, and other artifacts of Hawaiian ancestry in the possession of the Bishop Museum.

Your Committees find that the American Grave Protection and Repatriation Act requires Bishop Museum to repatriate native Hawaiian remains and cultural items into the possession of native Hawaiians. Your Committees further find that Bishop Museum currently holds approximately 3000 human remains of native Hawaiian ancestry, and a formal plan and timetable for the repatriation should be implemented.

Your Committees have amended this concurrent resolution by deleting references to the Office of Hawaiian Affairs.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of S.C.R. No. 181, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 181, S.D. 1.

Signed by all members of the Committees except Senators Gaulty, Aki, Koki and Levin.

SCRep. 3196 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on S.C.R. No. 123

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to establish policies with Kahana residents for their involvement in Kahana State Park programs to develop the Kahana Valley, to identify the infrastructural needs of the community, and to determine the nature of financial assistance needed by area residents.

Your Committees find that Kahana Valley residents are a special group of people whose cultural and historical lifestyle requires preservation. Their lifestyle is of such importance that their activities and community events should be considered fulfillment of the rent obligation, and the residents using special use permits to develop cultural programs

should be exempt from land fees. Further, the State should supply septic tanks, maintain the non-leased grounds and waterways, and develop affordable mortgage arrangements.

Testimony in support of this concurrent resolution was received from Kahana Ohana Unity Council and a petition submitted by residents of Ahupua'a O Kahana to the DLNR.

Your Committees have amended this concurrent resolution by:

- (1) Requesting the DLNR to determine the feasibility of establishing a kupuna hale for residents qualified to participate in the park's interpretive program;
- (2) Requesting the DLNR to establish rules and a plan with the Kahana Valley residents regarding their participation in Ahupua'a O Kahana;
- (3) Changing the title to "Requesting the Department of Land and Natural Resources to establish rules and a plan with Kahana Valley residents regarding their participation in Ahupua'a O Kahana";
- (4) Rewording the basis behind establishing an Ahupua'a O Kahana and the need for a review of current statutes, rules, leases, and other documents affecting the Ahupua'a O Kahana;
- (5) Changing the term "Kahana State Park Interpretive Program" to the term "Ahupua'a O Kahana";
- (6) Including the origin of Kahana Valley's designation as a park with unique characteristics and knowledgeable Hawaiian people;
- (7) Including the date of Kahana Valley's acquisition in 1965 by the DLNR and the need for reevaluation of residents' needs and laws governing them;
- (8) Including the Kahana Valley residents' lack of opportunity to live their traditional way of life;
- (9) Including the need for Kahana Valley residents to determine and control their cultural and agricultural programs; and
- (10) Requesting the DLNR to work with the residents of Kahana Valley in developing the Ahupua'a O Kahana.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 123, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 123, S.D. 1.

Signed by all members of the Committees except Senators Grauly, Aki, Koki, Holt, McCartney and George.

SCRep. 3197 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on S.R. No. 92

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to establish policies with Kahana residents for their involvement in Kahana State Park programs to develop the Kahana Valley, to identify the infrastructural needs of the community, and to determine the nature of financial assistance needed by area residents.

Your Committees find that Kahana Valley residents are a special group of people whose cultural and historical lifestyle requires preservation. Their lifestyle is of such importance that their activities and community events should be considered fulfillment of the rent obligation, and the residents using special use permits to develop cultural programs should be exempt from land fees. Further, the State should supply septic tanks, maintain the non-leased grounds and waterways, and develop affordable mortgage arrangements.

Testimony in support of this resolution was received from Kahana Ohana Unity Council and a petition submitted by residents of Ahupua'a O Kahana to the DLNR.

Your Committees have amended this resolution by:

- (1) Requesting the DLNR to determine the feasibility of establishing a kupuna hale for residents qualified to participate in the park's interpretive program;
- (2) Requesting the DLNR to establish rules and a plan with the Kahana Valley residents regarding their participation in Ahupua'a O Kahana;
- (3) Changing the title to "Requesting the Department of Land and Natural Resources to establish rules and a plan with Kahana Valley residents regarding their participation in Ahupua'a O Kahana";
- (4) Rewording the basis behind establishing an Ahupua'a O Kahana and the need for a review of current statutes, rules, leases, and other documents affecting the Ahupua'a O Kahana;
- (5) Changing the term "Kahana State Park Interpretive Program" to the term "Ahupua'a O Kahana";
- (6) Including the origin of Kahana Valley's designation as a park with unique characteristics and knowledgeable Hawaiian people;

- (7) Including the date of Kahana Valley's acquisition in 1965 by the DLNR and the need for reevaluation of residents' needs and laws governing them;
- (8) Including the Kahana Valley residents' lack of opportunity to live their traditional way of life;
- (9) Including the need for Kahana Valley residents to determine and control their cultural and agricultural programs; and
- (10) Requesting the DLNR to work with the residents of Kahana Valley in developing the Ahupua'a O Kahana.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of S.R. No. 92, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 92, S.D. 1.

Signed by all members of the Committees except Senators Gaulty, Aki, Koki, Holt, McCartney and George.

SCRep. 3198 (Joint) Human Services and Health on S.C.R. No. 99

The purpose of this concurrent resolution is to request the Departments of Health and Human Services to report on plans to respond to the health and social problems on the island of Hawaii.

Your Committees find that the needs, priorities, and solutions for health and social problems on the island of Hawaii are best addressed by the collaborative efforts of the Department of Health and the Department of Human Services, which is a concrete step toward the prevention of future and more costly remedies for this distressing situation.

Your Committees have amended this concurrent resolution by requesting a joint report from these departments, requesting that the project be coordinated by the State Health Planning and Development Agency, and by making technical changes for the purpose of clarity and style.

Your Committees on Human Services and Health concur with the intent and purpose of S.C.R. No. 99, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 99, S.D. 1.

Signed by all members of the Committees except Senators Nakasato and Reed.

SCRep. 3199 (Joint) Human Services and Health on S.R. No. 72

The purpose of this resolution is to request the Departments of Health and Human Services to report on plans to respond to the health and social problems on the island of Hawaii.

Your Committees find that the needs, priorities, and solutions for health and social problems on the island of Hawaii are best addressed by the collaborative efforts of the Department of Health and the Department of Human Services, which is a concrete step toward the prevention of future and more costly remedies for this distressing situation.

Your Committees have amended this resolution by requesting a joint report from these departments, requesting that the project be coordinated by the State Health Planning and Development Agency, and by making technical changes for the purpose of clarity and style.

Your Committees on Human Services and Health concur with the intent and purpose of S.R. No. 72, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 72, S.D. 1.

Signed by all members of the Committees except Senators Nakasato and Reed.

SCRep. 3200 (Joint) Higher Education, Culture and Arts and Historic Preservation, Agriculture, and Planning, Land and Water Use Management on S.C.R. No. 233

The purpose of this concurrent resolution is to continue the Task Force to Preserve Waipio Valley.

Your Committees find that the Task Force, established in 1990 pursuant to H.C.R. No. 264, was requested to develop a set of recommendations on a variety of issues related to the possible purchase and management of Waipio Valley, with a view toward protecting and preserving the cultural, economic, and recreational integrity of the Valley.

Your Committees also find that the Task Force recognizes the need to restrict the number of visitors into the Valley, but has been unable to come to a consensus regarding the establishment of a regulatory scheme restricting the entry of visitors into the Valley.

Furthermore, your Committees find that although the Task Force has been successful in mediating disputes between community factions, its work is not yet complete and more time is needed to develop concise and detailed recommendations regarding the proposed purchase of Bishop Museum lands.

In authorizing the continued operation of the Task Force, your Committees additionally find that the Legislature intends that there be more community involvement with the Task Force in its deliberations over the preservation of Waipio Valley. At the hearing on this concurrent resolution, various community members expressed concern over several issues involving Waipio Valley. For instance, one community member voiced concern over the insufficient protection for the wildlife, while another community member expressed concern that noise from the helicopter traffic was especially intrusive because a large number of helicopters had started flying into the Valley's sacred caves. Additionally, a representative of the Office of Hawaiian Affairs expressed concern that the Task Force lacked the necessary authority to implement the

plans for the future of Waipio Valley. Your Committees recommend that the Task Force collaborate with community members in the course of its deliberations to ensure that such concerns are appropriately considered.

Your Committees have amended this concurrent resolution by deleting the Chair of the Senate Committee on Planning, Land and Water Use Management and including the Chair of the Senate Committee on Higher Education, Culture and Arts and Historic Preservation.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Agriculture and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 233, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 233, S.D. 1.

Signed by all members of the Committees except Senators Grauly, Aki, Koki, Matsuura, Holt, McCartney and George.

SCRep. 3201 (Joint/Majority) Government Operations, Environmental Protection and Hawaiian Programs and Judiciary on S.C.R. No. 108

The purpose of this concurrent resolution is to call for the government of the United States of America and the governments of the various states to adhere to the principles of constitutional federalism and provide for the dissolution of the United States of America if the national debt exceeds \$6 trillion dollars or if Congress or the President of the United States in any way attempts to render the Constitution invalid.

Your Committees have amended the measure by inserting provisions that call for a cessation of unfunded federal mandates, and requests assistance from legislative associations to protect the rights of states.

Your Committees believe that with perseverance, faith, and collaboration, the nation will be able to return to constitutional federalism.

Calling for the cessation of unfunded federal mandates is the necessary first step down the road to such a recovery.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs, and Judiciary 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 except Senators Tungpalan, Levin, Solomon, Matsuura and Koki. Senator Iwase did not concur.

SCRep. 3202 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 138

The purpose of this concurrent resolution is to request the Department of Health to establish ambient air quality standards and to study the feasibility of establishing a program to monitor and control vehicular emissions to comply with air quality standards.

Your Committee finds that the Department of Health, pursuant to Chapter 342B (Air Pollution Control), Hawaii Revised Statutes, already possesses the authority to monitor emissions from all vehicles except aircraft. Your Committee also finds that the State has already established ambient air quality standards and is in conformance with the National Ambient Air Quality Standards.

Finding as such, your Committee has amended the measure to reflect the concerns of numerous students and faculty of Kauluwela School as to the poor ambient air quality and existence of substantial noise pollution which emanates from the nearby H-1 Freeway.

Your Committee has learned that although the Department of Health has already tested the ambient air quality and noise pollution levels of Kauluwela School and found the pollution levels to be within acceptable levels, the students and faculty still suffer from the ill-effects of the pollution such as dizziness, headaches, and an increased illness rate. Noise pollution also adversely contributes to the attentiveness and learning capacity of the students.

Your Committee believes that requesting the Department of Health to retest Kauluwela School for the presence of these pollutants and to take steps necessary to ameliorate the situation not only protects the health and welfare of the students and faculty of the school, but concomitantly increases the likelihood of the students propensity to learn.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 138, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 138, S.D. 1.

Signed by all members of the Committee except Senator Reed.

SCRep. 3203 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 105

The purpose of this resolution is to request the Department of Health to establish ambient air quality standards and to study the feasibility of establishing a program to monitor and control vehicular emissions to comply with air quality standards.

Your Committee finds that the Department of Health, pursuant to Chapter 342B (Air Pollution Control), Hawaii Revised Statutes, already possesses the authority to monitor emissions from all vehicles except aircraft. Your Committee

also finds that the State has already established ambient air quality standards and is in conformance with the National Ambient Air Quality Standards.

Finding as such, your Committee has amended the measure to reflect the concerns of numerous students and faculty of Kauluwela School as to the poor ambient air quality and existence of substantial noise pollution which emanates from the nearby H-1 Freeway.

Your Committee has learned that although the Department of Health has already tested the ambient air quality and noise pollution levels of Kauluwela School and found the pollution levels to be within acceptable levels, the students and faculty still suffer from the ill-effects of the pollution such as dizziness, headaches, and an increased illness rate. Noise pollution also adversely contributes to the attentiveness and learning capacity of the students.

Your Committee believes that requesting the Department of Health to retest Kauluwela School for the presence of these pollutants and to take steps necessary to ameliorate the situation not only protects the health and welfare of the students and faculty of the school, but concomitantly increases the likelihood of the students propensity to learn.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 105, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 105, S.D. 1.

Signed by all members of the Committee except Senator Reed.

SCRep. 3204 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 257

The purpose of this concurrent resolution is to recognize the achievements and contributions of the Republic of China on Taiwan.

Your Committee finds that the Republic of China on Taiwan is the fourteenth largest trading nation in the world, ranks twentieth in gross national product, twenty-fifth in per capita income, and is the leading holder of foreign exchange reserves. In addition to its economic prowess, the Republic of China on Taiwan has consistently demonstrated its support for international cooperation and development, humanitarian relief, and world peace.

For these reasons, your Committee finds it incumbent upon the State to recognize the notable achievements and contributions made by the people of the Republic of China on Taiwan.

Your Committee has amended the measure by changing references to the Republic of China on Taiwan to the R.O.C. to be consistent with federal policy and other state documents relating to China.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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 Reed.

SCRep. 3205 (Joint) Tourism and Recreation and Science, Technology and Economic Development on S.C.R. No. 187

The purpose of this concurrent resolution is to urge Hawaii businesses and state agencies to give preference to other Hawaii businesses, particularly with regard to the promotion, marketing, and development of the tourism industry.

Your Committees find that Hawaii's visitor industry provides a large portion of our State's revenues by providing employment opportunities. Hawaii businesses could enhance this by conducting purchasing transactions with other Hawaii businesses, and state agencies could do the same to set an example.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and owners of Hawaii businesses.

Your Committees on Tourism and Recreation and Science, Technology and Economic Development concur with the intent and purpose of S.C.R. No. 187 and recommend its adoption.

Signed by all members of the Committees except Senators Holt, Nakasato and Koki.

SCRep. 3206 (Joint) Tourism and Recreation and Science, Technology and Economic Development on S.R. No. 148

The purpose of this resolution is to urge Hawaii businesses and state agencies to give preference to other Hawaii businesses, particularly with regard to the promotion, marketing, and development of the tourism industry.

Your Committees find that Hawaii's visitor industry provides a large portion of our State's revenues by providing employment opportunities. Hawaii businesses could enhance this by conducting purchasing transactions with other Hawaii businesses, and state agencies could do the same to set an example.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and owners of Hawaii businesses.

Your Committees on Tourism and Recreation and Science, Technology and Economic Development concur with the intent and purpose of S.R. No. 148 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3207 Tourism and Recreation on S.C.R. No. 242

The purpose of this concurrent resolution is to request the Governor to establish a commission to observe the 50th anniversary of the end of World War II.

Your Committee finds that Hawaii was impacted significantly by World War II, beginning with the bombing of Pearl Harbor and continuing with the subsequent stationing and transferring of military personnel through our islands. Your Committee further finds that the commemoration of the end of the war is important to both residents and visitors who wish to participate in such an event.

Testimony in support of this measure was submitted by the state Office of Veterans Services and the Department of Business, Economic Development, and Tourism. The Department's testimony indicated that Hawaii has been designated as a World War II commemorative state by the U.S. Department of Defense and the Governor has begun assembling a coordinating committee to support the ceremonies.

Based upon the testimony presented, your Committee has amended this concurrent resolution by:

1. Changing the title to request the Office of the Governor to assist the coordinating committee established to plan Hawaii's commemoration of the 50th anniversary of the end of World War II;
2. Inserting an additional WHEREAS clause indicating that Hawaii has been designated as a World War II commemorative state, and that a committee has been formed pursuant to this designation;
3. Changing the first BE IT RESOLVED clause to indicate that the Office of the Governor is requested to assist the coordinating committee by overseeing the implementation of the observance and conducting Hawaii's observance in coordination with the President's designated agent, Commander-in-Chief of the Pacific Command (CINCPAC);
4. Changing the third BE IT FURTHER RESOLVED clause to provide that the Governor and the CINCPAC shall jointly appoint the Committee;
5. Changing the fifth BE IT FURTHER RESOLVED clause to request the Committee to endorse and support private sector efforts to bring the battleship Missouri to Pearl Harbor for the commemoration;
6. Requiring a report of the Committee's activities to be submitted to the Legislature prior to the convening of only the 1995 Regular Session; and
7. Providing that the complex formed by the battleship Arizona, submarine Bowfin, and Battleship Arizona be named appropriately.

Your Committee on Tourism and Recreation 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. 3208 Tourism and Recreation on S.R. No. 195

The purpose of this resolution is to request the Governor to establish a commission to observe the 50th anniversary of the end of World War II.

Your Committee finds that Hawaii was impacted significantly by World War II, beginning with the bombing of Pearl Harbor and continuing with the subsequent stationing and transferring of military personnel through our islands. Your Committee further finds that the commemoration of the end of the war is important to both residents and visitors who wish to participate in such an event.

Testimony in support of this measure was submitted by the state Office of Veterans Services and the Department of Business, Economic Development, and Tourism. The Department's testimony indicated that Hawaii has been designated as a World War II commemorative state by the U.S. Department of Defense and the Governor has begun assembling a coordinating committee to support the ceremonies.

Based upon the testimony presented, your Committee has amended this resolution by:

1. Changing the title to request the Office of the Governor to assist the coordinating committee established to plan Hawaii's commemoration of the 50th anniversary of the end of World War II;
2. Inserting an additional WHEREAS clause indicating that Hawaii has been designated as a World War II commemorative state, and that a committee has been formed pursuant to this designation;
3. Changing the first BE IT RESOLVED clause to indicate that the Office of the Governor is requested to assist the coordinating committee by overseeing the implementation of the observance and conducting Hawaii's observance in coordination with the President's designated agent, Commander-in-Chief of the Pacific Command (CINCPAC);

4. Changing the third BE IT FURTHER RESOLVED clause to provide that the Governor and the CINCPAC shall jointly appoint the Committee;
5. Changing the fifth BE IT FURTHER RESOLVED clause to request the Committee to endorse and support private sector efforts to bring the battleship Missouri to Pearl Harbor for the commemoration;
6. Requiring a report of the Committee's activities to be submitted to the Legislature prior to the convening of only the 1995 Regular Session; and
7. Providing that the complex formed by the battleship Arizona, submarine Bowfin, and Battleship Arizona be named appropriately.

Your Committee on Tourism and Recreation 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.

SCRep. 3209 (Joint) Tourism and Recreation and Science, Technology and Economic Development on S.C.R. No. 247

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to assist Hawaii small businesses in participating in county fairs on the continental United States.

Your Committees find that small businesses in Hawaii create many local products which could be marketed on the mainland, but such businesses lack the resources for marketing and promotional efforts. Participation in county fairs is a profitable niche for selling goods made in Hawaii. Assisting small businesses to participate in county fairs could also serve to promote Hawaii as a visitor destination and thereby leverage existing promotional resources.

Testimony in support of this measure was submitted by the Hawaii Visitors Bureau and several Hawaii small businesses. Testimony regarding this measure was also submitted by the Department of Business, Economic Development, and Tourism expressing support with reservations about limited funds available for such effort.

Your Committees on Tourism and Recreation and Science, Technology and Economic Development concur with the intent and purpose of S.C.R. No. 247 and recommend its adoption.

Signed by all members of the Committees except Senator Koki.

SCRep. 3210 (Joint) Judiciary and Labor and Employment on S.C.R. No. 259

The purpose of this resolution is to request the Legislative Auditor to conduct a comprehensive management audit of the civil service personnel system of the judiciary.

Your Committee received testimony raising concerns from the Judiciary.

Your Committees believe that a comprehensive management audit of the civil service system is necessary to ensure that all policies and procedures are being carried out in accordance with law.

Your Committees on Judiciary and Labor and Employment concur with the intent and purpose of S.C.R. No. 259 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3211 Labor and Employment on S.R. No. 238

The purpose of this resolution is to request the Department of Personnel Services to make improvements to the administration of the workers' compensation program and to report on the status of the program.

Your Committee finds that in many instances, the goal of the workers' compensation program to provide prompt medical care benefits to injured workers in order to expedite their return to the workforce, is not being accomplished. Your Committee further finds that the system has become adversarial in nature, ineffective, and inefficient, all of which are inconsistent with the spirit of the workers' compensation laws.

Your Committee has amended this resolution to clarify that the workers' compensation programs of certain Executive Branch agencies are not under the management of the Department of Personnel Services; these include the Departments of Defense, Health, Human Services, and the neighbor island districts of the Department of Education. Other nonsubstantive technical changes were made for the purposes of clarity and style.

Your Committee on Labor and Employment concurs with the intent and purpose of S.R. No. 238, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 238, S.D. 1.

Signed by all members of the Committee.

SCRep. 3212 Consumer Protection on S.R. No. 160

The purpose of this resolution is to request the Legislative Reference Bureau to study and report on the feasibility of utilizing physician assistants to the maximum capacity of their training and professional abilities.

The study will include relevant information from other states, the impact on the public, and an analysis of the relative benefits of establishing a physician assistant program at the University of Hawaii School of Public Health versus recruitment from the mainland United States.

The Bureau will provide draft legislation appropriate to its findings and recommendations, prior to the convening of the 1995 Regular Session of the Legislature.

The physician assistant profession was created more than twenty-five years ago to increase the number of primary care providers and address critical shortages of qualified health care providers throughout the United States. Over the years they have worked well in virtually every type of health practice setting providing diagnostic, therapeutic, and preventive health care services in partnership with supervising physicians or in isolation, linked with a physician by telephone or radio. Studies clearly establish that physician assistants can effectively and efficiently perform seventy-five to eighty percent of the duties that would otherwise require a licensed physician; however, this information was unknown when Hawaii developed and put into place its laws and rules relating to physician assistants.

This resolution will be instrumental in establishing the extent to which Hawaii can and will benefit from the services of these trained health care providers.

Your Committee has amended this resolution by deleting the request to examine the feasibility of establishing a physician assistant program at the University of Hawaii School of Public Health. Your Committee finds that such a program is already under way and scheduled to begin in July of this year.

Your Committee on Consumer Protection concurs with the intent and purpose of S.R. No. 160, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 160, S.D. 1.

Signed by all members of the Committee.

SCRep. 3213 Ways and Means on S.C.R. No. 36

The purpose of this resolution is to request the Department of Budget and Finance to review trust agreements, enforce tri-party agreements, and require fiscal agents to collateralize deposits.

Your Committee finds that a 1993 state audit of the Department of Budget and Finance found that the department often engages the services of various financial institutions to act as fiscal agents for bonds without requiring these institutions to pledge collateral as security for deposits. Because fiscal agents are not required to pledge collateral as security for these deposits, the State is faced with the possibility of losing the entire amount deposited with these agents. The report of the state auditor recommended that the department review this and other practices relating to state deposits to ensure the security of state funds. This concurrent resolution is consistent with the recommendations made by the state auditor.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 36 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3214 Ways and Means on S.C.R. No. 35

The purpose of this concurrent resolution is to improve the Department of Budget and Finance's enforcement of collateral requirements for its deposits in financial institutions and to review the appropriateness of these collateral requirements.

Your Committee finds that the department is responsible for the cash management function of the State. The department generally keeps the State's cash in checking accounts and time certificates of deposit at financial institutions. Section 38-3, Hawaii Revised Statutes, requires these depository financial institutions to pledge securities as collateral against the State's deposits, valued in most cases of at least market value but not exceeding par value. Because of the difficulty of day-to-day monitoring of the adequacy of collateral balances, the department has adopted a policy to require:

- (1) Collateral securities backed by federal mortgage association certificates to be valued at seventy per cent of par value; and
- (2) All other securities accepted by the State to be valued at ninety-one per cent of par value.

However, the auditor, in its Financial Audit of the Department of Budget and Finance, Report No. 93-17, dated December 1993, found that the department did not consistently enforce this policy valuation at seventy and ninety-one per cent. The auditor also found that the department did not regularly monitor the appropriateness of these percentage valuations. The auditor stated that overly conservative percentages may result in higher than necessary collateral balance requirements which could cause financial institutions to lower yields on the State's deposits or be unable or unwilling to meet the more conservative requirements.

Your Committee finds that this concurrent resolution requests the department to adopt the auditor's recommendations and consistently enforce its collateral requirements, perform periodic checks for accuracy of collateral data, and review its requirements to determine the appropriateness of the percentages used to value the collateral.

Your Committee on Ways and Means is in accord with the intent and purpose of S.C.R. No. 35 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3215 Ways and Means on S.C.R. No. 70

The purpose of this concurrent resolution is to express legislative support for the recommendations of the Hui 'Imi Task Force report by supporting the reinstatement of the Hui 'Imi Task Force.

The Hui 'Imi Task Force made recommendations in 1992 for Hawaiians in the areas of education, housing employment, economic development, medical/health service, social assistance, legal assistance, and community multi-service centers. Hawaiians are disadvantaged in some way in each of these categories and the legislature should support the recommendations of the task force report.

Implementation of the recommendations can now begin and the value of the task force members remains critical to the follow through on all categories of recommendations. Task force members are service providers to Hawaiians and therefore have a unique knowledge of specific needs and appropriate assistance techniques required to implement the recommendations for each category.

In order to implement these recommendations, your Committee recommends the continuation of the Hui 'Imi Task Force. In this way, the original task force members would continue to serve and would keep the legislature updated on the progress being made to help the Hawaiian community in meeting its pressing needs.

Your Committee on Ways and Means is in accord with the intent and purpose of S.C.R. No. 70, S.D. 1; and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3216 Ways and Means on S.C.R. No. 202

The purpose of this concurrent resolution is to determine whether sex-based wage discrimination exists among specific public employee job classes, and if they exist, to develop measures to correct them.

Specifically, this concurrent resolution requests the auditor to retain a consultant to determine whether pay inequity exists among specific public employee job classes that are dominated by either men or women. The concurrent resolution applies to all nonsupervisory blue-collar positions and all institutional, health, and correctional worker positions covered by the position classification plan under chapters 76 and 77, Hawaii Revised Statutes, relating to the civil service and the compensation laws, respectively. The auditor is further requested, in consultation with the exclusive employee representative and the director of personnel services, to develop a request for proposals for national advertisement for the consultant. Finally, the auditor is requested to direct the work of the consultant according to the following guidelines:

- (1) Inclusion of an evaluation of the existing system and laws that affect the compensation of all nonsupervisory blue-collar and institutional, health, and correctional worker civil service employees;
- (2) Examination of all female- and male-dominated classes in the state and county governments;
- (3) Comparison of female- and male-dominated classes to determine whether sex-based wage inequity exists;
- (4) If it appears that sex-based wage inequity exists, preparation of recommendations for prospective corrective actions to the legislature, which may include changes in the area of wage negotiations and arbitration awards on wages; and
- (5) After completion of the study, submittal of the consultant's findings by the auditor and, if appropriate, proposal of a job evaluation system that would ensure the elimination of sex-based wage inequities.

Your Committee finds that the existence of sex-based wage discrimination has no place in a democratic society and that a study to determine if inequities exist in Hawaii is a necessity. Your Committee further finds that expertise in the field is required for the requisite analyses of the highly technical matters affecting wages and that a professional consultant should be employed for this purpose.

Your Committee on Ways and Means is in accord with the intent and purpose of S.C.R. No. 202 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3217 Ways and Means on S.C.R. No. 256

The purpose of this concurrent resolution is to establish a joint legislative interim committee to study the effectiveness of the State's planning-programming-budgeting system (PPBS).

The scope of the joint legislative interim committee's study includes, but is not limited to, a review of:

- (1) The usefulness of the PPBS format and information contained therein for the purposes of assisting the legislature's review of the executive budget;
- (2) The experiences of other states that have adopted the PPBS format; and

- (3) Alternative budget formats that could be adopted in place of the PPBS format.

Your Committee finds that because of the apparent lack of success of the PPBS format, executive budget submissions of recent years have been found by the legislature to be lacking in useful and timely information. Your Committee believes that the lack of useful and timely information upon which to evaluate executive budget requests places the legislature at a disadvantage in evaluating and prioritizing requests for state funding.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the President of the Senate and the Speaker of the House of Representatives to establish the joint legislative interim committee;
- (2) Expanding the charge of the joint legislative interim committee to include the judiciary budget since section 601-2(c), Hawaii Revised Statutes, requires the judiciary budget to be prepared in accordance with chapter 37, Hawaii Revised Statutes, which contains the Executive Budget Act;
- (3) Transmitting certified copies of this concurrent resolution to the chief justice; and
- (4) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means 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.

SCRep. 3218 (Joint) Tourism and Recreation and Planning, Land and Water Use Management on S.C.R. No. 221

The purpose of this concurrent resolution is to request a feasibility study of converting the Ala Wai Yacht Harbor into an independent marina.

Your Committees find that present state law requires that mooring fees generated by harbor users be deposited into the Boating Special Fund and therefore such fees cannot be directly allocated to maintain the harbor from which the fees are generated. Your Committees further find that because of community concerns about the present condition of the Ala Wai Yacht Harbor, the State should consider the feasibility of converting the harbor into an independent facility in connection with the development of the convention center facility.

Testimony in support of this measure was submitted by users of the Ala Wai Yacht Harbor. The Departments of Land and Natural Resources and Business, Economic Development, and Tourism submitted testimony indicating that funds were not available to conduct this feasibility study.

Your Committees on Tourism and Recreation 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 Senator McCartney.

SCRep. 3219 (Joint) Tourism and Recreation and Planning, Land and Water Use Management on S.R. No. 178

The purpose of this resolution is to request a feasibility study of converting the Ala Wai Yacht Harbor into an independent marina.

Your Committees find that present state law requires that mooring fees generated by harbor users be deposited into the Boating Special Fund and therefore such fees cannot be directly allocated to maintain the harbor from which the fees are generated. Your Committees further find that because of community concerns about the present condition of the Ala Wai Yacht Harbor, the State should consider the feasibility of converting the harbor into an independent facility in connection with the development of the convention center facility.

Testimony in support of this measure was submitted by users of the Ala Wai Yacht Harbor. The Departments of Land and Natural Resources and Business, Economic Development, and Tourism submitted testimony indicating that funds were not available to conduct this feasibility study.

Your Committees on Tourism and Recreation and Planning, Land and Water Use Management concur with the intent and purpose of S.R. No. 178 and recommend its adoption.

Signed by all members of the Committees except Senator Nakasato.

SCRep. 3220 (Joint) Tourism and Recreation and Science, Technology and Economic Development on S.R. No. 200

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to assist Hawaii small businesses in participating in county fairs on the continental United States.

Your Committees find that small businesses in Hawaii create many local products which could be marketed on the mainland, but such businesses lack the resources for marketing and promotional efforts. Participation in county fairs is a profitable niche for selling goods made in Hawaii. Assisting small businesses to participate in county fairs could also serve to promote Hawaii as a visitor destination and thereby leverage existing promotional resources.

Testimony in support of this measure was submitted by the Hawaii Visitors Bureau and several Hawaii small businesses. Testimony regarding this measure was also submitted by the Department of Business, Economic Development, and Tourism expressing support with reservations about limited funds available for such effort.

Your Committees on Tourism and Recreation and Science, Technology and Economic Development concur with the intent and purpose of S.R. No. 200 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3221 (Joint) Science, Technology and Economic Development and Consumer Protection on S.C.R. No. 191

The purpose of this concurrent resolution is to request the Public Utilities Commission and the Department of Commerce and Consumer Affairs Cable Television Division to examine current regulatory processes.

Your Committees find that the regulation of the cable television industry involves state policies which need to be reviewed due to changing technologies and consumer demands. Your Committees further find that in light of impending changes in federal law, a new state regulatory framework may be necessary to comply with new federal regulations.

Testimony regarding this measure was submitted by the Public Utilities Commission, the Department of Commerce and Consumer Affairs, Oceanic Cable, and GTE Hawaiian Tel. There was general agreement that a study would be useful.

Your Committees have amended this concurrent resolution by indicating that the State needs to assess the regulatory framework for cable television, telecommunications, and other communications services in order to determine how best to regulate all communications technologies in light of impending federal legislation.

Your Committees on Science, Technology and Economic Development and Consumer Protection concur with the intent and purpose of S.C.R. No. 191, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 191, S.D. 1.

Signed by all members of the Committees.

SCRep. 3222 (Joint) Science, Technology and Economic Development and Consumer Protection on S.R. No. 151

The purpose of this resolution is to request the Public Utilities Commission and the Department of Commerce and Consumer Affairs Cable Television Division to examine current regulatory processes.

Your Committees find that the regulation of the cable television industry involves state policies which need to be reviewed due to changing technologies and consumer demands. Your Committees further find that in light of impending changes in federal law, a new state regulatory framework may be necessary to comply with new federal regulations.

Testimony regarding this measure was submitted by the Public Utilities Commission, the Department of Commerce and Consumer Affairs, Oceanic Cable, and GTE Hawaiian Tel. There was general agreement that a study would be useful.

Your Committees have amended this resolution by indicating that the State needs to assess the regulatory framework for cable television, telecommunications, and other communications services in order to determine how best to regulate all communications technologies in light of impending federal legislation.

Your Committees on Science, Technology and Economic Development and Consumer Protection concur with the intent and purpose of S.R. No. 151, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 151, S.D. 1.

Signed by all members of the Committees.

SCRep. 3223 (Joint) Transportation and Tourism and Recreation on S.C.R. No. 115

The purpose of this concurrent resolution is to urge Hawaii's Congressional Delegation to support the Sierra Club Legal Defense Fund's formal petition to the Federal Aviation Administration (FAA) to control tour aircraft in Hawaii.

Your Committees find that a statewide coalition of a dozen community and environmental groups have filed a formal petition with the FAA requesting the adoption of new regulations to control low-flying tour aircraft.

Your Committees believe that the requests made by the citizens' groups should be supported by the Department of Transportation. However, your Committees believe that the request for a two-mile altitude and stand-off buffer around noise sensitive areas may be unduly burdensome and impractical, and therefore have amended this concurrent resolution to reflect your Committees' position. Your Committees have also amended the title to correct a typographical error.

Your Committees on Transportation and Tourism and Recreation concur with the intent and purpose of S.C.R. No. 115, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 115, S.D. 1.

Signed by all members of the Committees except Senators George, Holt, Ikeda and Kobayashi, A.

SCRep. 3224 (Joint) Transportation and Tourism and Recreation on S.R. No. 84

The purpose of this resolution is to urge Hawaii's Congressional Delegation to support the Sierra Club Legal Defense Fund's formal petition to the Federal Aviation Administration (FAA) to control tour aircraft in Hawaii.

Your Committees find that a statewide coalition of a dozen community and environmental groups have filed a formal petition with the FAA requesting the adoption of new regulations to control low-flying tour aircraft.

Your Committees believe that the requests made by the citizens' groups should be supported by the Department of Transportation. However, your Committees believe that the request for a two-mile altitude and stand-off buffer around noise sensitive areas may be unduly burdensome and impractical, and therefore have amended this resolution to reflect your Committees' position. Your Committees have also amended the title to correct a typographical error.

Your Committees on Transportation and Tourism and Recreation concur with the intent and purpose of S.R. No. 84, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 84, S.D. 1.

Signed by all members of the Committees except Senators George, Holt and Ikeda.

SCRep. 3225 Transportation on S.C.R. No. 282

The purpose of this concurrent resolution is to request the Department of Transportation to name the H-3 Tunnel in honor of highway administrator Tetsuo Harano.

Your Committee finds that Tetsuo "Tets" Harano has been an outstanding leader in the development of Hawaii's highway and transportation infrastructure during his fifty-two years with both the Territory of Hawaii's Department of Public Works and the State of Hawaii's Department of Transportation.

In honor of Tetsuo "Tets" Harano, your Committee recommends naming the H-3 Tunnel "The Tetsuo Harano Tunnel" in recognition of his dedicated service in public transportation in Hawaii in every phase of highway work, including planning, design, and construction.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 282 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3226 Transportation on S.R. No. 229

The purpose of this resolution is to request the Department of Transportation to name the H-3 Tunnel in honor of highway administrator Tetsuo Harano.

Your Committee finds that Tetsuo "Tets" Harano has been an outstanding leader in the development of Hawaii's highway and transportation infrastructure during his fifty-two years with both the Territory of Hawaii's Department of Public Works and the State of Hawaii's Department of Transportation.

In honor of Tetsuo "Tets" Harano, your Committee recommends naming the H-3 Tunnel "The Tetsuo Harano Tunnel" in recognition of his dedicated service in public transportation in Hawaii in every phase of highway work, including planning, design, and construction.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 229 and recommends its adoption.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 3227 Transportation on S.C.R. No. 38

The purpose of this concurrent resolution is to request a study on the provision of high occupancy vehicle throughways along congested corridors to increase HOV lane utilization.

Your Committee has amended this concurrent resolution by deleting its contents and replacing it with a request for the County of Kauai to disperse grants-in-aid to victims of Hurricane Iniki affected by the failure of licensed contractors to completely execute the terms and conditions of their construction contracts. Your Committee has amended the title of the concurrent resolution to reflect this change.

Your Committee finds that many victims have lost tremendous amounts of money because of contractors' failure to fulfill their obligations under the contracts to construct or renovate homes which were damaged as a result of Hurricane Iniki. Your Committee further finds that complaints regarding losses totalling \$875,000 have been filed in the Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs because of contractors' failures to fulfill the terms of their construction contracts, most of which were due to defalcations of one company, Major Pacific Builders. This concurrent resolution, as amended, is needed to provide immediate relief to the victims as they await the processing of their claims.

Your Committee on Transportation concurs with the intent and purpose of S.C.R. No. 38, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 38, S.D. 1.

Signed by all members of the Committee.

SCRep. 3228 Transportation on S.R. No. 29

The purpose of this resolution is to request a study on the provision of high occupancy vehicle throughways along congested corridors to increase HOV lane utilization.

Your Committee has amended this resolution by deleting its contents and replacing it with a request for the County of Kauai to disperse grants-in-aid to victims of Hurricane Iniki affected by the failure of licensed contractors to completely execute the terms and conditions of their construction contracts. Your Committee has amended the title of the resolution to reflect this change.

Your Committee finds that many victims have lost tremendous amounts of money because of contractors' failure to fulfill their obligations under the contracts to construct or renovate homes which were damaged as a result of Hurricane Iniki. Your Committee further finds that complaints regarding losses totalling \$875,000 have been filed in the Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs because of contractors' failures to fulfill the terms of their construction contracts, most of which were due to defalcations of one company, Major Pacific Builders. This resolution, as amended, is needed to provide immediate relief to the victims as they await the processing of their claims.

Your Committee on Transportation concurs with the intent and purpose of S.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 29, S.D. 1.

Signed by all members of the Committee.

SCRep. 3229 (Joint) Transportation and Education on S.C.R. No. 280

The purpose of this concurrent resolution is to request the City and County of Honolulu to assume jurisdiction over Hookiekie Street in Pearl City, Oahu, from the Department of Education.

Your Committees have amended this concurrent resolution by deleting its contents and substituting a request that the Department of Transportation (DOT) contract with the University of Hawaii to provide motorcycle education courses on the neighbor islands.

Your Committees find that motorcycle education courses, such as those approved by the Motorcycle Safety Foundation, are approved by the DOT and offered on Oahu but not on the neighbor islands.

Your Committees find that motorcycle education courses provide license applicants with the necessary skills to pass the licensing exam and will promote traffic safety for all those who use public roads and highways. Your Committees further find that the neighbor island applicants should be afforded the same benefit as those applicants on Oahu who take the courses and the examination.

Your Committees on Transportation and Education concur with the intent and purpose of S.C.R. No. 280, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 280, S.D. 1.

Signed by all members of the Committees except Senators Grauly and Koki.

SCRep. 3230 (Joint) Transportation and Education on S.R. No. 227

The purpose of this resolution is to request the City and County of Honolulu to assume jurisdiction over Hookiekie Street in Pearl City, Oahu, from the Department of Education.

Your Committees have amended this resolution by deleting its contents and substituting a request that the Department of Transportation (DOT) contract with the University of Hawaii to provide motorcycle education courses on the neighbor islands.

Your Committees find that motorcycle education courses, such as those approved by the Motorcycle Safety Foundation, are approved by the DOT and offered on Oahu but not on the neighbor islands.

Your Committees find that motorcycle education courses provide license applicants with the necessary skills to pass the licensing exam and will promote traffic safety for all those who use public roads and highways. Your Committee further finds that the neighbor island applicants should be afforded the same benefit as those applicants on Oahu who take the courses and the examination.

Your Committees on Transportation and Education concur with the intent and purpose of S.R. No. 227, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 227, S.D. 1.

Signed by all members of the Committees except Senator Koki.

SCRep. 3231 Government Operations, Environmental Protection and Hawaiian Programs on S.C.R. No. 262

The purpose of this concurrent resolution is to urge the U.S. Senate Foreign Relations Committee and the U.S. House of Representatives Foreign Affairs Committee to hold open general hearings regarding the plight of the men, women, and children caught in the war in Bosnia, Hercegovina.

There are substantial concerns about ethnic and religious discrimination in that conflict. However, your Committee believes that an open forum, as proposed by this concurrent resolution, regarding the plight of the victims of war in Bosnia, Hercegovina is unnecessary, as the United States does participate in the United Nations Peacekeeping Forces, and these concerns have been monitored extensively by the media and government.

However, it has come to your Committee's attention that racial bias may be present in the operation of our own government agency, the Federal Immigration and Naturalization Service in Hawaii, which may adversely affect the number of non-Caucasian tourists visiting Hawaii. Therefore, your Committee has amended the title and substance of the measure to ask that Hawaii's Congressional Delegation inquire into this situation and notify the Legislature as to whether such reports have basis in fact and, if so, what corrective measures can be anticipated.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 262, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 262, S.D. 1.

Signed by all members of the Committee except Senator Fukunaga.

SCRep. 3232 (Joint) Transportation and Tourism and Recreation on S.C.R. No. 92

The purpose of this concurrent resolution is to urge the United States President and Congress to prevent the construction of a 500-bed federal detention facility at the entrance to the Honolulu International Airport.

Your Committees have amended this concurrent resolution by deleting its contents and substituting a request that the counties' Directors of Finance design special motorcycle license plates to indicate the owner is a veteran or purple heart recipient.

Your Committees find that many veterans and purple heart recipients, by choice or necessity, use motorcycles as a means of transportation and recreation. While the counties' Directors of Finance have designed plates for the automobiles of veterans and Purple Heart recipients, no similar plates have been designed for motorcycles.

Special motorcycle license plates will recognize those who have made great sacrifices for their country.

Your Committees on Transportation and Tourism and Recreation concur with the intent and purpose of S.C.R. No. 92, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 92, S.D. 1.

Signed by all members of the Committees except Senators George, Holt, Ikeda and Kobayashi, A..

SCRep. 3233 (Joint) Transportation and Tourism and Recreation on S.R. No. 65

The purpose of this resolution is to urge the United States President and Congress to prevent the construction of a 500-bed federal detention facility at the entrance to the Honolulu International Airport.

Your Committees have amended this resolution by deleting its contents and substituting a request that the counties' Directors of Finance design special motorcycle license plates to indicate the owner is a veteran or purple heart recipient.

Your Committees find that many veterans and purple heart recipients, by choice or necessity, use motorcycles as a means of transportation and recreation. While the counties' Directors of Finance have designed plates for the automobiles of veterans and Purple Heart recipients, no similar plates have been designed for motorcycles.

Special motorcycle license plates will recognize those who have made great sacrifices for their country.

Your Committees on Transportation and Tourism and Recreation 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 George, Holt, Ikeda and Kobayashi, A.

SCRep. 3234 Ways and Means on S.C.R. No. 246

The purpose of this concurrent resolution is to clarify the legislative intent that appropriations for the Department of Health's "healthy start" program made in 1991, 1992, and 1993 were made "available only for the broad range of child abuse and neglect prevention activities."

While the "healthy start" program supported by the appropriation has proven extremely successful in decreasing child abuse and neglect, the necessary technical language restricting the funding to those purposes was not included in the appropriations. Your Committee finds that lack of this specific language in the appropriation legislation jeopardizes federal matching funds of approximately \$1,750,000, which can be awarded only if the legislation makes the above-cited restriction.

Your Committee finds that the clarification intended by this concurrent resolution changes neither the intent nor the usage of the appropriation; it merely patently acknowledges the purpose of the appropriation and conforms to the federal requirement.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 246, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3235 Ways and Means on S.R. No. 199

The purpose of this resolution is to clarify the legislative intent that appropriations for the Department of Health's "healthy start" program made in 1991, 1992, and 1993 were made "available only for the broad range of child abuse and neglect prevention activities."

While the "healthy start" program supported by the appropriation has proven extremely successful in decreasing child abuse and neglect, the necessary technical language restricting the funding to those purposes was not included in the appropriations. Your Committee finds that lack of this specific language in the appropriation legislation jeopardizes federal matching funds of approximately \$1,750,000, which can be awarded only if the legislation makes the above-cited restriction.

Your Committee finds that the clarification intended by this concurrent resolution changes neither the intent nor the usage of the appropriation; it merely patently acknowledges the purpose of the appropriation and conforms to the federal requirement.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 199, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3236 Ways and Means on S.C.R. No. 283

The purpose of this concurrent resolution is to urge the county of Kauai to consider deferring, retroactive to January 1, 1992, the collection of real property taxes and water fees on hotels in the county that were damaged by hurricane Iniki, for a period of time to be determined by the county.

The purposes of deferring the collection of these taxes and fees are to provide these hotels with an incentive to rebuild their facilities, and to provide assistance to hotels that may be operating at a loss.

Your Committee finds that hurricane-damaged hotels on the island of Kauai face major rebuilding and recovery expenses, and that these hotels, upon reopening, will become liable for real property taxes and water service fees even though they may not achieve an occupancy level sufficient to pay their expenses at the outset. Your Committee believes that these hotels may find it more economically feasible to rebuild their facilities and, consequently, reopen for business if these taxes and fees were deferred.

Your Committee has amended this concurrent resolution by making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 283, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 283, S.D. 1.

Signed by all members of the Committee.

SCRep. 3237 Ways and Means on S.R. No. 230

The purpose of this resolution is to urge the county of Kauai to consider deferring, retroactive to January 1, 1992, the collection of real property taxes and water fees on hotels in the county that were damaged by hurricane Iniki, for a period of time to be determined by the county.

The purposes of deferring the collection of these taxes and fees are to provide these hotels with an incentive to rebuild their facilities, and to provide assistance to hotels that may be operating at a loss.

Your Committee finds that hurricane-damaged hotels on the island of Kauai face major rebuilding and recovery expenses, and that these hotels, upon reopening, will become liable for real property taxes and water service fees even though they may not achieve an occupancy level sufficient to pay their expenses at the outset. Your Committee believes that these hotels may find it more economically feasible to rebuild their facilities and, consequently, reopen for business if these taxes and fees were deferred.

Your Committee has amended this resolution by making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 230, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 230, S.D. 1.

Signed by all members of the Committee.

SCRep. 3238 Ways and Means on S.C.R. No. 277

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to continue to provide waivers and deferrals for lease rent payments to commercial lessees of state lands still experiencing effects of Hurricane Iniki.

Your Committee finds that because small businesses provide the foundation of Kauai's economy, the waivers and deferrals for lease rents granted by the department following the devastation of Hurricane Iniki should be continued to augment the recovery of Kauai's economy. By providing these waivers and deferrals, the department will ensure that commercial lessees still experiencing the effects of the hurricane will receive the relief they require.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 277 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3239 Ways and Means on S.R. No. 224

The purpose of this resolution is to request the Department of Land and Natural Resources to continue to provide waivers and deferrals for lease rent payments to commercial lessees of state lands still experiencing effects of Hurricane Iniki.

Your Committee finds that because small businesses provide the foundation of Kauai's economy, the waivers and deferrals for lease rents granted by the department following the devastation of Hurricane Iniki should be continued to augment the recovery of Kauai's economy. By providing these waivers and deferrals, the department will ensure that commercial lessees still experiencing the effects of the hurricane will receive the relief they require.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 224 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3240 Ways and Means on S.C.R. No. 3

The purpose of this concurrent resolution is to request the State to reinvest moneys and securities belonging to or held in trust by the State into South African investments.

Your Committee finds that the Republic of South Africa has scheduled elections for April 24, 1994, which will establish a new democratic government, reversing years of discrimination based on the national policy of apartheid. Your Committee further finds that the national government of South Africa has been negotiating in apparent good faith with the African National Congress and other political parties to resolve the multitude of problems facing that nation, leading to the right of all of South Africa's citizens to participate in their government.

Your Committee is therefore in agreement that the State, particularly the employees' retirement system, should reinvest state moneys and securities in firms doing business in or with the Republic of South Africa.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 3 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3241 Ways and Means on S.C.R. No. 153

The purpose of this concurrent resolution is to make plain to the federal government the strain of mandated federal programs on overburdened state budgets, and to request assistance from various federal sources in reducing the burdens of the mandates.

Your Committee finds that federal mandates are increasing while federal funding for joint federal-state programs are decreasing, thus placing a growing burden on already strained state budgets. Additional unfunded federal mandates would seriously jeopardize the financial well-being of states and counties.

This concurrent resolution requests the Congressional Budget Office to continue to provide Congress with impact statements on the effect of federal mandates on states, requests the Office of Budget and Management to list all federal mandates currently imposed on states and counties, urges Congress to enact laws to require federal reimbursement for mandates, and requests the Administration to appoint a task force to monitor and coordinate a response mechanism to mandate proposals. The concurrent resolution also requests the state attorney general to report as to whether a cause of action against the federal government exists when unfunded federal mandates threaten the state budget and economy.

Your Committee agrees that restraints on and funding for mandates, as requested in this concurrent resolution, will provide significant aid to all states, including Hawaii, now besieged by a growing number of programs and shrinking fiscal resources.

Your Committee on Ways and Means concurs with the intent and purpose of S.C.R. No. 153 and recommends its adoption.

Signed by all members of the Committee.

LCRep. 3242 (Joint) Consumer Protection and Legislative Management on S.C.R. No. 68

The purpose of this concurrent resolution is to request the Auditor to study and report on the need to regulate the activities of mechanics in the refrigeration and air conditioning industry in Hawaii.

Section 26H-2, Hawaii Revised Statutes, requires an Auditor's study of any initial proposal to regulate a profession or occupation in the State. Currently, engineers who design air conditioning and refrigeration systems must be licensed pursuant to Chapter 464, but mechanics who install and service them do not.

Your Committees find that as air conditioning and refrigeration systems become more complicated, the possibility of harm to the general public through improper installation, servicing, or maintenance increases. Establishment of minimum requirements for licensure would ensure that only individuals who are qualified to carry out those activities are entitled to do so. The study requested by this concurrent resolution will provide the information needed to appropriately determine whether or not regulation is needed to protect the general public.

Your Committees on Consumer Protection and Legislative Management concur with the intent and purpose of S.C.R. No. 68 and recommend its adoption.

Signed by all members of the Committees except Senators Ikeda, Kanno, Koki and George.

SCRep. 3243 Ways and Means on S.C.R. No. 106

The purpose of this concurrent resolution is to support the State's continued development of the Pawaa project in concert with the City and County of Honolulu.

Your Committee finds that the Pawaa project will include approximately 1,061 affordable residential units of which 450 units are to be ultimately administered under the housing finance and development corporation (HFDC). The homes revolving fund, which is administered by the HFDC, authorizes the advancing of equity capital from the fund for affordable housing (section 201E-207.5, Hawaii Revised Statutes). Of the State's \$35,000,000 pledged to this joint development, \$1,000,000 has already been appropriated by Act 289, Session Laws of Hawaii 1993.

Your Committee finds that, although not statutorily required to do so, the legislature wishes to affirm that using homes revolving fund moneys for a portion of the State's equity contribution to the Pawaa project is consistent with the law. The legislature wishes to make this expressly clear in order to demonstrate its full support for the continued development of the Pawaa project which promises to generate a substantial number of affordable housing units.

Your Committee on Ways and means is in accord with the intent and purpose of S.C.R. No. 106 and recommends its adoption.

Signed by all members of the Committee except Senators Fukunaga and Levin.

SCRep. 3244 Ways and Means on S.R. No. 117

The purpose of this resolution is to make plain to the federal government the strain of mandated federal programs on overburdened state budgets, and to request assistance from various federal sources in reducing the burdens of the mandates.

Your Committee finds that federal mandates are increasing while federal funding for joint federal-state programs are decreasing, thus placing a growing burden on already strained state budgets. Additional unfunded federal mandates would seriously jeopardize the financial well-being of states and counties.

This resolution requests the Congressional Budget Office to continue to provide Congress with impact statements on the effect of federal mandates on states, requests the Office of Budget and Management to list all federal mandates currently imposed on states and counties, urges Congress to enact laws to require federal reimbursement for mandates, and requests the Administration to appoint a task force to monitor and coordinate a response mechanism to mandate proposals. The resolution also requests the state attorney general to report as to whether a cause of action against the federal government exists when unfunded federal mandates threaten the state budget and economy.

Your Committee agrees that restraints on and funding for mandates, as requested in this resolution, will provide significant aid to all states, including Hawaii, now besieged by a growing number of programs and shrinking fiscal resources.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 117 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 3245 Higher Education, Culture and Arts and Historic Preservation on S.R. No. 137

The purpose of this resolution is to request the Committee on Higher Education, Culture and Arts and Historic Preservation to gather information about the placement of cultural cornerstones to honor Liloa and Lonoikamakahiki in the ahupua'a of Waipi'o and Waimanu.

Your Committee finds that all native Hawaiians should come together to acknowledge the sanctity of Waipi'o Valley. Ancient Hawaiian custom requires the descendants of Liloa and Lonoikamakahiki to care for the bones of their ancestors. Your Committee also finds that regardless of whether they are direct descendants or not, all native Hawaiians need to come together to respect the sanctuary of Waipi'o Valley as the home of the high chiefs, and cultural landmarks honoring Liloa and Lonoikamakahiki should be placed in the ahupua'a of Waipi'o and Waimanu.

Your Committee has amended the title and the "BE IT RESOLVED" clauses of this resolution to request that the State Archaeologists of the State Historic Preservation Division of the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and Hamakua Hawaiian Civic Clubs gather information about the placement of cultural landmarks to honor Liloa and Lonoikamakahiki in the ahupua'a of Waipi'o and Waimanu. Your Committee has also made stylistic changes which have no substantive effect, including replacing the term "cornerstones" with the term "landmarks" throughout the resolution.

Your Committee on Higher Education, Culture and Arts and Historic Preservation 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 except Senator Aki.

SCRep. 3246 Tourism and Recreation on S.R. No. 201

The purpose of this resolution is to request the Senate President to assemble a panel of sports celebrities as an advisory group to assist the Committee on Tourism and Recreation with developing and evaluating state efforts to develop a sports industry in Hawaii.

Your Committee finds that our visitor industry needs to be further expanded by the identification and development of sporting events and destinations as a specific niche market. Your Committee further finds that there are sports celebrities willing and able to assist our State in the promotion of Hawaii as a location for sporting events as well as a training location prior to and vacation destination after various sporting events held in the Pacific region.

Testimony in support of this resolution was submitted by the Department of Business, Economic Development, and Tourism and the Hawaii Visitors Bureau.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 201 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3247 Health on S.R. No. 46

The purpose of this resolution is to support the expansion of the Food Safety Consultative and Education Program of the Department of Health.

Your Committee finds that the Food Safety Consultative and Education Program, through workshops and seminars, has assisted countless food handlers and food service industry managers in preventing foodborne diseases. This resolution requests the Department of Health to submit a report on the additional funding required to permit this program to add the needed advisors and program managers to administer and direct activities.

Testimony in support of this resolution was received from the Director of Health and the Hawaii Food Industry Association.

Your Committee on Health concurs with the intent and purpose of S.R. No. 46 and recommends its adoption.

Signed by all members of the Committee.

LCRep. 3248 Executive Appointments on Gov. Msg. No. 305

Recommending that the Senate advise and consent to the nomination of LYNN P. MCCRORY to the Board of Directors of the Hawaii Hurricane Relief Fund, term to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 3249 Executive Appointments on Gov. Msg. Nos. 306, 307, 308, 309 and 310

Recommending that the Senate advise and consent to the nominations of the following:

CATHERINE A. CAMP to the Statewide Health Coordinating Council, term to expire June 30, 1995 (Gov. Msg. No. 306);

MARIAN G. MARSH to the Statewide Health Coordinating Council, term to expire June 30, 1997 (Gov. Msg. No. 306);

GRETCHEN GILROY to the Central Oahu Subarea Health Planning Council, term to expire June 30, 1998 (Gov. Msg. 307);

MATHEW A. RELLIN to the Waianae Coast Subarea Health Planning Council, term to expire June 30, 1998 (Gov. Msg. No. 308);

MARY JANE GRETZ to the Windward Oahu Subarea Health Planning Council, term to expire June 30, 1996 (Gov. Msg. No. 309);

DAVID J. MORISHIGE to the Windward Oahu Subarea Health Planning Council, term to expire June 30, 1997 (Gov. Msg. No. 309); and

PATRICK E. LINTON to the Hawaii County Subarea Health Planning Council, term to expire June 30, 1997 (Gov. Msg. No. 310).

Signed by all members of the Committee.

LCRep. 3250 Executive Appointments on Gov. Msg. Nos. 311 and 314

Recommending that the Senate advise and consent to the nominations of the following:

LOUISE M. BUSH, OWEN M.K. HO, HAROLD C. JOHNSTON, EVELYN K.Y. OLORES and LEIGHTON R. TSEU to the King Kamehameha Celebration Commission, terms to expire June 30, 1998 (Gov. Msg. No. 311); and

NAOMI R. "SISTER" CORREA and DOUG MOSSMAN to the Martin Luther King, Jr. Commission, terms to expire June 30, 1995 (Gov. Msg. No. 314).

Signed by all members of the Committee.

LCRep. 3251 Executive Appointments on Gov. Msg. Nos. 315, 316 and 317

Recommending that the Senate advise and consent to the nominations of the following:

CHRISTOPHER H. MAI to the Medical Advisory Board, term to expire June 30, 1998 (Gov. Msg. No. 315);

CEDRIC K. AKAU to the Board of Physical Therapy, term to expire June 30, 1996 (Gov. Msg. No. 316);

SUSAN CORTES and CYNTHIA M.L. YEE to the Board of Physical Therapy, terms to expire June 30, 1997 (Gov. Msg. No. 316); and

ROGER S. HAMADA and EVELYN H. NOWAKI to the Board of Psychology, terms to expire June 30, 1998 (Gov. Msg. No. 317).

Signed by all members of the Committee.

LCRep. 3252 Executive Appointments on Gov. Msg. Nos. 318 and 319

Recommending that the Senate advise and consent to the nominations of the following:

KATHLEEN M. HAAKE to the Board of Taxation Review, Second Taxation District (Maui County), term to expire June 30, 1996 (Gov. Msg. No. 318); and

ALBERT W. STIGLMEIER to the Board of Taxation Review, Fourth Taxation District (Kauai), term to expire June 30, 1997 (Gov. Msg. No. 319).

Signed by all members of the Committee.

SCRep. 3253 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 211

The purpose of this resolution is to urge the U.S. Senate Foreign Relations Committee and the U.S. House of Representatives Foreign Affairs Committee to hold open general hearings regarding the plight of the men, women, and children caught in the war in Bosnia, Hercegovina.

There are substantial concerns about ethnic and religious discrimination in that conflict. However, your Committee believes that an open forum, as proposed by this resolution, regarding the plight of the victims of war in Bosnia, Hercegovina is unnecessary, as the United States does participate in the United Nations Peacekeeping Forces, and these concerns have been monitored extensively by the media and government.

However, it has come to your Committee's attention that racial bias may be present in the operation of our own government agency, the Federal Immigration and Naturalization Service in Hawaii, which may adversely affect the number of non-Caucasian tourists visiting Hawaii. Therefore, your Committee has amended the title and substance of the measure to ask that Hawaii's Congressional Delegation inquire into this situation and notify the Legislature as to whether such reports have basis in fact and, if so, what corrective measures can be anticipated.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs 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.

LCRep. 3254 Executive Appointments on Gov. Msg. Nos. 300, 301, 302, 303 and 304

Recommending that the Senate advise and consent to the nominations of the following:

E. ALISON KAY to the Animal Species Advisory Commission, term to expire June 30, 1996 (Gov. Msg. No. 300);

CHARLES H. LAMOUREUX and TIMOTHY WAYNE SUTTERFIELD to the Animal Species Advisory Commission, terms to expire June 30, 1997 (Gov. Msg. No. 300);

BRUCE ALLAN CARLSON and SCOTT EVERETT MILLER to the Animal Species Advisory Commission, terms to expire June 30, 1998 (Gov. Msg. No. 300);

DONNA TSUTSUMI-OTA to the Governor's Advisory Council for Children and Youth, term to expire June 30, 1995 (Gov. Msg. No. 301);

LUI K. HOKOANA to the Governor's Advisory Council for Children and Youth, term to expire June 30, 1996 (Gov. Msg. No. 301);

CHRISTOPHER SCOTT WONG, SYLVIA YUEN and LANI JEAN YUKIMURA to the Governor's Advisory Council on Children and Youth, terms to expire June 30, 1998 (Gov. Msg. No. 301);

LAWRENCE J. BALBERDE to the Community-Based Development Advisory Council, term to expire June 30, 1994 (Gov. Msg. No. 302);

LAWRENCE J. BALBERDE, JOHN R. DELACRUZ and EDWINA K. TANAKA to the Community-Based Development Advisory Council, terms to expire June 30, 1998 (Gov. Msg. No. 302);

DWANE BRENNEMAN, LYNETTE CRUZ and TOM POY to the Correctional Industries Advisory Committee, terms to expire June 30, 1996 (Gov. Msg. No. 303);

NICK P. CARPENTER to the Hawaii Aquaculture Advisory Council, term to expire June 30, 1997 (Gov. Msg. No. 304); and

PAUL K. BIENFANG, GERALD R. CYSEWSKI and CRAIG ROBERT EMBERSON to the Hawaii Aquaculture Advisory Council, terms to expire June 30, 1998 (Gov. Msg. No. 304).

Signed by all members of the Committee.

LCRep. 3255 Executive Appointments on Gov. Msg. Nos. 312 and 313

Recommending that the Senate advise and consent to the nominations of the following:

JEANNINE H. BENDIX to the Oahu Library Advisory Commission, term to expire June 30, 1995 (Gov. Msg. No. 312); and

CHARLES E. OLIVER to the HAWAII Library Advisory Commission, term to expire June 30, 1996 (Gov. Msg. No. 313).

Signed by all members of the Committee.

LCRep. 3256 Executive Appointments on Gov. Msg. Nos. 328, 329, 330, 331, 332 and 333

Recommending that the Senate advise and consent to the nominations of the following:

PAULA CHUN to the Criminal Injuries Compensation Commission, term to expire June 30, 1998 (Gov. Msg. No. 328);

ELLEN M. CHING, EVELYN CHONG and ERIC PARR to the State Planning Council on Developmental Disabilities, terms to expire June 30, 1995 (Gov. Msg. No. 329);

MARGARET B. PROFFITT and STANLEY C. YEE to the State Planning Council on Developmental Disabilities, terms to expire June 30, 1996 (Gov. Msg. No. 329);

MARGARET A. DONOVAN, JENNIFER SCHEMBER-LANG, J. CURTIS TYLER, III, and DEBORAH M.Y. WONG to the State Planning Council on Developmental Disabilities, terms to expire June 30, 1998 (Gov. Msg. No. 329);

EDWIN H. SHIROMA to the Board of Trustees, Employees' Retirement System, term to expire January 1, 1998 (Gov. Msg. No. 330);

FETULIMA TAMASESE to the Hawaii Paroling Authority, term to expire June 30, 1996 (Gov. Msg. No. 331);

CHARMAN JAMES KAOHUOKALANI AKINA to the Windward Oahu Subarea Health Planning Council, term to expire June 30, 1995 (Gov. Msg. No. 332); and

JAMES S. CORREA, RICHARD M. IGA, TRINETTE P. KAUI, DAWN K. MATSUSHITA, LANCE TERAYAMA and LENORA N. WEE to the State Highway Safety Council, terms to expire June 30, 1998 (Gov. Msg. No. 333).

Signed by all members of the Committee.

LCRep. 3257 Executive Appointments on Gov. Msg. Nos. 335, 336, 337, 338 and 339

Recommending that the Senate advise and consent to the nominations of the following:

H. PETER L'ORANGE to the Island Burial Council, Island of Hawaii, term to expire June 30, 1998 (Gov. Msg. No. 335);

B. KAIPO AKANA, BARBARA J. SAY, JOHN JACKIE HASHIMOTO, HOLBROOK GOODALE, CARMEN L. PANUI, WILLIAM H. CAMPBELL, and HELEN NA'UMU KANEAKUA to the Island Burial Council, Islands of Kauai and Niihau, terms to expire June 30, 1998 (Gov. Msg. No. 336);

EVERETT R. DOWLING to the Island Burial Council, Islands of Maui and Lanai, term to expire June 30, 1995 (Gov. Msg. No. 337);

DANA NAONE HALL and JAMES M. MURRAY, JR. to the Island Burial Council, Islands of Maui and Lanai, terms to expire June 30, 1998 (Gov. Msg. No. 337);

LAWRENCE AKI to the Island Burial Council, Island of Molokai, term to expire June 30, 1996 (Gov. Msg. No. 338);

RANDY K.T. FUJIMORI, GLORIA MARKS and ANNA D. GOODHUE to the Island Burial Council, Island of Molokai, terms to expire June 30, 1997 (Gov. Msg. No. 338);

HANNAH MORITZ and PEARL ALICE HODGINS to the Island Burial Council, Island of Molokai, terms to expire June 30, 1998 (Gov. Msg. No. 338); and

KALEIKOA KAE0, CAROLYN KEHAUNANI ABAD, LURLINE NAONE-SALVADOR and CY M. BRIDGES to the Island Burial Council, Island of Oahu, terms to expire June 30, 1998 (Gov. Msg. No. 339).

Signed by all members of the Committee.

LCRep. 3258 Executive Appointments on Gov. Msg. Nos. 325, 326, 327, 334, 340, 341 and 342

Recommending that the Senate advise and consent to the nominations of the following:

LILY Y. TEXEIRA and GARY T. NISHIKAWA to the Board of Public Accountancy, terms to expire June 30, 1998 (Gov. Msg. No. 325);

ALBERT "BENNY" RODERO to the Civil Defense Advisory Council, term to expire June 30, 1995 (Gov. Msg. No. 326);

LINDA D. CHINN to the Civil Defense Advisory Council, term to expire June 30, 1996 (Gov. Msg. No. 326);

RANDALL M. IZUO and WALTER L. ORNELLAS to the Civil Defense Advisory Council, terms to expire June 30, 1998 (Gov. Msg. No. 326);

HOWARD H. TASAKA and EDGAR M. YOKOYAMA to the Contractors License Board, terms to expire June 30, 1997 (Gov. Msg. No. 327);

RAYMOND S. NAGATA and ROBERT M. YAMADA II to the Contractors License Board, terms to expire June 30, 1998 (Gov. Msg. No. 327);

JOHN E. MIN to the Board of Directors, Housing Finance and Development Corporation, term to expire June 30, 1998 (Gov. Msg. No. 334);

STEVEN T. BARTA and LYNA S. MORIMOTO to the Board of Massage Therapy, terms to expire June 30, 1998 (Gov. Msg. No. 340);

DAVID BRUCE RAMOS to the Board of Regents, University of Hawaii, term to expire June 30, 1994 (Gov. Msg. No. 341);

LEE A. OHIGASHI and DAVID BRUCE RAMOS to the Board of Regents, University of Hawaii, terms to expire June 30, 1998 (Gov. Msg. No. 341); and

KENNETH T. ISHIZAKI and LEWIS CURTIS TINDALL to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, terms to expire June 30, 1998 (Gov. Msg. No. 342).

Signed by all members of the Committee.

SCRep. 3259 Planning, Land and Water Use Management on H.C.R. No. 174

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to acquire lands in Pahoia, Hawaii, for community use through land exchange.

Your Committee finds that Pahoia needs adequate community space for recreation, community gatherings, and general social interaction. Strategically developed common areas in neighborhoods enable community members to establish their own special sense of the neighborhood by encouraging residents to become involved in community problems, issues, and cultural affairs. Your Committee further finds that the subject property is owned privately and is in commercial use but would be ideal for community use if converted to public land.

Your Committee has amended this concurrent resolution to address the DLNR's concern that the corpus of the ceded lands trust could be diminished in this exchange because of the possible desire for revenue producing properties. Accordingly, your Committee has replaced the BE IT RESOLVED clause urging the DLNR to work with the Office of

Hawaiian Affairs if the exchange involves ceded lands with a provision prohibiting the involvement of ceded lands in this exchange. Technical nonsubstantive amendments were also made for purposes of clarity.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 174, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 174, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 3260 Planning, Land and Water Use Management on H.C.R. No. 246

The purpose of this concurrent resolution is to adopt the Hawaii Ocean Marine Resources Management Plan.

The Hawaii and Marine Resources Council, established by Act 235, Session Laws of Hawaii 1988, developed the Hawaii Ocean Marine Resources Management Plan. The Plan contains objectives, policies, and implementing actions for ocean research and education, fisheries, harbors, ocean recreation, marine ecology protection, beaches and coastal erosion, waste management, aquaculture, ocean energy, and marine minerals.

Your Committee finds that the Plan should be adopted as the State's guiding document for the management of marine and coastal resources.

Your Committee has amended this concurrent resolution by adding that certified copies be transmitted to specified county planning agencies and by making technical nonsubstantive amendments for purposes of style.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 246, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 246, S.D. 1.

Signed by all members of the Committee.

SCRep. 3261 Planning, Land and Water Use Management on H.C.R. No. 321

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to continue negotiations with private land owners for the preservation of Mount Olomana.

Mount Olomana was established as an historical state monument through Act 348, Session Laws of Hawaii 1993. The intent of the Act was to establish Mount Olomana as an historic landmark and to authorize the DLNR to acquire lands significant for this purpose. This concurrent resolution is to encourage the DLNR to continue to implement the Act by acquiring those lands.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 321 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 3262 Planning, Land and Water Use Management on H.C.R. No. 410

The purpose of this concurrent resolution is to recognize the planning recommendations and strategies of the Central O'ahu/North Shore Regional Plan Task Force and recommend that these recommendations and strategies be used to guide all Central O'ahu/North Shore planning efforts.

Your Committee finds that the Central/North Shore region of O'ahu is an area experiencing dramatic population growth and urban development. To address these and other concerns, Honolulu City Council Resolution 90-448 called for the formation of a task force to develop long-range plans for the future of the region. Your Committee finds that the regional plans developed by the task force is a useful guide for planning undertakings in the region.

To ensure that certain cogent recommendations of the task force are recognized, your Committee has amended this measure by inserting several new clauses pertaining to the task force's findings on the issue of traffic congestion in the region. Your Committee wishes to note that because of the traffic congestion anticipated in the region, the task force recognized the need to establish a rapid/mass transit system for the area. Your Committee has inserted a clause requesting the Council and the Administration of the City and County of Honolulu to fund significant transportation programs as recommended by the task force, prior to or concurrent with, the approval of new urban development proposals in the region.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 410, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 410, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 3263 (Joint) Planning, Land and Water Use Management and Transportation on H.C.R. No. 252

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to develop a comprehensive statewide boating program.

The Auditor studied the financing of the Small Boat Harbors and Boat Ramps Program of the DLNR and made recommendations for improving its efficiency. This concurrent resolution is a follow-up of that study to encourage the DLNR to implement those recommendations.

Your Committees on Planning, Land and Water Use Management and Transportation concur with the intent and purpose of H.C.R. No. 252 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3264 (Joint) Planning, Land and Water Use Management and Housing on H.C.R. No. 443

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to develop a plan to assist lessees of DLNR in Maunalaha, Makiki Heights to improve their property.

Your Committees find that Act 5, Session Laws of Hawaii 1987, authorized the DLNR to develop land with an exemption from state and county construction and zoning laws. Your Committees believe that the DLNR should allow Maunalaha subdivision residents with long-term leases to have the same development benefits for zoning and construction as Kahana Valley subdivision residents. Accordingly, your Committees have deleted the contents of this concurrent resolution and substituted language from S.C.R. No. 255 authorizing the DLNR to create a subdivision which shall be exempt from zoning and construction laws. Your Committees have amended the title to reflect this change.

Your Committees on Planning, Land and Water Use Management and Housing concur with the intent and purpose of H.C.R. No. 443, H.D. 3, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 443, H.D. 3, S.D. 1.

Signed by all members of the Committees.

SCRep. 3265 Agriculture on H.C.R. No. 68

The purpose of this concurrent resolution is to request the formation of a task force to promote the viability of the sugar industry on Kauai, explore career options for workers, and plan for alternate uses of vacated lands.

Your Committee finds that the Kauai Sugar Alliance and Kauai County have done much to promote diversified agriculture in anticipation of further declines in sugar production and that these efforts should be built upon and coordinated rather than duplicated. The formation of a state-county task force for the purpose of expanding the responsibilities of the Kauai Sugar Alliance is the most effective means of accomplishing these goals.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 68, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 3266 Education on S.R. No. 213

The purpose of this resolution is to request the Board of Education to develop requests for proposals for the alternative management of public schools.

Your Committee has amended this resolution by deleting its substance, including the title, and inserting a request to the Department of Education (DOE) and the Housing Finance and Development Corporation (HFDC) to negotiate a tentative "turn-key" or "lease-purchase" agreement with a private developer to expedite construction of Kapolei Intermediate and High Schools, contingent upon legislative appropriations for such agreement.

Your Committee finds that in view of projections of increased school populations in the Kapolei area, it is incumbent on the State to examine every feasible means of expediting construction of appropriate school facilities at the best possible cost. Already, the DOE has successfully negotiated a turn-key agreement with a developer for a new school in the Waikoloa area of the Big Island, saving considerable time in the construction of the school, and there is good cause to believe that a similar arrangement may be appropriate for Oahu's second city public schools.

Your Committee on Education concurs with the intent and purpose of S.R. No. 213, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 213, S.D. 1.

Signed by all members of the Committee.

SCRep. 3267 Judiciary on S.R. No. 203

The purpose of this resolution is to request the corrections population management commission to report to the legislature its progress in setting population limits at state correctional facilities.

Your Committee finds that the purpose of the resolution has been met by the scheduling of an informational briefing for the Judiciary Committee regarding corrections population management on April 19.

Upon further consideration, your Committee has amended the resolution by deleting its title and contents, and substituting a new title of the resolution to read:

"SENATE RESOLUTION RECOGNIZING THE OUTSTANDING WORK OF HAWAII'S POLICE OFFICERS AND REQUESTING THE CHIEF OF POLICE OF EACH COUNTY TO REVIEW THEIR SYSTEM OF INTERNAL DISCIPLINE IN VIEW OF RECENT AMENDMENTS TO THE UNIFORM INFORMATION PRACTICES ACT (MODIFIED)."

As amended, the purpose of this resolution is to recognize the work of Hawaii's police officers and request the chiefs of police of each county to review their system of internal discipline in view of recent amendments to the uniform informational practices act (modified).

Your Committee recognizes the superb work of Hawaii's police officers as being among the best police forces in the nation, noted for their exceptional dedication, self-sacrifice, and bravery despite the challenging and often hazardous nature of their work.

Your Committee finds that with respect to a police officer who has engaged in misconduct while in the course of the officer's official duties, the public's right of access to the officer's name, nature and allegations of misconduct, and other information required by the 1993 amendments to the uniform information practices act (modified) must be tempered by the possible harm to the officers and their families resulting from the release of that information.

Your Committee therefore believes that only those officers who are found to have committed criminal misconduct should be subject to suspension or discharge, which by law requires automatic disclosure of the officers' names and other required information, and that the county police chiefs and police commissions should review and modify their internal disciplinary systems, as may be necessary, in accordance with this finding.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 203, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 203, S.D. 1.

Signed by all members of the Committee.

SCRep. 3268 Judiciary on H.C.R. No. 24

The purpose of this concurrent resolution is to ratify the twenty-seventh amendment of the United States Constitution which states that a member of the U.S. Congress may not receive a pay raise unless an election of Representatives has intervened.

On May 7, 1992, two hundred and five years after its proposal, the Legislature of Michigan became the thirty-eighth state to ratify the amendment. Your Committee believes it is in the interest of good democracy and public participation to provide for an election before a salary increase can be implemented for members of Congress.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 24 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3269 (Joint) Judiciary and Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 263

The purpose of this concurrent resolution is to request the counties to develop ordinances, in line with the constitutional safeguards set forth in City of Renton v. Playtime Theatres and State v. Kam 69 Haw. 483 (1988), to prohibit businesses which have as their primary purpose the selling, renting or showing of sexually explicit materials from operating in residential neighborhoods.

Your Committees find that the City and County of Honolulu adopted Resolution No. 93-325, which requests the Director of Land Utilization to provide recommendations on a proposal to require adult video stores to obtain conditional use permits, due to their negative impact on residential life.

Your Committees believe that prohibiting these types of businesses from locating in residential areas is in the interest of the common good and does not place an undue burden on commercial activity in the State nor on an individual's right to privacy.

Your Committees on Judiciary and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of H.C.R. No. 263, H.D. 1 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3270 Health on H.C.R. No. 89

The purpose of this concurrent resolution is to request the Department of Health to develop a written policy to facilitate the transfer of cases between the Child and Adolescent Mental Health Division and the Adult Mental Health Division by considering transition services in other states, consulting with relevant mental health organizations and institutions, and enabling the plan's implementation by September 30, 1994.

Your Committee finds that mental health patients, after leaving high school, cease to be cared for by the Child and Adolescent Mental Health Division and are unable to find appropriate mental health treatment on their own as adults. This concurrent resolution, through the development of a written policy, will enable mentally ill individuals to receive the appropriate services and to gain capability and stability over time.

Testimony in support of this concurrent resolution was received from the Director of Health, the Commission on Persons with Disabilities, and the Mental Health Association in Hawaii.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 89, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3271 Health on H.C.R. No. 94

The purpose of this concurrent resolution is to express legislative support for the expansion of the Food Safety Consultative and Education Program, and to request that the Department of Health submit a report on the expansion needs of the program.

Your Committee finds that the Food Safety Consultative and Education Program is intended to provide voluntary food safety surveillance and control, and educational activities to assist the food service industry and food handlers in complying with food safety standards. However, new federal regulations on seafood and chilled foods have been created, and Hawaii's food industries will require education on the new laws.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 94, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3272 Health on H.C.R. No. 259

The purpose of this concurrent resolution is to request that the Department of Health describe all of the elements needed for a comprehensive residential treatment system for mentally ill and substance abusing individuals and provide an overview of the residential system to determine gaps in service and possible alternative treatments.

Your Committee finds that in 1980 the Legislature developed a statewide system of residential treatment programs for mental illness and substance abuse, providing guidelines which allow applicants the flexibility to design a system specific to the community and the needs of the clients. However, the system lacks the adequate licensing categories to meet the statutory requirements. This concurrent resolution requests the Director of Health to evaluate existing residential programs and develop a plan for a comprehensive residential treatment system and improve the licensing categories where needed.

Testimony in support of this concurrent resolution was submitted by the Department of Health.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 259, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3273 Health on H.C.R. No. 356

The purpose of this concurrent resolution is to request the Department of Health to study funding possibilities for emergency air ambulance services for the island of Molokai, other rural areas, and the other neighbor islands so that the residents of these areas are provided with emergency air ambulance services when needed.

Your Committee finds that in life threatening emergency situations or in areas where certain medical services are unavailable, air ambulance service is essential. This concurrent resolution will urge the Department of Health to ensure continued funding for this necessary service.

Testimony in support of this concurrent resolution was received from the Director of Health.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 356, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 3274 Health on H.C.R. No. 433

The purpose of this concurrent resolution is to request that the Director of Health convene a task force to design an appropriate mental health governance structure.

Your Committee finds that the Legislative Reference Bureau has concluded in a 1994 report, called "'Reinventing' Governance of Hawaii's Public Mental Health Delivery System", that Hawaii's public mental health system requires substantial restructuring. The new structure should consist of clearly separating the policy-making and regulatory functions from the management and administrative functions; decentralizing community-based control; and promoting competition between service providers. This concurrent resolution would begin the restructuring process to meet those recommendations.

Testimony in support of this concurrent resolution was received from the Director of Health.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 433, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3275 Judiciary on H.C.R. No. 489

The purpose of this concurrent resolution is to recognize the need for diversity of religious representation and respect for individual personal beliefs during official State functions and other functions endorsed by the State, where a spiritual prayer or blessing is delivered.

Your Committee received testimony in favor of the resolution from the Vice Speaker of the House.

Your Committee finds that Hawaii's populace reflects a wide diversity of personal and religious beliefs and that diversity is the source of our uniqueness and strength as a state.

Your Committee believes that this resolution will serve as a reminder that personal and religious beliefs come in many forms and origins and that prayers and blessings at our official State functions should reflect this diversity.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 489 and recommends its adoption.

Signed by all members of the Committee except Senator Koki.

SCRep. 3276 Higher Education, Culture and Arts and Historic Preservation on H.C.R. No. 399

The purpose of this concurrent resolution is to request the Board of Regents of the University of Hawaii to review and report on the progress and implementation of the recommendations concerning the promotion and preservation of Hawaiian culture and language through the development of Hawaiian studies, programs, and courses as outlined in the University's master plan of 1991 and the Ka'u report of 1986.

Your Committee finds that the intent of this concurrent resolution is to promote the study of the Hawaiian language and culture, and provide a common understanding and sensitivity to what is Hawaiian and Hawai'i. Your Committee further finds that there is a need to establish a bona fide Hawaiian studies department and to continue research in Hawaiian studies. The Master Plan established in 1991, along with the 1986 Ka'u Task Force Report, recommended that the University assume leadership in research and scholarship in the preservation of the Hawaiian language and culture, and expand the Hawaiian Studies Programs.

Testimony in support of the concurrent resolution was heard by the University of Hawaii and the Office of Hawaiian Affairs.

Your Committee has amended this concurrent resolution by including the study of Hawaiian religion in the development of Hawaiian studies, programs, and courses.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 399, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 399, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 3277 Higher Education, Culture and Arts and Historic Preservation on H.C.R. No. 484

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism, with the assistance of the University of Hawaii and the Legislative Reference Bureau, to study the economic contribution of the University of Hawaii and the Community Colleges to the local economy, using innovative methodologies such as that utilized by the University of Massachusetts at Boston. The concurrent resolution requests the assistance of the faculty and students of the University of Hawaii and the Community Colleges to gather the relevant data.

Your Committee finds that the traditional model of estimating the economic impact of colleges and universities underestimates the true economic value of these institutions. For example, the traditional model does not take into account the fact that college graduates have an increased earning potential that can result in increased income and general excise tax revenues to state and county government. As the University of Hawaii and the Community Colleges are substantially subsidized by the State, it is in the State's interest to obtain a more accurate accounting of the economic benefit derived from these subsidies.

Your Committee notes that the original version of the concurrent resolution requested that this study be done by the Legislative Reference Bureau alone. The House Committee on Legislative Management changed the lead agency responsibility to the Department of Business, Economic Development, and Tourism with the assistance of the Legislative Reference Bureau. The faculty and staff at the University and Community Colleges are requested to assist in collecting data. Your Committee also notes, as pointed out in testimony submitted by the Legislative Reference Bureau, that this concurrent resolution calls for a technical, economic study based on a particular methodology. It is not a policy study, and thus not appropriate for the Legislative Reference Bureau. However, your Committee does not want to remove the Bureau from the concurrent resolution at this time as your Committee wants the Bureau to assist in the drafting of any proposed bills or resolutions that the Department of Business, Economic Development, and Tourism and the University of Hawaii may deem necessary or appropriate to implement recommendations of this study.

Your Committee on Higher Education, Culture and Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 484, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 3278 Science, Technology and Economic Development on S.R. No. 159

The purpose of this resolution is to urge the Governor to appoint an individual with telecommunications expertise to the Public Utilities Commission.

Your Committee finds that regulatory issues involving the telecommunications industry are becoming increasingly complex because of the rapidly expanding technology used in the development and delivery of telecommunications services. Your Committee further finds that in order to protect the public interest, the Public Utilities Commission needs to be appraised of the developments within the industry.

Testimony in support of this measure was submitted by the Coalition for Competitive Telecommunications and various telecommunications businesses. A concern was raised by the Consumer Advocate and the American Association of Retired Persons Hawaii State Legislative Committee that a person with telecommunications experience would likely have strong ties to the industry and thus have an inherent conflict of interest in considering regulatory actions involving the industry.

Upon consideration of the concerns expressed, your Committee has amended this resolution by indicating that the current law requires the Governor to select persons who have experience in accounting, business, engineering, government, finance, law, or other similar fields, and that this resolution is not intended to preclude the current law.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 159, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 159, S.D. 1.

Signed by all members of the Committee except Senator Fukunaga.

SCRep. 3279 (Joint/Majority) Science, Technology and Economic Development and Higher Education, Culture and Arts and Historic Preservation on H.C.R. No. 361

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to submit recommendations which would stimulate the arts community and revitalize Hawaii's economic climate.

Your Committees find that Hawaii boasts a very diverse arts community which has untapped potential for contributing to the State's economy. Your Committees further find that the development of a plan for the marketing and promotion of Hawaii's art community will also assist in planning the development of the infrastructure necessary for the exhibition of local art products and services.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Honolulu Commission on Culture and the Arts, Hawaii Watercolor Society, and various art community representatives.

Your Committees on Science, Technology and Economic Development and Higher Education, Culture and Arts and Historic Preservation concur with the intent and purpose of H.C.R. No. 361, H.D. 2, and recommend its adoption.

Signed by all members of the Committees.
Senator Koki did not concur.

SCRep. 3280 (Majority) Science, Technology and Economic Development on H.C.R. No. 400

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to conduct a study of the viability of developing incubation centers for small businesses.

Your Committee finds that incubator programs have been particularly successful for the development of small high technology businesses in Hawaii. Your Committee further finds that there are several incubator program models in place on the mainland which the Department can investigate as part of this study.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, and the Small Business Council of the Chamber of Commerce.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of H.C.R. No. 400, H.D. 2, and recommends its adoption.

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

SCRep. 3281 (Joint) Planning, Land and Water Use Management and Housing on H.C.R. No. 443

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to develop a plan to assist lessees of DLNR in Maunaloa, Makiki Heights to improve their property.

Your Committees find that Act 225, Session Laws of Hawaii 1981, authorized the DLNR to negotiate and enter into long-term residential leases with Maunaloa residents who met specified criteria. Since that time, thirty leases have been executed, but only a few lessees have been able to construct new homes. This concurrent resolution encourages the DLNR to remedy that situation by developing a plan to help those lessees to make improvements or to construct new homes.

Your Committees on Planning, Land and Water Use Management and Housing concur with the intent and purpose of H.C.R. No. 443, H.D. 3, and recommend its adoption.

Signed by all members of the Committees except Senators Aki and Reed.

SCRep. 3282 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on H.C.R. No. 158

The purpose of this concurrent resolution is to request the University of Hawaii ("UH"), with the assistance of the Department of Land and Natural Resources ("DLNR"), to do a comprehensive study of sharks in Hawaiian waters.

Specifically, the agencies are requested to convene a committee of UH individuals to provide policy makers and the public with a better, more concrete understanding of the animals.

Your Committees find that the recent increases in the number of local shark sightings may produce an adverse domino effect on tourism, state revenues, and finally, necessary state services to the public. Present research and control efforts by the DLNR and the UH need to be bolstered. In order for DLNR to reduce the incidents of shark attacks without harming the marine ecosystem, more data are needed from UH researchers on the behavior of sharks.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of H.C.R. NO. 158, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3283 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on H.C.R. No. 214

The purpose of this concurrent resolution is to request the University of Hawaii Water Research Center to develop guidelines which may be adopted by county planning and building departments to control the construction of private water catchment facilities.

Your Committees received supporting testimony from the Department of Health, University of Hawaii Water Research Center, and a concerned citizen. Water, which is necessary for life, has been collected in catchments on all islands and still is, mostly in the rural areas of the Big Island. The concern over the potability and sufficiency of private water catchment systems is however, a statewide concern.

Hawaii is fortunate in having a resident expert at the University of Hawaii on the proper construction and design of water catchment systems. With the proper guidelines available, citizens who live in areas not served by municipal water systems can be directed by county planning and building departments to construct catchments having the correct filter system and tank size, and using appropriate construction materials so that the persons using the water will have enough safe, potable water for drinking, washing, cleaning, and, when necessary, fire fighting.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of H.C.R. No. 214 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3284 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on H.C.R. No. 390

The purpose of this concurrent resolution is to urge the establishment of a Hawaii Museum Center at Barbers Point to preserve our history and to promote economic development in Kapolei.

Your Committees find that the Hawaii Museum Center is a non-profit educational organization created in 1992 to provide a mutually beneficial operating environment for educational, cultural, historic, and scientific museum organizations, with emphasis on Hawaii and the Pacific, by managing both the shared, built structures and the parallel, overlapping support activities.

Your Committees further find that the Hawaii Museum Center will preserve vital moments in history, promote educational and cultural life in West Oahu, and provide jobs for Ewa and Kapolei residents.

Testimony on behalf of this concurrent resolution was offered by the Office of State Planning, State Representative Sam Lee, the Hawaii Museum Center, the Pacific War Museum, the Bishop Museum, and the Pacific Aerospace Museum.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of H.C.R. No. 390, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3285 (Joint) Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 417

The purpose of this concurrent resolution is to request and encourage the University of Hawaii to use its existing resources in order to develop reciprocal arrangements with governments and educational institutions in the State's sister-state provinces and prefectures for students, staff members, and faculty from institutions located there.

Your Committees find that the University's master plan identifies Asian and Pacific studies as an area of excellence and emphasis, and that this identification dovetails with the State's purposes in establishing sister-state relationships with prefectures and provinces in the Pacific Rim. Thus, the University is in an advantageous position to stimulate educational and cultural exchanges between University students and their counterparts in sister-state institutions.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of H.C.R. No. 417, H.D. 2, and recommend its adoption.

Signed by all members of the Committees except Senator Reed.

LCRep. 3286 Executive Appointments on Gov. Msg. Nos. 343, 344, 366, 369 and 370

Recommending that the Senate advise and consent to the nominations of the following:

HERBERT J. HONDA to the Board of Agriculture, term to expire June 30, 1996 (Gov. Msg. No. 343);

DAVID FUERTES, RALPH K. ISHIKAWA and WILLIAM B.C. HEE to the Board of Agriculture, terms to expire June 30, 1998 (Gov. Msg. No. 343);

RONALD C. WO to the Board of Directors, Aloha Tower Development Corporation, term to expire June 30, 1995 (Gov. Msg. No. 344);

KAREN S. AHN, JOANN N. MATTSON and M. CASEY JARMAN to the Land Use Commission, terms to expire June 30, 1998 (Gov. Msg. No. 366);

BILL GRAY and ROBERT OYAMA to the Procurement Policy Office Board, terms to expire June 30, 1996 (Gov. Msg. No. 369);

TIMOTHY P. JOHNSON to the Procurement Policy Office Board, term to expire June 30, 1997 (Gov. Msg. No. 369);

HARUO SHIGEZAWA to the Procurement Policy Office Board, term to expire June 30, 1998 (Gov. Msg. No. 369); and

DIANE NOSSE DODS to the Board of Public Broadcasting, term to expire June 30, 1997 (Gov. Msg. No. 370).

Signed by all members of the Committee.

LCRep. 3287 Executive Appointments on Gov. Msg. Nos. 349, 351, 367, 368, 373 and 374

Recommending that the Senate advise and consent to the nominations of the following:

STEPHEN BALANAY to the Board of Electricians and Plumbers, term to expire June 30, 1995 (Gov. Msg. No. 349);

RANDOLPH K. OUYE and WESLEY MARK TERUYA to the Board of Electricians and Plumbers, terms to expire June 30, 1998 (Gov. Msg. No. 349);

ANN N. MATSUNAMI, MIKE Y. MIURA, CRYSTAL K. ROSE and ROY. K. YAMASHIRO to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, terms to expire June 30, 1998 (Gov. Msg. No. 351);

JOE LIU MAN HIN to the Advisory Committee on Pesticides, term to expire June 30, 1996 (Gov. Msg. No. 367);

KATHY SHIMATA to the Board of Pharmacy, term to expire June 30, 1995 (Gov. Msg. No. 368);

RICHARD K. MINATOYA and JOHN WILLIAM SZABO to the Board of Pharmacy, terms to expire June 30, 1998 (Gov. Msg. No. 368);

HERBERT A. SEGAWA to the Board of Directors, Research Corporation, University of Hawaii, term to expire June 30, 1997 (Gov. Msg. No. 373);

JANICE P. KIM, HERBERT M. RICHARD, JR. and WILLIAM YUEN to the Board of Directors, Research Corporation, University of Hawaii, terms to expire June 30, 1998 (Gov. Msg. No. 373);

HELEN G. CHAPIN and DARRELL M. OISHI to the State Post-Secondary Education Commission, terms to expire June 30, 1996 (Gov. Msg. No. 374); and

FRANCIS M. HATANAKA and CHRIST P. ZIVALICH, JR. to the State Post-Secondary Education Commission, terms to expire June 30, 1997 (Gov. Msg. No. 374).

Signed by all members of the Committee.

LCRep. 3288 Executive Appointments on Gov. Msg. Nos. 354, 355, 371 and 379

Recommending that the Senate advise and consent to the nominations of the following:

DORIS M. CHING to the Education Commission of the States, term to expire June 30, 1998 (Gov. Msg. No. 354);

THERESA FONG LOCK to the Hawaii Education Council, term to expire June 30, 1995 (Gov. Msg. No. 355);

DANIEL EBIHARA, W.P. KOZLOVSKY, ANDY Y. NII and LINDA WEILAND to the Hawaii Education Council, terms to expire June 30, 1998 (Gov. Msg. No. 155);

JOHN P. SPIERLING to the Public Utilities Commission, term to expire June 30, 1996 (Gov. Msg. No. 371);

DENNIS R. YAMADA to the Public Utilities Commission, term to expire June 30, 1998 (Gov. Msg. No. 371);

YUKIO NAITO to the Public Utilities Commission, term to expire June 30, 2000 (Gov. Msg. No. 371); and

CHARLOTTE A. CARTER-YAMAUCHI, IRIS K. IKEDA CATALANI, CHRISTOPHER WILLARD CHOW, SUSAN A. INOUE, CYNTHIA F. LEONG, SALLY SCHOPPERT LITTLE, MERRILEE MIA ORIDE and ALLICYN CHIYEKO HIKIDA TASAKA to the Commission on the Status of Women, terms to expire June 30, 1998 (Gov. Msg. No. 379).

Signed by all members of the Committee.

LCRep. 3289 Executive Appointments on Gov. Msg. No. 380

Recommending that the Senate consent to the nomination of SANDRA ARLENE SIMMS for 12th Judge of the Circuit Court of the First 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 Fernandes Salling.

LCRep. 3290 Executive Appointments on Gov. Msg. No. 381

Recommending that the Senate consent to the nomination of VICTORIA SCURLOCK MARKS for 3rd Judge of the Circuit Court of the First 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 Fernandes Salling.

LCRep. 3291 Executive Appointments on Gov. Msg. Nos. 352, 376 and 377

Recommending that the Senate advise and consent to the nominations of the following:

CALVIN S. MIYAMOTO to the Governor's Agriculture Coordination Committee, term to expire June 30, 1998 (Gov. Msg. No. 352);

WINONA WHITMAN to the Tourism Training Council, term to expire June 30, 1996 (Gov. Msg. No. 376);

MILTON KIMO CHU, MICHAEL HIRAO and ERNEST K. NISHIZAKI to the Tourism Training Council, terms to expire June 30, 1998 (Gov. Msg. No. 376); and

WALTER Y. ARAKAKI, DENNIS S. HOKAMA, MILLICENT M.Y. KIM and WADSWORTH Y.H. YEE to the Commission on Transportation, terms to expire June 30, 1998 (Gov. Msg. No. 377).

Signed by all members of the Committee except Senator Ikeda.

LCRep. 3292 Executive Appointments on Gov. Msg. No. 347

Recommending that the Senate advise and consent to the nominations of the following to the State Foundation on Culture and the Arts:

JOHN M. HARA, term to expire June 30, 1994;

DOUGLAS H. KAYA, term to expire June 30, 1997; and

JAMES KAWASHIMA, term to expire June 30, 1998.

Signed by all members of the Committee except Senators Fernandes Salling, Ikeda and Nakasato.

LCRep. 3293 Executive Appointments on Gov. Msg. No. 188

Recommending that the Senate advise and consent to the nomination of SOPHIE ANN M. AOKI ROBERTSON to the Board of Directors, Natural Energy Laboratory of Hawaii Authority, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3294 Executive Appointments on Gov. Msg. Nos. 345, 348, 350 and 359

Recommending that the Senate advise and consent to the nominations of the following:

JOANNE H. KEALOHA to the Civil Service Commission, term to expire June 30, 1998 (Gov. Msg. 345);

JACKIE FERGUSON-MIYAMOTO to the Board of Trustees, Deferred Compensation Plan, term to expire June 30, 1997 (Gov. Msg. No. 348);

WESLEY K. MACHIDA to the Board of Trustees, Deferred Compensation Plan, term to expire June 30, 1998 (Gov. Msg. No. 348);

MICHAEL HIRAO and NORA R. WHITFORD to the Advisory Commission on Employment and Human Resources, terms to expire June 30, 1996 (Gov. Msg. No. 350);

MAMO HOWELL, SUSAN T. MATSUSHIMA, ETHEL AIKO ODA, LEONARD LEN SEBRESOS, RONALD T. TANAKA, JAMES G. WESTLAKE and EARL M. YAMAOKA to the Advisory Commission on Employment and Human Resources, terms to expire June 30, 1997 (Gov. Msg. No. 350);

JOHN J. WITECK to the Board of Trustees, Hawaii Public Employees Health Fund, term to expire June 30, 1995 (Gov. Msg. No. 359); and

DAWN SUYENAGA to the Board of Trustees, Hawaii Public Employees Health Fund, term to expire June 30, 1997 (Gov. Msg. No. 359).

Signed by all members of the Committee except Senator Ikeda.

LCRep. 3295 Executive Appointments on Gov. Msg. Nos. 356, 357, 362 and 364

Recommending that the Senate advise and consent to the nominations of the following:

JOYCE N. CHINEN, ROBERT J. HOMMON, PUALANI KANAKAOLE KANAHELE, RICHARD K. PAGLINAWAN and NANCY LYMAN PEACOCK to the Hawaii Historic Places Review Board, terms to expire June 30, 1998 (Gov. Msg. No. 356);

DON FUJIMOTO and DENNIS T. TOYOMURA to the Hawaii Housing Authority, terms to expire June 30, 1998 (Gov. Msg. No. 357);

LLEWELLYN C. KUMALAE to the Hawaiian Homes Commission, term to expire June 30, 1997 (Gov. Msg. No. 362);

ROCKNE C. FREITAS to the Hawaiian Homes Commission, term to expire June 30, 1998 (Gov. Msg. No. 362);

PETER B. NOTTAGE to the Kaneohe Bay Regional Council, term to expire June 30, 1996 (Gov. Msg. No. 364);

GRETCHEN M. GOULD and KIM N. HOLLAND to the Kaneohe Bay Regional Council, terms to expire June 30, 1997 (Gov. Msg. No. 364); and

JOSEPH G. PICKARD to the Kaneohe Bay Regional Council, term to expire June 30, 1998 (Gov. Msg. No. 364).

Signed by all members of the Committee except Senator Ikeda.

LCRep. 3296 Executive Appointments on Gov. Msg. Nos. 346, 353, 360, 361, 363, 372 and 375

Recommending that the Senate advise and consent to the nominations of the following:

GUY T. FUJIMURA and BARBARA J. TANABE to the Convention Center Authority, terms to expire June 30, 1996 (Gov. Msg. No. 346);

CLYDE T. KANESHIRO and ANTHONY RUTLEDGE to the Convention Center Authority, terms to expire June 30, 1998 (Gov. Msg. No. 346);

GEORGE A. "RED" MORRIS and JAN NAOE SULLIVAN to the Hawaii Community Development Authority, terms to expire June 30, 1998 (Gov. Msg. No. 353);

JOHN LINN REED to the Board of Directors, Hawaii Strategic Development Corporation, term to expire June 30, 1995 (Gov. Msg. No. 360);

PETER H. SIMONS and ANDREA L. SIMPSON to the Board of Directors, Hawaii Strategic Development Corporation, terms to expire June 30, 1998 (Gov. Msg. No. 360);

WAYNE K. KATAYAMA, DONN J. TAKAHASHI and CHA THOMPSON to the Hawaii Tourism Marketing Council, terms to expire June 30, 1995 (Gov. Msg. No. 361);

STEVEN KEALOHA and PATRICK KEVIN SULLIVAN to the Board of Directors, High Technology Development Corporation, terms to expire June 30, 1998 (Gov. Msg. No. 363);

NORA A. NOMURA to the Real Estate Commission, term to expire June 30, 1996 (Gov. Msg. No. 372);

CHARLES H. AKI, MICHAEL G. CHING and CAROL MON LEE to the Real Estate Commission, terms to expire June 30, 1998 (Gov. Msg. No. 372);

GREGORY R. GOMES, MERLE A.K. KELAI and TORU SUZUKI to the Stadium Authority, terms to expire June 30, 1997 (Gov. Msg. No. 375); and

SHIGETO HANDA, WAYNE MATSUMOTO and LARRY PRICE to the Stadium Authority, terms to expire June 30, 1998 (Gov. Msg. No. 375).

Signed by all members of the Committee except Senator Ikeda.

SCRep. 3297 Government Operations, Environmental Protection and Hawaiian Programs on S.R. No. 99

The purpose of this resolution is to request the Department of Hawaiian Home Lands to implement the recommendations made by the Auditor pursuant to Report No. 93-22, "Management and Financial Audit of the Department of Hawaiian Home Lands."

Your Committee finds that in the course of auditing the Department of Hawaiian Home Lands, the Auditor noted several deficiencies in the management and financial practices of the Department. As such, the Auditor made recommendations to correct these deficiencies in its report.

Your Committee also finds that the Department of Hawaiian Home Lands is not in accord with most of the assessments and recommendations of the Auditor and, therefore, has not implemented the majority of the recommendations.

Your Committee feels that these discrepancies between the Auditor's report and the Department's response warrant Senate attention. Therefore, your Committee has amended the measure to charge the Senate Committee on Government Operations, Environmental Protection and Hawaiian Programs with the responsibility to review the policies and procedures of the Department of Hawaiian Home Lands and to determine if the recommendations made by the Auditor are appropriate. Your Committee also has amended the title of this resolution to reflect these changes.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of S.R. No. 99, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 99, S.D. 1.

Signed by all members of the Committee.

SCRep. 3298 (Joint) Higher Education, Culture and Arts and Historic Preservation and Agriculture on H.C.R. No. 131

The purpose of this concurrent resolution is to request that the College of Tropical Agriculture and Human Resources of the University of Hawaii develop a project proposal to examine the nature of multiple-income farm family enterprises and the role these enterprises play in Hawaii's agricultural sector.

Your Committees find that Hawaii's agricultural sector is undergoing profound changes and there is a need for an examination of demographic changes of Hawaii's farming community, clarification of the motivations and patterns of resource allocation by multiple-income farm families, fostering the positive impact of multiple-income farm families on Hawaii's agriculture, and making recommendations to the State, counties, and the College of Tropical Agriculture and Human Resources for assisting multiple-income farm families.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Agriculture concur with the intent and purpose of H.C.R. No. 131, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3299 Science, Technology and Economic Development on H.C.R. No. 32

The purpose of this concurrent resolution is to request the Public Utilities Commission to initiate rulemaking proceedings to amend section 6-74-15(c), Hawaii Administrative Rules, regarding the negotiations between public utilities and non-utility generators involved in selling energy or capacity.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Consumer Advocate, Wailuku River Hydroelectric Power Co., and Hawaiian Sugar Planters' Association. The Public Utilities Commission and Hawaiian Electric Company expressed concerns about mandating the 120-day timeframe for decision-making by the Commission.

Upon further consideration of the testimony, your Committee agrees that the 120-day timeframe expressed in this concurrent resolution may be unreasonable. Your Committee, however, notes that this timeframe is only a guideline being suggested for consideration by the Commission, and the final timeframe, which may be longer than 120 days, should be decided through the rulemaking process.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of H.C.R. No. 32, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3300 Science, Technology and Economic Development on H.C.R. No. 293

The purpose of this concurrent resolution is to request that the Auditor, as part of its ongoing audit of the Department of Business, Economic Development, and Tourism, give specific emphasis to the Office of Space Industry.

Your Committee finds that the Legislature established the Office of Space Industry in 1988, to promote and develop space-related activities within the State. Your Committee further finds that a review of the Office's activities and the expenditures made in support of such activities is necessary to assist the Legislature in determining how best to proceed in this particular area of economic development.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, and the Sierra Club, Hawaii Chapter.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the WHEREAS clause indicating that the Department established the Office of Space Industry; and
- (2) Indicating that the resources expended by the Office be used for the purposes of economic diversification, rather than economic recovery.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of H.C.R. No. 293, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 293, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 3301 Science, Technology and Economic Development on H.C.R. No. 470

The purpose of this concurrent resolution is to urge the Department of Business, Economic Development, and Tourism, in conjunction with the Hawaii Center for Peace, to advocate Hawaii as a gathering place for peace.

Your Committee finds that as we move toward the concept of a global community, we must learn to better understand and work together with other cultures. Your Committee further finds that Hawaii's multicultural society can be used as a model for conflict resolution and commitment to peaceful coexistence.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Spark M. Matsunaga Institute for Peace, the Center for Primary Dispute Resolution, and the Hawaii Center for Peace.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of H.C.R. No. 470, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3302 Housing on H.C.R. No. 107

The purpose of this concurrent resolution is to request that the Auditor conduct a study of the potential advantages and disadvantages of establishing a Department of Housing that would incorporate the State's various housing functions into a single, cabinet level agency.

More specifically, the study is to include:

- (1) A description of the housing functions, powers, and duties performed by the Hawaii Housing Authority, the Housing Finance and Development Corporation, and the Hawaii Community Development Authority, and the impact of combining these three agencies into a single department;
- (2) An examination of any benefits of efficiency or effectiveness of making a single agency responsible for the State's housing functions, including a consideration of whether a single agency would be better able to formulate and implement state policies and objectives for housing management and community development, develop and implement strategies for expanding housing opportunities, conduct research, and maximize the use of fiscal resources;
- (3) A determination of whether any duplication of functions, powers, or duties exists among these agencies;
- (4) An examination of how cabinet status would affect housing functions; and
- (5) An examination of how other states manage their housing functions.

Your Committee finds that such a study is in order to determine whether the consolidation of housing services is appropriate and if resources can be more efficiently utilized.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 107 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3303 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 29

The purpose of this concurrent resolution is to request that the Departments of Health, Land and Natural Resources, Transportation, and Accounting and General Services and the county Departments of Public Works and Parks and

Recreation develop a statewide action plan to implement a green waste ban and to facilitate the development of a local green waste recycling industry.

Your Committee finds that green waste (leaves, garden residues, shrubbery and tree trimmings, grass trimmings, and similar material) comprises the largest single element (approximately twenty-four percent), and is the most easily separated material, in the State's waste stream.

Your Committee further finds that a green waste ban from disposal facilities would significantly extend existing landfill and incinerator capacity, improve the heat generating quality of H-POWER fuel, and provide a major stimulus to waste diversion program development.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 29 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3304 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 31

The purpose of this concurrent resolution is to request the Department of Health and the mayors and councils of each county to identify and obtain consensus on a full cost analysis methodology that can be used to assess solid waste management and source reduction programs under their respective jurisdictions.

Your Committee finds that many solid waste costs are hidden and extremely difficult to quantify under existing economic models, thus the full costs of solid waste disposal are often not included when assessing solid waste management costs. Your Committee believes that this concurrent resolution will help facilitate well-informed decision-making and long-range economic planning.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 31, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3305 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 48

The purpose of this concurrent resolution is to request that Hawaii's Congressional Delegation initiate and support legislation to ensure that all World War II Filipino veterans be granted benefits equal to all other veterans who served in the armed forces of the United States during that conflict.

At present, because of the passage of the First and Second Supplemental Surplus Appropriation Rescission Act of 1946, only those Filipino servicemen who served either in the United States Armed Forces or in the Philippine Scouts are eligible for veterans' benefits. However, numerous other Philippine units served with distinction, enduring combat, internment, and other hardships.

Your Committee believes that these veterans should not be forgotten. Just as the United States has seen fit to restore their right to citizenship by the Immigration Act of 1990, their hard-earned veterans benefits should also be honored. This measure is an affirmation of Hawaii's support for their cause.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 48 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3306 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 80

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to urge the United States Immigration and Naturalization Service to reassess its processing practices for applications for non-immigrant visas for visitors from Asia.

Your Committee finds that there has been a decline in visitor arrivals from the traditional tourist markets of the mainland, Canada, and Europe. Not surprisingly, serious economic consequences have accompanied this decline. To deal with this problem, it is important that Hawaii diversify into tourist markets in other parts of the world.

Potentially, the largest future market for Hawaii's tourist industry lies in South Korea, Taiwan, and the other emerging economies of Asia.

Hawaii is in a prime position to capitalize on this vast tourist market. However, your Committee finds that existing restrictions on non-immigrant visas for temporary visitors makes it difficult for prospective tourists to travel here from Asian countries.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 80, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3307 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 201

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to propose and support legislation assisting Amerasian children of United States servicemembers in the Philippines.

It is noted by your Committee that P.L. 97-359, also known as the Amerasian Immigration Act of 1982, was approved by Congress on October 22, 1982. This Act would allow children of American citizens from Thailand, Korea, Vietnam, Laos, and Kampuchea to emigrate to the United States under sponsorship of an American. Excluded, however, were the children of the Philippines.

It is also noted by your Committee that the American military presence in the Philippines has left an enduring legacy of more than 30,000 Amerasian children. Many of these children are sexually abused, living in poverty, treated as outcasts, and exploited in the Philippines.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 201, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3308 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 256

The purposes of this concurrent resolution are to request the City and County of Honolulu to:

- (1) Expedite the construction of the Mokuleia wastewater treatment works, the installation of sewers and sewage collection systems at Mokuleia, Waialua, Haleiwa, Pupukea-Sunset Beach, Kahuku, Laie, Hauula-Punaluu, and Kaaawa; and
- (2) Assess the feasibility of using the Kuilima wastewater treatment works to alleviate the wastewater treatment needs of the North Shore area of the island of Oahu.

Most communities on the North Shore are served by on-site, individual wastewater systems such as cesspools, septic tanks, and aerobic treatment systems. While current administrative rules do not allow the construction of cesspools, there are approximately 5,500 cesspools already existing on the North Shore. These systems frequently fail, which, in many instances, creates public health hazards. The continued use of cesspools in the North Shore area threatens our fresh groundwater sources and the water quality of our coastal waters.

At present, the practice of remedying complaints about cesspools through the enforcement of administrative rules is extremely time consuming and, in many cases, provides no solution except requiring the cessation of wastewater generation from the property. The City and County of Honolulu faces excessive demand for cesspool pumping, which has driven the costs charged by private pumpers up to around \$100.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 256, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3309 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 282

The purpose of this concurrent resolution is to encourage the United States and Japan to quickly resolve the trade negotiations between the two countries.

Your Committee finds that strong, friendly relations between Hawaii and Japan would be harmed if current trade relations are not expediently resolved. Therefore, your Committee is fully supportive of a timely resolution to this dispute.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 282, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3310 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 368

The purpose of this concurrent resolution is to request the Department of Health to conduct wastewater treatment education workshops with community organizations in windward Oahu communities.

Your Committee finds that several communities on the windward shore of Oahu utilize cesspools and septic tanks because access to modern sewage systems is unavailable. Your Committee also finds that the failure rates of these systems are relatively high, causing harm to the State's water quality and coastal areas. By conducting educational workshops on this subject, your Committee believes that more responsible utilization of these sewage systems will transpire.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 368, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3311 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 428

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to investigate ways in which Hawaii companies are disadvantaged when competing with companies from other jurisdictions for State contracts and enumerate the ways in which this uneven playing field can be corrected.

Your Committee finds that lower costs for labor, goods, and services on the U.S. mainland and internationally may preclude local companies from securing government work contracts. While competition for bid contracts is desirable, it is important to examine the specifications, qualifications, and rules that dictate the awarding of government bids to companies.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 428, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3312 Ways and Means on H.C.R. No. 347

The purpose of this concurrent resolution is to urge Hawaii's congressional delegation to oppose legislation that would lower the estate tax exemption under the Internal Revenue Code.

This concurrent resolution addresses the impending financial burden to families with appreciated real estate assets if Congress were to lower the estate tax exemption. The current estate tax exemption is \$600,000 which means the average fair market value of a home in Hawaii is well below the exemption limit and therefore, it is likely, no estate tax would be due upon the death of the owner based on simply the value of the home. If the estate tax exemption is lowered to \$200,000, then the average homeowner in Hawaii will be catapulted into the depths of estate tax liability. This is a burden that the majority of Hawaii's homeowners cannot afford and could not possibly have planned for considering the increased value of real estate in Hawaii over the last ten years compared to values on the mainland United States.

The lowering of the estate tax exemption will also affect farmers and small businesses, taking yet another bite out of the profit pie. Lowering the estate tax exemption to increase revenues to provide financing for health care reform or to reduce the federal deficit would be an inequitable way to treat those who would pay in the State of Hawaii.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. No. 347, H.D. 3, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3313 Ways and Means on H.C.R. No. 436

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to survey programs mandated by the federal government but funded in whole or in part by the State of Hawaii.

The survey would also include government programs funded by federal funds if those funds are scheduled to be reduced or discontinued, and programs no longer mandated but still supported by state funds. Your Committee finds that the increasing amount of federal mandates has become a threat to the fiscal well-being of the State, and that a survey of these programs is necessary to quantify the impact so that the State can devise a strategy for addressing the issue of federal mandates.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. No. 436, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 3314 Ways and Means on H.C.R. No. 437

The purpose of this concurrent resolution is to ask the Department of Accounting and General Services to prepare a plan to reduce the total amount of executive branch expenditures on the leasing of commercial office space. This plan shall start to show an expenditure reduction by ten per cent from fiscal year 1993-94 levels.

Your Committee finds that there are a number of state government offices which currently lease office space in the commercial market, including the Department of Business, Economic Development, and Tourism, Department of Human Services, and others. While there may not be enough office space in government buildings for all of these agency functions to be adequately housed, attempts are now being made to reduce the number of government workers. As this occurs, the state government may find itself spending more for commercial office space than is needed.

In addition to a downsizing of the government workforce, there is increased competition among commercial landlords for tenants as vacancy rates go up. It therefore behooves the state government to take steps now to develop a plan to reduce the total amount of executive branch expenditures on the leasing of commercial office space in order to ensure the most effective use of limited public funds.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. No. 437 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3315 (Majority) Ways and Means on H.C.R. No. 450

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the social impacts, and the Department of Business, Economic Development, and Tourism to study the economic impacts of shipboard gaming in Hawaii.

Specifically, the concurrent resolution requests:

- (1) The Legislative Reference Bureau (LRB) to study the social impacts of shipboard gaming within state-controlled waters, including the documented or perceived effects on crime rates and mental health incidence, as well as other social impacts of shipboard gaming in states where shipboard gaming has been legalized;
- (2) The Department of Business, Economic Development, and Tourism (DBEDT) to study the economic aspects of shipboard gaming within state-controlled waters, including ship building and operation opportunities for state residents, and the attraction of gaming to mainland and overseas visitors;
- (3) DBEDT to consult with local bank economists in conducting its study; and
- (4) LRB and DBEDT to review studies conducted by other states that have considered legislation providing for shipboard gaming, whether or not those states adopted some form of shipboard gaming.

Your Committee finds that shipboard gambling has been a much-debated topic in the State in recent years, and that various legislative proposals have been proposed to allow this and other forms of gambling. Your Committee further finds that serious questions concerning the consequences of gambling exist, and without the answers to these questions, the Legislature is unable to make an informed decision on the impact of shipboard gambling. Interest in the concept of state-sanctioned gambling appears likely to resurface. Your Committee hopes that the thorough study of the social and economic impacts of gambling as contemplated by the concurrent resolution will aid the Legislature in its future contemplations of this topic.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. No. 450 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 3316 Ways and Means on H.C.R. No. 478

The purpose of this concurrent resolution is to urge the Department of Accounting and General Services ("DAGS") to enter into a lease back/purchase option agreement in order to acquire a new state office building in Kapolei.

Kapolei is an area experiencing rapid population growth, and will continue to grow for the foreseeable future. To ensure the efficient delivery of needed government services, it will be necessary to have a variety of facilities owned or at least available for use by the State.

Your Committee finds that during these fiscally challenging times, the lease back/purchase option approach represents a refreshing public-private joint effort that aims to directly benefit the State. Such efforts should be applauded and encouraged.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. No. 478, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3317 Human Services on H.C.R. No. 262

The purpose of this concurrent resolution is to urge Hawaii's Congressional Delegation to support an amendment to the Social Security Act which would include Hawaii's cost of living allowance in the calculation of the Federal medical assistance percentage.

Your Committee finds that to include Hawaii's cost of living allowance in the calculation of the Federal medical assistance percentage would assist not only the Medicaid program, but AFDC, JOBS, and foster care programs as well. This can be accomplished only by an amendment to the Social Security Act.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 262, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 3318 Human Services on H.C.R. No. 375

The purpose of this concurrent resolution is to request the development of a child welfare services reform blueprint which will provide a model for Hawaii's child protective services for families where child abuse and neglect is suspected or has occurred. The concurrent resolution requests the Legislative Reference Bureau to work collaboratively with various organizations and agencies to ensure the development of a blueprint.

Your Committee finds that the existing evils of child abuse and neglect in Hawaii must be addressed with every effort and means available to this society. Your Committee also finds that the generational cycle of abusing parent, abused child; abusing parent, abused child, perpetuates increased crime rates, family and neighborhood violence and overburdens

society in terms of both financial and general welfare. In view of these findings, your Committee believes the establishment of a Child Welfare Services Reform Task Force to develop a forward looking blueprint for child welfare services reform for the next state administration and beyond is warranted.

Your Committee has amended this concurrent resolution to further identify the need for adequate solutions to the problem of child abuse and neglect and to designate those agencies, both public and private, who are called upon to undertake a collaborative effort for the eventual transformation of the blueprint from the vision and goal state to reality. Further amendments establish a task force which will develop the blueprint and report findings and recommendations to the Legislature in 1995. Finally, your Committee has amended the title of this concurrent resolution to reflect those changes.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 375, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 375, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 3319 Human Services on H.C.R. No. 477

The purpose of this concurrent resolution is to request the Auditor to study the reimbursement methodology for Waimano Training School and Hospital.

Your Committee finds that the operating costs for this facility are increasing while the population being served is decreasing. Consequently, as the population decreases so will the federal funds for its support, thereby causing a need for an increase in state funds to meet these costs of operation. Accordingly, there is a need to determine whether reimbursement rates under the state Medicaid program are reasonable, adequate, and in accordance with federal Medicaid requirements.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 477, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 3320 (Joint) Human Services and Health on H.C.R. No. 377

The purpose of this concurrent resolution is to request the Assisted Living Community Task Force to prepare recommendations and a report on proposed housing as developed from a conference held to explore assisted living housing for seniors.

Your Committees heard testimony in favor of this concurrent resolution from many government and private organizations which are concerned with housing and care for the elderly. There was a consensus that something needs to be done to explore options on the issues of housing and care for the elderly.

The Assisted Living Community Task Force was requested to include in its report possible adaptation of the assisted living demonstration project in Oregon, to explore the possibility of obtaining a Medicaid waiver for Hawaii similar to the one used by Oregon, to look at the regulations that govern care of the elderly and explore the possibility of self regulation for elderly care facilities.

Your Committees on Human Services and Health concur with the intent and purpose of H.C.R. No. 377, H.D. 1, and recommend its adoption.

Signed by all members of the Committees except Senator Reed.

SCRep. 3321 (Joint) Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management on H.C.R. No. 164

The purpose of this concurrent resolution is to request a study to determine the feasibility of establishing a hale kupuna in Kahana Valley State Park for residents qualified to participate in the Park's interpretive program.

Your Committees have amended this concurrent resolution by substituting the contents and title of this concurrent resolution with the contents and title of Senate Concurrent Resolution No. 123, S.D.1, with a few changes.

Your Committees find that there is a need to reevaluate the needs of the Kahana Valley residents and their laws so that the residents may have self-determination and control. Therefore, this concurrent resolution, as amended herein, requests the Department of Land and Natural Resources (DLNR) to establish rules and a plan with the Kahana Valley residents regarding their participation in the Ahupua'a O Kahana.

Specifically, the DLNR is requested to:

- (1) Identify and develop programs and projects to perpetuate the cultural, historical, geographical, botanical, and aquatic past of Kahana Valley; and
- (2) Identify the infrastructure needs and develop policies and rules for the building and rehabilitation of residential homes for the Kahana Valley residents;

- (3) Determine the specific kinds of financial assistance provided for the Kahana Valley residents in exchange for their providing interpretive cultural activities;
- (4) Recognize participation of residents as a key component;
- (5) Recognize relocation of residents as a key component; and
- (6) Include the construction of a hale kupuna for older residents.

In addition to the above plan, the DLNR is requested to review the laws and other rules affecting the residents of Kahana Valley in order to present the Legislature with a system and process which would provide freedom from a "park" concept.

Your Committees on Higher Education, Culture and Arts and Historic Preservation and Planning, Land and Water Use Management concur with the intent and purpose of H.C.R. No. 164, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 164, H.D. 1, S.D. 1.

Signed by all members of the Committees.

SCRep. 3322 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Planning, Land and Water Use Management on H.C.R. No. 379

The purpose of this concurrent resolution is to emphasize the importance of protecting the State's coral reef ecosystem.

Your Committees find that coral reefs are vital economic resources for Hawaii, providing the bases for subsistence, commercial fisheries, and marine tourism, as well as the physical protection of the shorelines and coastal areas.

Your Committees further find that the enemies of coral reefs, including nutrients, silt, and organic matter from agriculture; inadequately-treated sewage effluent; chemical pollution from industrial and farm operations; oil spills; pollution from commercial ships and fishing boats; ocean dumping of waste; overfishing and destructive fishing practices; coral mining; and collisions of ocean vessels and grounding of vessels are causing substantial rates of coral death and reef habitat loss.

Your Committees recognize that due to its geographic isolation and coastal economic focus, Hawaii is particularly vulnerable to the threats of marine pollution, species extinction, resource depletion, and economic hardship associated with coral reef degradation.

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. 379 and recommend its adoption.

Signed by all members of the Committees except Senator Holt.

SCRep. 3323 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Legislative Management on H.C.R. No. 454

The purpose of this concurrent resolution is to request the Governor, the President of the Senate, and the Speaker of the House to convene a steering committee to develop "benchmarks" for a strategic vision for the State of Hawaii.

Your Committees find that convening such a committee would facilitate a more rapid response to the changing needs of citizens from their government and put the State further down the path of "reinventing government."

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Legislative Management concur with the intent and purpose of H.C.R. No. 454, H.D. 2, and recommends its adoption.

Signed by all members of the Committees.

SCRep. 3324 Judiciary on S.R. No. 100

The purpose of this resolution is to request the Judiciary to take appropriate action to comply with the recommendations of the Auditor as published in Report No. 93-21.

Your Committee believes that the Traffic Violations Bureau is but a small part of the Judiciary and that a clearer, overall understanding of the management and allocation of resources is necessary to help the Judiciary meet the needs of the public.

Your Committee therefore changed the title of the resolution to read:

"REQUESTING INTERIM PUBLIC HEARINGS REGARDING THE JUDICIARY'S MANAGEMENT AND ALLOCATION OF RESOURCES AND ITS ABILITY TO MEET THE NEEDS OF THE PUBLIC."

Your Committee therefore amended the resolution to request that the Senate Judiciary Committee conduct interim public hearings for the purpose of providing the Senate with a structure for a careful appraisal and review of the Judiciary's problems, needs, and future goals, including the Family Court and the Traffic Violations Bureau.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 100, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 100, S.D. 1.

Signed by all members of the Committee except Senators Koki and Reed.

SCRep. 3325 Agriculture on S.R. No. 119

The purpose of this Senate Resolution is to request a management audit of the Department of Agriculture's Marketing Division on the Big Island to determine whether current personnel resources can be better allocated to support and assist the farming community.

Your Committee finds that there is an unprecedented transition within the agricultural industry and that a vastly different infrastructure, technology, and marketing scheme is necessary to develop the production of diversified crops. Your Committee further finds that the challenge of expanding the State's diversified agriculture base should be met by the Department of Agriculture with assistance from the Senate Committee on Agriculture.

Accordingly, your Committee has amended the title and substance of this Senate Resolution to provide a mechanism for the examination of current concern and emerging issues for agribusiness through appropriate meetings and research relative to existing Hawaii statutes as compared to the mission and organization of the Department of Agriculture in other states.

Your Committee on Agriculture concurs with the intent and purpose of S.R. No. 119, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 119, S.D. 1.

Signed by all members of the Committee.

SCRep. 3326 Consumer Protection on H.C.R. No. 378

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study and report to the 1995 Regular Session of the Legislature on the feasibility of allowing optometrists to use therapeutic pharmaceutical agents.

The Bureau will work with representatives of the Hawaii Ophthalmological Society and the Hawaii Optometric Association and examine the experience of other states that grant such authority. The Insurance Commissioner will participate by obtaining data and opinions from the insurance industry, and the Board of Medical Examiners will provide information and data on licensing/education requirements and the extent to which such authority is granted in related fields.

Currently all fifty states allow optometrists to use diagnostic pharmaceutical agents, and thirty-seven allow them to use therapeutic pharmaceutical agents.

Your Committee finds that allowing optometrists to use therapeutic pharmaceutical agents will facilitate reciprocal licensing agreements with many other states. Since significant data is available, this study will provide information necessary to determine whether or not Hawaii's licensing laws should be amended.

Your Committee on Consumer Protection concurs with the intent and purpose of H.C.R. No. 378, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3327 (Joint) Human Services and Education on H.C.R. No. 21

The purpose of this concurrent resolution is to assist in creating a statewide framework for early childhood education and care.

Your Committees find that many children under the age of five are not prepared for kindergarten because of a lack of early education programs. Your Committees further find that a public/private partnership study group comprised of the Hawaii Business Roundtable, the Hawaii Community Foundation and the Governor's Office of Children and Youth identified various financing mechanisms, both public and private, which could be developed and used to create a statewide program for early education and care.

Testimony in support of this measure was submitted by the Governor's Office of Children and Youth, and the Hawaii Community Foundation. The testimony indicated that the recently appointed Hawaii Early Education and Care Coordinating Committee attached to the Governor's Office of Children and Youth will be building upon the work of the public/private study group. The testimony further indicated that the Committee will be using the recommendations of the study group reflected in its report, "Highlights of Early Childhood Education and Care in Hawaii" in developing an implementation plan as well as implementing those recommendations for which funds are available.

Your Committees have amended this concurrent resolution by:

- (1) Requesting status reports to be submitted to the Legislature prior to the 1995 and 1996 Regular Sessions, including suggested legislation necessary to implement the early childhood education and care system framework; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committees on Human Services and Education concur with the intent and purpose of H.C.R. No. 21, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 21, H.D. 1., S.D. 1.

Signed by all members of the Committees.

SCRep. 3328 Education on H.C.R. No. 97

The purpose of this concurrent resolution is to request an evaluation by the Board of Education of physical education activities in the public schools prior to the development of a comprehensive physical education program.

Your Committee finds that physical education programs contribute to the education of our children by teaching them how to develop a healthy lifestyle and work together as a team. Your Committee further finds that there should be a comprehensive physical education curriculum beginning in the elementary schools, so that students can work toward developing both their minds and bodies.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 97, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3329 (Joint) Education and Higher Education, Culture and Arts and Historic Preservation on H.C.R. No. 312

The purpose of this concurrent resolution is to request the establishment of a Hawaiian language and culture curriculum at Hauula Elementary School on Oahu and at Waimea High School on Kauai.

Your Committees find that the Hawaiian language is a critical component to the preservation of the native Hawaiian culture, and should be made available at schools with large enrollments of students with native Hawaiian heritage. Your Committees further find that the University of Hawaii accepts Hawaiian language as a college preparatory course which can be used during a student's post-secondary education.

Your Committees on Education and Higher Education, Culture and Arts and Historic Preservation concur with the intent and purpose of H.C.R. No. 312, H.D. 2, and recommend its adoption.

Signed by all members of the Committees except Senator Solomon.

SCRep. 3330 Education on H.C.R. No. 461

The purpose of this concurrent resolution is to urge the Department of Education to study ways of expanding the use of closed-captioning in educational and commercial programming.

Your Committee finds that captioned television can be used as an educational tool for teaching English to non-English speakers, as well as improving the reading skills of children and adults. Your Committee further finds that the expansion of captioned television to include open-captioning would be a relatively inexpensive method to provide additional educational resources in the classrooms.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 461, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3331 Ways and Means on H.C.R. No. 17

The purpose of this concurrent resolution is to urge Hawaii's congressional delegation to support federal legislation which would require military installations in Hawaii to purchase cigarettes locally and therefore be subject to the Hawaii state cigarette tax.

Current federal law requires that alcoholic beverages for military installations be purchased in such a manner that effectively subjects them to the state liquor tax. This concurrent resolution requests Hawaii's congressional delegation to support federal legislation that would subject the 20,000,000 packs of cigarettes sold annually in Hawaii, through military exchanges, to the state cigarette tax. Such an enactment would result in the realization of close to \$10,000,000 in state cigarette tax revenue.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. No. 17 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3332 (Joint) Transportation and Human Services on H.C.R. No. 301

The purpose of this concurrent resolution is to request fact-finding studies to determine the feasibility of alternative or improved transportation modes geared specifically towards senior citizens and persons with disabilities.

Your Committees find that senior citizens and persons with disabilities experience problems commuting to the sites of various services or programs of benefit to them. Your Committees further find that each county provides transportation in a different manner and at different levels of service for people with disabilities. However, under federal law, the Americans with Disabilities Act sets forth regulations for compliance by the states.

Your Committees believe there is a need for the Executive Office on Aging to review each county's transportation services for senior citizens and persons with disabilities, and for the State Commission on Persons with Disabilities to review and assess the range of services available in each county to determine the feasibility of alternative or improved transportation modes. This will ensure that the State is in compliance with the Americans with Disabilities Act.

Your Committees on Transportation and Human Services concur with the intent and purpose of H.C.R. No. 301, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3333 Transportation on H.C.R. No. 102

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to implement a statewide program to educate the public concerning the dangers to all persons who ride in the cargo areas of pickup trucks.

Your Committee has amended this concurrent resolution and the title by deleting its contents and substituting language from Senate Concurrent Resolution No. 280, S.D. 1, to request the DOT to contract with the University of Hawaii to provide motorcycle education courses on the neighbor islands.

Your Committee finds that motorcycle education courses, such as those approved by the Motorcycle Safety Foundation, are approved by the DOT and offered on Oahu but not on the neighbor islands.

Your Committee finds that motorcycle education courses provide license applicants with the necessary skills to pass the licensing exam and will promote traffic safety for all those who use public roads and highways. Your Committee further finds that the neighbor island applicants should be afforded the same benefit as those applicants on Oahu who take the courses and the examination.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 102, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 102, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 3334 Transportation on H.C.R. No. 335

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to name the Interstate H-3 Tunnel in honor of Highway Administrator Tetsuo Harano.

Your Committee has deleted the contents of this concurrent resolution and replaced its contents and title with Senate Concurrent Resolution No. 56, which requests the State Department of Transportation to name the "Haleiwa Bypass" in honor of the late Representative Joseph P. Leong.

Your Committee finds that Representative Leong has served the Hawaiian people for more than fifty years and has been the person most responsible for the legislative appropriation for the plans, design, and construction of the Haleiwa Bypass. Furthermore, your Committee finds that "Uncle Joe" has sponsored critical legislation which has provided extensive benefits to the community.

Because Representative Leong's long-time dream of the Haleiwa Bypass is near completion, your Committee finds that he should be honored and memorialized by naming the bypass after him.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 335, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 335, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 3335 Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 5

The purpose of this concurrent resolution is to request the United States Department of Defense to evaluate its current facilities in Okinawa and to return land not directly needed for military purposes.

Your Committee finds that the necessity for a strong United States military presence in Okinawa has diminished with the proliferation of international peace initiatives in the Asia-Pacific region. Your Committee believes that it is an appropriate juncture in time to consider the conveyance of lands occupied by the United States military back to the Okinawa Prefecture.

While maintaining the basic intent of the measure, your Committee has amended its title and body to request that President Clinton accelerate plans for the return of United States military-occupied lands in Okinawa to the prefectural government.

Your Committee on Government Operations, Environmental Protection and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 5, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 5, S.D. 1.

Signed by all members of the Committee except Senator Reed.

SCRep. 3336 (Joint) Government Operations, Environmental Protection and Hawaiian Programs, and Education on H.C.R. No. 196

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs to convene a conference of early childhood education and child care agencies and other organizations that serve native Hawaiians and Hawaiians.

Your Committees find that education contributes significantly to the long-term physical, sociological, psychological, and economic well-being of native Hawaiians and Hawaiians and the success of early educational efforts in the Hawaiian community, including quality child care, is pivotal in the effort to better the conditions of native Hawaiians and Hawaiians.

Your Committees have amended the measure by replacing all references to the Office of Hawaiian Affairs with the Hui 'Imi Task Force since the Hui 'Imi Task Force encompasses a broader spectrum of service providers for native Hawaiians and Hawaiians. Your Committees have also added language to:

- (1) Clarify the purpose of convening the conference;
- (2) Add the Office of Hawaiian Affairs, the Queen Lili'uokalani Children's Center, and Hawaiian institutional organizations of the Hui 'Imi Task Force serving native Hawaiians and Hawaiians to the list of those from whom assistance and support should be sought; and
- (3) Specify that the individual groups represented at the conference should share in the conference costs on a matching, dollar-for-dollar basis.

Your Committees have also made technical amendments which have no substantive effect.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs, and Education concur with the intent and purpose of H.C.R. No. 196, H.D. 2, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 196, H.D. 2, S.D. 1.

Signed by all members of the Committees except Senators Grauly and Kanno.

SCRep. 3337 (Joint) Government Operations, Environmental Protection and Hawaiian Programs and Legislative Management on H.C.R. No. 215

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to undertake a study to determine the most cost effective options the Legislature may use to develop a separate communication and information system which meets its needs as an independent arm of state government.

Your Committees find that forty states and territories, including Hawaii, have direct representation in Washington, D.C. However, the representation currently received by the State of Hawaii was established by and for the Office of the Governor in 1991 and serves as the Governor's "eyes and ears."

If the Legislature is to remain an independent arm of state government, it may be necessary for the Legislature to maintain its own communication and information function, especially since there may be times when legislative and administrative priorities may differ. Your Committees find that other state legislatures have already established such representation in the nation's Capitol.

It is your Committees' hope that through the adoption of this measure, the Legislature will be able to analyze what other state legislatures have done and explore all possible options in establishing its own communication "pipeline" with the federal government.

Your Committees on Government Operations, Environmental Protection and Hawaiian Programs and Legislative Management concur with the intent and purpose of H.C.R. No. 215 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3338 Tourism and Recreation on H.C.R. No. 276

The purpose of this concurrent resolution is to request the Convention Center Authority and the Hawaii Visitors Bureau to develop a marketing plan for the Hawaii Convention Center.

Your Committee finds that a preliminary marketing plan for the Hawaii Convention Center is currently being developed by the Hawaii Visitors Bureau and the Department of Business, Economic Development, and Tourism in conjunction with the Hawaii Hotel Association, the Hawaii Convention Park Council, and the Convention Center Advisory Committee.

Testimony in support of this measure was submitted by the Convention Center Authority, the Hawaii Visitors Bureau, and the Hawaii Watercolor Society.

Your Committee on Tourism and Recreation concurs with the intent and purpose of H.C.R. No. 276 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3339 Tourism and Recreation on H.C.R. No. 372

The purpose of this concurrent resolution is to request the Executive Committee of the Board of Directors of the Hawaii Visitors Bureau to consider reviewing the duties of its president and senior vice-president for marketing.

Your Committee finds that a recent state audit recommended that the Hawaii Visitors Bureau needs to review its internal organizational structure. Your Committee further finds that such a review could improve the efficiency and effectiveness of the Bureau's operations through the consolidation and reallocation of functions.

Testimony supporting the intent of this measure was submitted by the Hawaii Visitors Bureau.

Your Committee on Tourism and Recreation concurs with the intent and purpose of H.C.R. No. 372, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 3340 (Joint) Tourism and Recreation and Government Operations, Environmental Protection and Hawaiian Programs on H.C.R. No. 452

The purpose of this concurrent resolution is to request the immediate review and reversal of the decision to postpone permanent approval of the Japan Air Lines air route between Sendai City, Japan and Honolulu.

Your Committees find that the continued availability of passenger seats from Japan is critical to the continued growth of our State's economy. Your Committees further find that the Sendai City-Honolulu route represents \$20 million per year in new visitor expenditures to Hawaii.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the Department of Transportation.

Your Committees on Tourism and Recreation and Government Operations, Environmental Protection and Hawaiian Programs concur with the intent and purpose of H.C.R. No. 452, H.D. 2, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 3341 (Joint) Consumer Protection and Judiciary on H.C.R. No. 103

The purpose of this concurrent resolution is to request the City and County of Honolulu to promptly enact and aggressively enforce an ordinance regulating non-profit sidewalk vendors in Waikiki.

Your Committees find that vendors of T-shirts and other goods who target tourist on the sidewalks of Kalakaua Avenue in Waikiki are obstructing pedestrian traffic and preventing free passage in the area. Your Committees further find that the presence of stands, carts, tables and large boxes of merchandise block the walkways and force pedestrians to step into the street or maneuver around these obstructions thereby endangering the health, safety, and welfare of both residents and tourists alike.

Your Committees also find that the Departments of the Attorney General and Taxation should assist in efforts to eliminate the dangers resulting from sidewalk vending activities.

Your Committees on Consumer Protection and Judiciary concur with the intent and purpose of H.C.R. No. 103, H.D. 1, and recommend its adoption.

Signed by all members of the Committees.

LCRep. 3342 Executive Appointments on Gov. Msg. No. 378

Recommending that the Senate advise and consent to the nominations of ROBERT G. GIRALD and DAVID A. NOBRIGA to the Commission on Water Resource Management, terms to expire June 30, 1997.

Signed by all members of the Committee except Senator Fukunaga.

LCRep. 3343 (Majority) Executive Appointments on Gov. Msg. No. 358

Recommending that the Senate advise and consent to the nomination of BERT M. TOMASU to the Hawaii Labor Relations Board, term to expire June 30, 2000.

Signed by all members of the Committee.
Senators Kobayashi, A. and Nakasato did not concur.

LCRep. 3344 Executive Appointments on Gov. Msg. No. 358

Recommending that the Senate advise and consent to the nomination of RUSSELL TADAO HIGA to the Hawaii Labor Relations Board, term to expire June 30, 2000.

Signed by all members of the Committee.

LCRep. 3345 Executive Appointments on Gov. Msg. No. 365

Recommending that the Senate advise and consent to the nomination of CHRISTOPHER J. YUEN to the Board of Land and Natural Resources, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3346 Executive Appointments on Gov. Msg. No. 392

Recommending that the Senate advise and consent to the nominations of the following to the Kaneohe Bay Regional Council:

LYNN LEE, term to expire June 30, 1996; and

DAVID JARRETT GRUPEN, term to expire June 30, 1998.

Signed by all members of the Committee.

LCRep. 3347 Executive Appointments on Gov. Msg. Nos. 394 and 395

Recommending that the Senate advise and consent to the nominations of the following:

FRANKLIN I. HAYASHIDA to the Board of Directors, Research Corporation, University of Hawaii, term to expire June 30, 1997 (Gov. Msg. No. 394); and

ALLEN Y. KAJIOKA to the Land Use Commission, term to expire June 30, 1998 (Gov. Msg. No. 395).

Signed by all members of the Committee.

LCRep. 3348 Executive Appointments on Gov. Msg. No. 407

Recommending that the Senate advise and consent to the nomination of JOHN M. HARA to the State Foundation on Culture and the Arts, term to expire June 30, 1998.

Signed by all members of the Committee.

SCRep. 3349 Ways and Means on H.B. No. 2005

The purpose of this bill is to modify or clarify certain provisions of the rental housing trust fund law to ensure that the law conforms with other relevant statutes.

Specifically, this bill amends the definition of "nonprofit organization" to conform with federal law; allows the commission to set the funding limit for agency expenses; permits the funding of nonprofit housing capacity building grants; clarifies the commission's membership; allows the hiring of consultants and staff; and appropriates moneys for commission expenses. Your Committee finds that the bill will enable the commission to carry out the purposes of the rental housing trust fund law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2005, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3350 Ways and Means on H.B. No. 2622

The purpose of this bill is to extend the deadline to enter into long-term leases with native Hawaiian residents of Kalapana displaced by volcanic eruptions.

Under Act 314, Session Laws of Hawaii 1991, as amended by Act 172, Session Laws of Hawaii 1993, the authority of the Department of Land and Natural Resources to enter into such leases is scheduled to terminate on December 31, 1994. Your Committee, however, finds that additional time is necessary for the department to complete the construction of the Kikala-Keokea homestead area, which will eventually house the displaced persons, as well as to negotiate and enter into lease arrangements with former Kalapana residents. This bill provides the necessary time by extending the deadline a year to December 31, 1995.

Your Committee further finds that the new Kikala-Keokea area will allow the former Kalapana residents to continue as a unique Hawaiian community pursuing a traditional way of life. Your Committee believes that such assistance serves to fulfill the State's obligation under the State Constitution to reaffirm and protect the cultural and subsistence rights of native Hawaiians.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2622, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3351 Ways and Means on H.B. No. 3055

The purpose of this bill is to extend tuition waivers at the University of Hawaii for veterans until June 2004, and expand the types of veterans to whom the waivers apply.

This bill expands the tuition waiver program for veterans specifically to include veterans who served in a campaign or expedition for which a campaign or expeditionary medal was authorized. The bill also includes veterans who served in Lebanon, Grenada, Panama, and Southwest Asia in the Desert Shield/Storm campaigns.

Granting tuition waivers for veterans is one way for this State to show its appreciation to those men and women who served their country and found on their return, a need to upgrade their skills or complete their education. Further, there is no reason for the tuition waiver program to exclude those who served in the military actions that occurred subsequent to the Vietnam War. By broadening the criteria for eligibility, this bill places the emphasis in the appropriate place, namely military service in a campaign or expedition, rather than service in a particular time and place.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3055, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3352 Ways and Means on H.B. No. 3140

The purpose of this bill is to increase the aggregate principal amount of bonds that the Hawaii community development authority may issue for district improvement programs from \$30,000,000 to \$60,000,000.

Under section 206E-6, Hawaii Revised Statutes, whenever any public facility is undertaken as part of a district-wide improvement program, the Hawaii community development authority is required to assess the real property in the community development district specially benefiting from the public facility. To assist real property owners in financing their share of the assessment for the public facility improvements, the Hawaii community development authority is authorized to issue tax-exempt bonds.

Your Committee finds that, by increasing the aggregate amount of bonds that may be issued, this bill will permit the Hawaii community development authority to continue to offer financial assistance to property owners affected by district-wide improvement programs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3140 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3353 Ways and Means on H.B. No. 3147

The purpose of this bill is to exempt two funds, the housing loan program revenue bond fund and the housing project bond special fund, from the deduction otherwise required from special funds for central service expenses.

Your Committee finds that the five per cent central services deduction will significantly hamper the ability of these two funds to serve their purposes. These funds are used to pay the operating expenses and the obligations of the Hula Mae single-family and multi-family rental programs of the housing finance and development corporation. Almost all of the revenue deposited in the funds is used to pay for expenses, and the remainder is deposited into reserve funds and are pledged for the repayment of the bonds issued. Reduction of the funds will have a direct negative impact on these programs, as mortgage interest and rental rates would have to be increased to cover this assessment.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3147 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Solomon.

SCRep. 3354 Ways and Means on H.B. No. 3152

The purpose of this bill is to improve the appraisal process for improvements, crops, and aquacultural stocks on Hawaiian home lands when a homestead lease is terminated, cancelled, or surrendered.

Present law requires three appraisers to value the improvements, crops, and aquacultural stock so that the value of these items can be paid to the former lessee or the family or legal representative of a deceased lessee. This process is a lengthy one.

Your Committee finds that this bill would improve the process by establishing three alternative methods of appraisal: by an expert hired by the Department of Hawaiian Home Lands, by a disinterested expert hired by the department and the other party, or by a method using up to three disinterested appraisers. The flexibility offered by these alternatives will expedite the process, to the benefit of both lessees and the department.

This bill also permits the department to make the appraisal if a lessee abandons a tract. Your Committee finds that this provision will make better use of homestead lots, which are in great demand.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3152 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3355 Ways and Means on H.B. No. 3157

The purpose of this bill is to eliminate the requirement for the Director of Human Services to make a separate annual report to the legislature regarding the nursing home without walls program.

The nursing home without walls program began as a demonstration project in 1983, and, having proved its cost effectiveness, is now a permanent program. The program provides services to recipients living in the community at a cost lower than institutional care. The Department of Human Services will include information on the nursing home without walls program in its overall departmental annual report to the legislature.

Your Committee finds that there is no particular reason for a separate annual report to be prepared and submitted for a permanent program. From the standpoint of both efficiency and economy, inclusion of the nursing home without walls program in the department's annual report is appropriate.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3157 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3356 Ways and Means on H.B. No. 3332

The purpose of this bill is to clarify the powers of the state post-secondary education commission ("commission") in relation to the requirements under the federal Higher Education Amendments of 1992.

Under present state law, the commission has the power to cooperate with the federal government in order to allow institutions of higher education in this State to receive federal funds under the Higher Education Act of 1965, as amended. This power of cooperation, as presently drafted, could be construed as being limited merely to administering the receipt and disbursement of funds, i.e., acting as a funnel for federal funds.

The Higher Education Act of 1965 was amended by the Higher Education Amendments of 1992. Under the 1992 amendments, institutions of higher education in any state may continue to receive or become eligible to receive Title IV student financial assistance; provided the State enters into an agreement with the Secretary of Education to perform two duties. One duty is for the State to name an agency as the contact point for the Secretary. The other is for the State to develop its own review standards, and then conduct or coordinate reviews of both new institutions wishing to participate in Title IV programs and participating institutions that meet certain federal criteria for review under those state standards. These federal criteria as well as the contemplated state review standards relate to educational quality and integrity, and fiscal and administrative soundness.

Your Committee understands that the governor has already entered into the agreement with the Secretary and has designated the state post-secondary education commission as the contact point for the Secretary. Your Committee also understands that it is imperative that clarifying language regarding the review and oversight functions of the commission be enacted this year at the latest. Otherwise, among other things, receipt by local students of the roughly \$300,000 of annual state student incentive grants may be terminated by the federal government.

This bill expressly authorizes the commission to cooperate with the federal government in order to carry out the purposes of Title IV, Part H, Subpart 1, of the Higher Education Amendments of 1965, as amended by the Higher Education Amendments of 1992. In particular, this bill authorizes the commission to establish appropriate review standards for determining the eligibility of institutions of higher education in the State to receive Title IV student financial assistance funds. It also authorizes the commission to conduct or coordinate the reviews of the institutions.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3332 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3357 Ways and Means on H.B. No. 3463

The purpose of this bill is to transfer certain employees and functions of the Department of Defense to the Department of Public Safety.

Your Committee finds that, in accordance with Act 211, Session Laws of Hawaii 1989, the Director of Public Safety conducted a study to identify those employees and programs in other departments performing functions and duties that fell within the scope of the responsibilities of the Department of Public Safety. Most of the employees and programs identified in the report have since been transferred to the Department of Public Safety. This bill transfers the employees and programs that, thus far, have not been reassigned.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3463, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3358 Ways and Means on H.B. No. 3464

The purpose of this bill is to increase the membership of the correctional industries advisory committee from seven to nine members.

Your Committee finds that the current size of the advisory committee limits the range of expertise available to the Department of Public Safety. Your Committee believes that this bill is necessary in order for the department to receive broad-based input from all segments of the community, especially in light of the recent tremendous expansion of the correctional industries program.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3464, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Solomon.

SCRep. 3359 Ways and Means on H.B. No. 3468

The purpose of this bill is to establish the correctional program revolving fund, which is to be expended at the discretion of the Director of Public Safety for the purpose of offsetting the cost of providing programs for inmates.

Specifically, this bill:

- (1) Allows the Director of Public Safety to charge any committed or detained person a fee for participation in a correctional program, subject to the condition that no person shall be denied access to a program because of the person's inability to pay the fee;
- (2) Requires the fee to be reasonably related to the actual cost of providing a program, but allows the fee to be reduced, in whole or in part, at the discretion of the Director of Public Safety, if the director finds that a person is unable to pay the entire fee;
- (3) Requires the correctional program revolving fund to consist of funds derived from the abovementioned fees, and all fees collected pursuant to this measure to be deposited in the correctional program revolving fund;
- (4) Requires the Director of Public Safety to submit an annual report on the status of the correctional program revolving fund to the legislature at least twenty days prior to the convening of each regular session of the legislature, and specifies the minimum contents of the annual report; and
- (5) Allows the Director of Public Safety to include the annual report on the status of the correctional program revolving fund in the director's annual report to the legislature and the governor.

Your Committee finds that funding for correctional programs and services is, and will continue to be, limited because of competing demands for scarce state revenues. The establishment of the correctional program revolving fund will help the Department of Public Safety to provide meaningful programs and services that:

- (1) Assist inmates to become successful in the community after their release;
- (2) Help to reduce the cost of incarceration by enabling selected, qualified offenders to reside in the community while being adequately monitored; and
- (3) Enable offenders to provide community service.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3468, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3360 Ways and Means on H.B. No. 3473

The purpose of this bill is to appropriate \$993,249.41 to compensate certain persons or their providers of services, as determined by the criminal injuries compensation commission.

Your Committee finds that, under state law, the criminal injuries compensation commission is charged with determining the appropriate compensation of applicants who: are victims of certain crimes; have suffered loss or incurred hospital, medical, funeral, or burial expenses as a result of a victim's injury or death; or are dependents of a deceased victim. Your Committee believes it is just and fair to provide compensation for such persons.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3473, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3361 Ways and Means on H.B. No. 3550

The purpose of this bill is to extend to July 1, 1994, the use tax exemption for marine oil spill clean-up equipment brought into the State during the period from July 1, 1993 to July 1, 1994.

Section 1 of Act 184, Session Laws of Hawaii 1992, enacted a new section in the use tax law identical to the section set out in this bill. The exemption enacted in Act 184 was also repealed on June 30, 1993. It was intended to exempt from the use tax certain oil pollution fighting equipment brought into the State. Due to uncontrollable delays some of the essential equipment for this environmental emergency response team was delivered after the expiration of the exemption provided by Act 184. This bill effectively accomplishes the intent of the original exemption by re-establishing the

exemption retroactively to the repeal date of the original law, and extending it for one year to include the equipment that arrived in the State during the last year.

Your Committee is in agreement with the report from your Committee on Government Operations, Environmental Protection and Hawaiian Programs and finds that granting the exemption for this equipment will help protect against environmental damage caused by catastrophic oil spills.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3550 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 3362 Ways and Means on H.B. No. 3716

The purpose of this bill is to allow a county central coordinating agency to schedule a single joint public hearing when multi-government permits for land development projects require a public hearing.

In addition, this bill:

- (1) Allows all state and county departments, divisions, agencies, and commissions, with control or regulatory or advisory powers over land development projects in any county of the State, to enter into memoranda of understanding for the purpose of promoting joint processing of public hearings; and
- (2) Requires county departments and agencies, subject to ordinances enacted by the county councils, to consult with the designated central coordinating agency of each county and to adopt rules establishing the order in which multiple permits take precedence, and setting the conditions under which the joint public hearing is to be held and the time periods within which the hearing and action for multiple permit processing is to occur.

Your Committee finds that it takes an inordinate amount of time to process land development projects in Hawaii because multiple permits from state and county commissions and agencies often require separate, multiple public hearings. Your Committee believes that scheduling and coordinating single joint public hearings, when multiple permits from state or county commissions or agencies require public hearings, will help to decrease the time and effort needed to process land development projects and, consequently, the costs of implementing these projects--which are eventually passed on to taxpayers or consumers.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 3716, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

LCRep. 3363 Executive Appointments on Gov. Msg. No. 365

Recommending that the Senate advise and consent to the nomination of LIBERT K. LANDGRAF to the Board of Land and Natural Resources, term to expire June 30, 1998.

Signed by all members of the Committee except Senator Ikeda.

SCRep. 3364 Ways and Means on H.C.R. No. 156

The purpose of this concurrent resolution is to request the Department of Education to enter into a lease purchase agreement by September 1994 for the acquisition of a new elementary school in Kihei, Maui.

This concurrent resolution also requests the Department of Education to submit a copy of the lease purchase agreement to the legislature before the convening of the regular session of 1995.

Your Committee finds that this lease-and-purchase arrangement will test the efficiency and expeditiousness of a mechanism that is intended to allow the State to construct and deliver much needed classrooms and school facilities with the assistance of the private sector. Your Committee believes that this kind of public-private effort should be applauded and encouraged, especially where the effort will directly benefit education.

Your Committee on Ways and Means concurs with the intent and purpose of H.C.R. No. 156, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Hagino.